



September 03, 2020

To,  
BSE Limited  
Phirozee Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 411 001

To,  
National Stock Exchange of India Limited  
Exchange Plaza, C/1, G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400051

Symbol: 533156

Scrip Code: VASCONEQ

Kind Attn: The Manager  
Department of Corporate Services

Kind Attn: The Manager,  
Listing Department

Dear Sir/Madam,

**Sub: Notice of Annual General Meeting and Annual Report for Financial Year 2019-20**

Please refer to our letter dated August 28, 2020 intimating that the 35<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Tuesday, September 29, 2020 at 11:30 AM (IST) through Video Conferencing.

In continuation to the aforesaid letter, and pursuant to Section 108 of the Companies Act, 2013 and Regulations 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

1. Notice of the 35<sup>th</sup> Annual General Meeting (including e-voting instructions)
2. Annual Report for Financial Year 2019-20

The aforesaid documents are available on the website of the Company at <https://www.vascon.com/investors/annual-reports> and the same has been dispatched today i.e. September 03, 2020 to all eligible shareholders whose email IDs are registered with the Company/Depositories.

This is for your information and records.

Thanking you,

**For Vascon Engineers Limited**

**Vibhuti Dani**  
**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

EPC | INDUSTRIAL | RESIDENTIAL | COMMERCIAL | IT PARKS | INSTITUTES | CLEAN ROOM SOLUTIONS

*This document is signed electronically*



VASCON

YOUR HOME IS  
WHAT YOU CAN COUNT ON FOR  
**HEALTHY AND SAFE LIVING**



35<sup>TH</sup> ANNUAL REPORT 2019-20



**VASCON**

**Vascon Engineers Limited**

**Contents of Annual Report**

Company Information .....	2
Chairman's Speech .....	3
Report of Board of Directors along with Annexures.....	4
Report on Corporate Governance .....	31
Management Discussion and Analysis .....	52
Independent Auditor's Report on Financial Statements .....	58
Financials on Standalone Basis .....	64
Independent Auditors Report on Consolidated Financial Statements .....	112
Consolidated Financial Statements .....	118
Notice of Annual General Meeting.....	172

**Company Information****Board of Directors****Mr. R. Vasudevan**

Chairman

**Mr. Siddharth Vasudevan Moorthy**

Managing Director

**Mr. V. Mohan**

Independent Director

**Ms. Sowmya Aditya Iyer**

Non Executive Director

**Mr. K.G. Krishnamurthy**

Independent Director

**Mr. Mukesh Malhotra**

Independent Director

**Key Managerial Personnel****Dr. Santosh Sundararajan**

Chief Executive Officer

**Mrs. Vibhuti Darshin Dani**

Company Secretary and Compliance Officer

**Mr. D. Santhanam (upto 31.08.2019)**

Chief Financial Officer

**Mr. Somnath Biswas (w.e.f. 01.09.2019)**

Chief Financial Officer

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

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

**Website:** www.vascon.com**CIN:** L70100PN1986PLC175750**Major Branch Locations****Uttar Pradesh**Sector 18, Everst Enclave,  
Vrindavan Yogana - 4 Raibareli Road, Lucknow, UP - 226025**Chennai**Flat No. C-1, First Floor, Adwave Towers no.17,  
South Boag Road, Opp. Sri Meenakshi Kalyana Mabndapam,  
T. Nagar, Chennai-600017**Mumbai**Neelkanth Business Park, 'C' Wing  
502, 5th Floor, Near Vidhyavihar, Bus Stop,  
Nathani Road, Vidyavihar (ONest), Mumbai 400 086.**Goa**

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

**Coimbatore**SF. No. 555/1, Udayampalayam Road, Hindustan College  
Road, Sowripalayam, Coimbatore-641028**Registrar & Share Transfer Agents**

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

**Listed on**National Stock Exchange of India Limited (NSE)  
BSE Limited (BSE)**Bankers & Lenders**

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

**Legal Advisors**

M/s. Hariani &amp; Company

**Statutory Auditors**

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

Tel +91 20 2605 2202

Fax +91 22 2605 2203

Email ID: [pune.office@sharp-tannan.com](mailto:pune.office@sharp-tannan.com)Website: [www.sharp-tannan.com](http://www.sharp-tannan.com)

**CHAIRMAN SPEECH**

Dear Members,

I am happy to state that your Company have achieved the Highest-ever order intake during the Financial Year 2019-20, resultant of successful implementation of formulated strategy and proficient team to execute it in last few years. Onset of the Financial Year, your Company has set an order inflow target of Rs. 1,000 crores, which with our intense focus we have significantly surpassed the set target; total order intake during the year stands at Rs. 1,671 crores. With this your Company's current order book is at Rs. 2,060 crores. Our external order book stands at Rs. 1,953 crores and internal order book from our real estate launches is at Rs. 107 crores. It's heartening to share, during the year we have marked our entry with an order in Metro and Airport segment, providing a new opportunity for growth going forward.

With the launch of National Infrastructure Pipeline (NIP), an investment plan with an outlay of Rs. 111 lakh crore over the period of five years i.e. 2020-25, to support various schemes like Housing for all by 2022, Smart Cities, modernization of railways, development of new airports, improving the infrastructure of educational institutes and hospitals, etc, Government is determined to provide decisive impetus to all-around infrastructure development. Your Company has a strong track record of execution of EPC projects across verticals with maintaining high quality standards and is all set to capitalize on the growth opportunity ahead.

Your Company is pleased to share during the period under review; real estate segment of your Company has turned EBITDA positive aided by strong marketing efforts which have resulted in faster liquidation of the inventory. While keeping Company's commitment to excellence and delivering value for money to our customers at the core we have identified various launches of around 2.5 million square ft amounting to around Rs. 1,800 crores to be launched in next 2-3 years.

Your Company remains to focus on core business that is Engineering, Procurement & Construction (EPC) and Real Estate Development Business. Furthermore, with strategy of monetizing the non-core assets to strengthen the balance sheet and enhance the operating efficiencies of the Company. Your Company has successfully monetized a land parcel in Pune which has generated the net Cash flow post-expense and tax of Rs. 52.5 crores to the Company.

With this your Company was moving back to achieve new heights of growth trajectory. We are happy to state, during the year under review, your Company reported a Net Profit of Rs. 40 crores on the back of strong order book, execution capabilities and various initiatives taken by the Company in the last few years.

However, this growth momentum experienced a short-term disruption amid emergence of exogenous economic event of Covid-19 pandemic. Your Company believes with the improvement in the overall macro-economic conditions and Government impetus on infrastructure development, the sector will gradually retain its normalcy in near term. Our strong roots and experience along with a strengthened balance sheet will aid us to tide through this tough time and with efficient execution capabilities, your Company thrust to maintain the momentum going forward supported by the strong order book and strong pipeline of project launches in Real Estate.

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

Thank You

**R. Vasudevan**

## REPORT OF BOARD OF DIRECTORS

*Dear Members,*

Your Directors have pleasure in presenting 35<sup>th</sup> Annual Report on the business and operations of the Company together with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2020.

### 1. Financial Highlights

**Table 1** gives the financial highlights of the Company for FY2020as compared to the previous financial year, on consolidated and standalone basis.

(Rs.in lakhs)

Particulars	Consolidated		Standalone	
	FY 2020	FY2019	FY2020	FY2019
Net Sales /Income from Business Operations	52091.58	52411.48	36599.98	36345.15
Other Income	1996.86	3689.68	1723.99	2879.51
<b>Total Income</b>	<b>54088.44</b>	<b>56101.16</b>	<b>38323.97</b>	<b>39224.66</b>
Profit /(loss)before Interest and Depreciation	7386.35	4398.87	6230.50	4453.14
Less Interest	1905.36	2631.51	1551.48	2235.49
Profit /(loss)before Depreciation	5480.99	1767.36	4679.01	2217.65
Less Depreciation and amortization	1498.63	1341.72	864.55	798.59
<b>Profit / (loss) after depreciation and Interest</b>	<b>3982.36</b>	<b>425.64</b>	<b>3814.47</b>	<b>1419.06</b>
Exceptional Item				
Less Current Income Tax	8.03	3.15	-	1.20
Less Previous year adjustment of Income Tax	1.95	(103.22)	-	(103.22)
Less Deferred Tax	(1.47)	(2.05)		-
<b>Net Profit after Tax</b>	<b>3973.85</b>	<b>527.76</b>	<b>3814.47</b>	<b>1521.08</b>
Remeasurement of Benefit liabilities/(Assets)	94.38	(62.90)	162.88	(31.61)
Income Tax relating to items that will not be reclassified to profit & loss account	17.30	8.71		-
Total Comprehensive Income	4085.51	473.56	3977.35	1489.47
Less Minority share of profits / losses	7.35	(157.99)	-	-
Dividend (including Interim if any and final )	-	-	-	-
<b>Net Profit after dividend and Tax</b>	<b>4078.16</b>	<b>631.55</b>	<b>3977.35</b>	<b>1489.47</b>
Earnings per share (Basic)	2.22	0.39	2.14	0.86
Earnings per Share(Diluted)	2.21	0.39	2.13	0.86

Notes: FY2020 represents fiscal year 2019–20, from 1 April 2019 to 31 March 2020, and analogously for FY2019 and other such labeled years.

### 2. COVID-19

The Company witnessed an upward trend in its projects compared to the year before. However, in the last quarter of FY 2019-20, country was severally impacted by Covid19 pandemic, a calamity that has affected almost every country in the world. To curb its spread, India announced nation-wide lockdown on March 24, 2020. This had to a slowdown of our operations towards the end of March 2020. The most significant impact is expected to be reverse mechanism of workers which will impact construction activities across the country. This is expected to cause project delays.

However, during these challenging times, we have prioritized the health and safety of our employees, protected the interest of our stakeholders and strictly adhered to Government Guidelines to ensure minimal impact of our operations.

While the industry at large may be adversely impacted by this pandemic and the recovery phase slowdown, Company's projects which are in pipeline will help to maintain operational momentum. The liquidity position of the Company is adequate to meet the requirements of the operation.

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

### 3. Business Performance

The total standalone sales for FY 2020 are Rs 38323.97 lakhs as compared to Rs.39224.66 lakhs for FY 2019. The Company made a PAT of Rs. 3814.47 lakhs in FY 2020 compared to Rs. 1521.08 lakhs in FY 2019.

### 4. Consolidated Results

The turnover of the Company was Rs 54088.44 lakhs in Financial Year 2020 against Rs. 56101.16 lakhs in FY 2019. Profit after tax before Minority Interest for Financial Year 2020 was Rs. 3973.85 lakhs as compared to Rs 527.76 lakhs in FY 2019.

### 5. Business Operations & Future Outlook

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

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

### 6. Credit Rating:

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

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

### 7. Transfer to Reserves

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

### 8. Dividend

In order to preserve the cashflow to tide over the extraordinary situation due to Covid-19, the Company does not recommend any dividend.

### 9. Share Capital

The total issued, subscribed and paid-up share of the Company is Rs.17,813.67 lacs consisting of 17,81,36,716 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.

### 10. Fixed Deposits

The details of deposits accepted during the year FY 2020 under review are as below:

(Rs. in lakhs)

Sr. No.	Particulars	Amount
	Amount accepted during the year	32
	Amount remained unpaid or unclaimed as at the end of the year.	None
	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved.	No
	i) at the beginning of the year	
	ii) maximum during the year	
	iii) at the end of the year	

All deposits are in compliance with the requirements of Companies Act, 2013.

### 11. Change in the Nature of Business, if any

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

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

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2020 till the date of this report.

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

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

### 14. Subsidiaries, Associates and Joint Ventures

During the year under review, there were no changes with respect to Subsidiaries, Associates and Joint Ventures. The list of subsidiaries and associates of your Company as on March 31, 2020 forms a part of MGT-9 (extract of Annual Return) which is annexed as "Annexure-VI" to the Board's Report.

As per Section 129(3) of the Companies Act, 2013, where the Company has one or more subsidiaries, it shall, in addition to its financial statements, prepare a consolidated financial statement of the Company and of all subsidiaries

in the same form and manner as that of its own and also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiaries.

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

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

### 15. Particulars of Loans, Guarantees Or Investments

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

### 16. Corporate Governance and Additional Shareholders’ Information

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

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

### 17. Awards and Recognitions:

During F.Y. 2019-20, your Company had received 13 awards. They are:

1. Sampoorna Pune – Certificate of Appreciation for CSR Champions – Vascon Engineers Ltd. (2019)
2. Times Realty Icon – Best Super Luxury Segment Home – Windermere (East Pune)(2019)
3. Citation of Excellence for promoting Swiss Excellence by Geberit – Vascon Engineers Ltd.
4. 11th Realty+ - Affordable Housing Project of the Year Non Metro – Citron. (2019)
5. 11th Estate Awards – Ultra Luxury Residential Project of the year (West)(2019) - Windermere

6. CEO Magazine – Best places to work for(2019)
7. Fortune Next 500(2019)
8. ACEF Asian Business Leadership Award – Mr. Siddharth Vasudevan
9. Femina Pune’s most powerful 2019-20 – Mr. Siddharth Vasudevan Moorthy
10. Corp Comm & PR Excellence awards 2020 – Best Engagement for Target Community - Vascon Goodlife.
11. Realty+ Excellence awards 2020, Pune – Affordable housing project of the year – Vascon Goodlife
12. Realty+ Excellence awards 2020, Pune – Ultra luxury lifestyle project of the year – Windermere.
13. Sakal Achievers of Maharashtra 2020, Real-Estate – Mr. Siddharth Vasudevan Moorthy

### 18. Management Discussion and Analysis

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

### 19. Board of Directors and Key Management Personnel Appointment/Re-appointment of Directors

#### 1. Re-appointment of Mr. V. Mohan and Mr. K. G. Krishnamurthy as Independent Directors for the Second Term:

Mr. V. Mohan and Mr. K. G. Krishnamurthy were re-appointed as Independent Directors of the Company at the 34<sup>th</sup> Annual General Meeting of the Company held on September 23, 2019 for a second term of five years by passing of special resolution.

#### 2. Retirement by Rotation of Ms. Sowmya Aditya Iyer

As per Section 152 of the Companies Act, 2013, Ms. Sowmya Aditya Iyer, Non-Executive Director of the Company retires by rotation at the forthcoming 35<sup>th</sup>AGM and being eligible, seeks re-appointment.

The brief profile of Ms. Sowmya Aditya Iyer is covered under Report of Corporate Governance which forms a part of this report. Ms. Sowmya Iyer is not debarred or disqualified from holding the office of Director by virtue of any SEBI Order or any other such authority, pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

#### Declaration by Independent Directors

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation



16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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.

The Board of the Company after taking these declarations 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 accordance with the provisions of Section 150 of the Act read with the applicable Rules made thereunder, the Independent Directors of the Company have registered themselves in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, ["IICA"]. The Independent Directors unless exempted, are required to pass an online proficiency self-assessment test conducted by IICA within one year from the date of their registration in the IICA databank.

Pursuant to the above, the Company has received Declarations of compliance under Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, from all the Independent Directors of the Company confirming that they have registered their names in the data bank of Independent Directors maintained with the 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)**

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

Dr. Santosh Sundararajan, Chief Executive Officer; Mrs. Vibhuti Darshin Dani, Company Secretary and Compliance Officer and Mr. Somnath Biswas as Chief Financial Officer.

During the year under review, Mr. D. Santhanam retired as Chief Financial Officer of the Company as on August 31, 2019.

Mr. Somnath Biswas was promoted as Chief Financial Officer of the Company w.e.f. September 1, 2019.

Mr. D Santhanam has been associated with the Company since inception, and has had an illustrious career spanning of more than 30 years of service. Mr. D Santhanam was part of the founding team of the Company and its subsidiaries and joint venture(s). His vast experience in financial reporting and processes, expertise in fiscal management and in streamlining various major functions like Finance & Accounts and Treasury was pivotal in the growth and diversification initiatives of the Company.

The Board has placed on record its deep appreciation of Mr. D. Santhanam's immense contribution and valuable services during his long association with the Company and acknowledged his outstanding experience and expertise in serving the Company.

The Board also welcomed Mr. Somnath Biswas as Chief Financial Officer of the Company.

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

#### **20. Meetings:**

A calendar of Board Meetings, Annual General Meeting and Committee Meetings is prepared and circulated in advance to Directors of your Company. The Board of Directors of your Company met 7 times during the Financial Year 2019-20(including a separate meeting of Independent Directors). The maximum gap between two Board Meetings did not exceed 120 days.

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

#### **21. Performance Evaluation**

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

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

During the year under review, the Independent Directors of the Company met on January 31, 2020, 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.

## 22. Appointment Of Directors And Remuneration Policy

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

In accordance with Section 178(3) of the Companies Act, 2013, Regulation 9(4) of the Listing Regulations and on recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel and Senior Management. The policy is attached as an Annexure A to the Corporate Governance report.

## 23. Audit Committee

The composition of Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with rules issued thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Audit Committee of the Board of Directors consists of three Independent Directors and one Whole Time Director. The members of Audit Committee are financially literate and have experience in financial management. Presently, the Committee comprises of Mr. V. Mohan, Independent Director and Chairman, Mr. K. G. Krishnamurthy, Independent Director & Member and Mr. Mukesh Malhotra, Independent Director & Member and Mr. R. Vasudevan, Chairman and Member of the Committee of the Board.

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

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

## 24. Business Risk Management

The Company has established a well documented and robust risk management framework under the provisions of Companies Act, 2013. Under this framework, risks are identified across all business process of the Company on continuous basis. Once identified, they are managed systematically by categorizing them. It has been identified as one of the Key enablers to achieve the Company's objectives. Increased competition, impact of recessionary trends on the award of jobs and man power attrition are

some of the major risks faced in the industry. However, your company has adopted risk mitigation steps so as to protect the profitability of the business.

## 25. Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2020 and of the profit and loss of the company for that period;
3. They 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. They had prepared the annual accounts on a going concern basis; and
5. They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 26. Secretarial Standards:

The Directors 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.

## 27. Related Party Transactions

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

No material Related Party Transactions i.e. transactions exceeding 10% of the annual 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”.

## 28. Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has established a vigil mechanism for its directors, senior management and employees associates with the Company.

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 and make provisions for direct access the Chairman of Audit Committee.

The details of the procedure are also available on the Company's website <https://www.vascon.com/investors/services>

## 29. Auditors

### Statutory Auditors

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

### Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Kulbhushan D. Rane, of K.D. Rane & Associates, Practicing Company Secretary was appointed to conduct the Secretarial Audit of the Company for FY 2020. The secretarial audit report for FY 2020 is attached as “Annexure-III”.

For FY 2020-2021, based on the consent received from K.D. Rane & Associates, Practicing Company Secretary and on the recommendations of the Audit Committee, the Board has appointed K D Rane & Associates, Practicing Company Secretary, as Secretarial Auditor of the Company for FY 2021.

### Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company maintains the cost audit records. Your Board has, on the recommendation of the Audit Committee, appointed Mrs. Varsha S. Limaye, Cost Accountants (Membership No.12358) as cost auditors of the Company for the FY 2021 at a remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand Only) plus applicable taxes as may be applicable.

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

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors, in their report for the financial year ended March 31, 2020 except:-

## Statutory Auditor's comment on delay in payment of statutory dues in their Annexure to the report:-

Reply :- The Company is planning to pay dues from normal routine cash flows.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report for the Financial Year ended March 31, 2020.

## 31. Reporting of Frauds

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

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

During FY 2019-20, there were no significant and/or material orders, passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations in future.

## 33. Corporate Social Responsibility Initiatives

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

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

During the year, the Committee monitored the implementation and adherence to the CSR policy. Our CSR policy provides a constructive framework to review and organize our social outreach programs in the areas of health, livelihood and education. The policy enables a deeper understanding of outcome focused social development through diverse collaborations. During the year under review, Company spent Rupees 25 lakhs towards CSR activities.

The Report on CSR activities of the Company is attached as “Annexure-IV”

The CSR Policy of the Company duly amended, is hosted on the Company's website at the web-link: <https://www.vascon.com/investors/services>

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All

women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company’s office premises or women service providers are covered under this Policy.

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the POSH Act to redress complaints received regarding sexual harassment.

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

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

**35. Transfer of unpaid and unclaimed amounts to Investor Education And Protection Fund (‘IEPF’)**

Adhering to the various requirements set out in the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company had transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e. November 15, 2018. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link <https://www.vascon.com/investors/shares-information>. The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](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.

**36. Employees Stock Option Schemes**

During the year under review, no options were granted to eligible employees under ESOS Scheme 2017. The Scheme is in line with the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SBEB Regulations”). There were no material changes made to the scheme during the year under review. The Company has received a certificate from the Auditors of the Company that the scheme is implemented in accordance with the SBEB Regulations and the resolutions passed by the members. The certificate is available for inspection by members in electronic mode. The details as required to be disclosed under the SBEB Regulations are put up on the Company’s website and can be accessed at <https://www.vascon.com/investors/services>

During the year under review, your company has not allotted shares under Employees Stock Option Scheme.

**37. Particulars of Employees**

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

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

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

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

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

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

(Rs. In lakhs)

Particulars	FY 2020	FY 2019
Foreign Exchange Earning	0	307.32
Expenditure in Foreign Exchange	38.56	6.98

**39. Extract of the Annual Return**

The details forming part of the extract of the annual return in Form MGT-9 is attached as “Annexure-VI”.

**40. Acknowledgement**

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

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

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

Sd/-  
**Siddharth Moorthy**  
Managing Director

Sd/-  
**Mukesh Malhotra**  
Director

Place: Pune  
Date: June 12, 2020

## 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.  
Statement containing salient features of the financial statements of subsidiaries, associates companies, joint ventures.

## PART-A Subsidiary

(₹ in Lakhs)

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	272.35	378.74	47.57	-	7.53	(7.07)	(0.80)	(7.87)	-	100%
Marathawada Realtors Private Limited	No	NA	39.22	500.33	616.01	76.46	-	2.11	(107.31)	(1.95)	(109.26)	-	100%
Marvel Housing Private Limited	No	NA	1.00	(14.64)	268.36	282.00	366.91	(1.43)	(1.86)	(3.29)	(3.29)	-	100%
Vascon Value Homes Private Limited	No	NA	1.00	(1.16)	1.40	1.56	-	-	(0.39)	0.10	(0.29)	-	100%
GMP Technical Solutions Private Limited	No	NA	1.49	6242.83	14287.29	8042.96	-	15741.28	102.32	(4.00)	98.32	-	85%
GMP Technical Solutions Middle East (FZE)	No	20.18	24.5	263.97	55.50	294.97	0	0	(23.18)	0	(23.18)	-	85%
Vascon EPC Limited	No	NA	1.00	-	1.00	-	-	-	-	-	-	-	100%

**PART-B Associates and Joint Ventures** (₹ in Lakhs)

Name of associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year Considered in Consolidation	Profit/Loss for the year Not Considered in Consolidation
		No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding%					
<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	31.03.2020	Not Applicable	200.00	50%	Joint Control over economic activity of the entity	-	561.67	7.02	-
Cosmos Premises Private Limited	31.03.2019	162,500	337.00	43.83%	Joint Control over economic activity of the entity		830.11	180.47	
Ajanta Enterprise	31.03.2020	Not Applicable	4,272.94	50%	Joint Control over economic activity of the entity		(62.69)	3,448.72	
Vascon Construction Saga LLP	Unaudited	Not Applicable	1.52	76.00%	Joint Control over economic activity of the entity		1.52	-	

For and on behalf of the Board of Directors

Sd/-  
Siddharth Moorthy  
Managing Director  
Place: Pune  
Date: June 12, 2020

Sd/-  
Mukesh Malhotra  
Director

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013.

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

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

**2. Details of material contracts or arrangements or transactions at Arm's Length Basis : Not Applicable**

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

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

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

**Sd/-**  
**Mukesh Malhotra**  
**Director**

**Place: Pune**  
**Date: June 12, 2020**

**ANNEXURE-III****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

To:

The Members

Vascon Engineers Limited

Vascon Weikfield Chambers

Behind Hotel Novatel, Opposite Hyatt Hotel

Pune Nagar Road, Pune – 411014.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020 ('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 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**).
- (vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
  - (a) Real Estate (Regulation and Development) Act, 2016;
  - (b) Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosure on Websites) Rules, 2017; and
  - (c) Maharashtra Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963.



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

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

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

**I further report that**

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

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

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

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

**I further report that** during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

**Kulbhushan D Rane**

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

**Place: Pune**

**Date: 12 June 2020**

**UDIN: F010022B000338669**

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

**Annexure to the Secretarial Audit Report**

To:

The Members

Vascon Engineers Limited

Vascon Weikfield Chambers

Behind Hotel Novatel, Opposite Hyatt Hotel

Pune Nagar Road, Pune – 411014.

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

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

**Kulbhushan D Rane**

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

**Place: Pune**

**Date: 12 June 2020**

**ANNEXURE - IV  
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

The Board has approved the CSR Policy of the Company. It can be viewed at <https://www.vascon.com/investors/services>

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

2. The Composition of the CSR Committee:

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

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

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

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

(₹ in Lakhs)

Sr. No	Year	Profit Before Tax
1	2016-2017	577.15
2	2017-2018	1084.37
3	2018-2019	1419.45
	<b>Total</b>	<b>3080.97</b>
	<b>Average Net Profit of 3 years</b>	<b>1026.99</b>

4. Details of CSR spent during the financial year:

Average net profit of the Company for the financial years 2016-17 to 2018-19	₹ 1026.99 lakhs
Prescribed CSR Expenditure (2% of the average net profit computed above)	Atleast ₹ 20.54 lakhs
Outstanding to be spent of previous financial year	₹ 2.86 lakhs
Total amount spent of CSR activities for the Financial Year 2019-20	₹ 25 lakhs
Amount unspent, if any	Nil

**Manner in which the amount spent during the Financial Year 2019-20 is detailed below:**

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1) Local Area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or program wise (Amount in Rs.)	Amount spent on the project (Amount in Rs.)		Cumulative expenditure upto the Reporting Period (Amount in Rs.)	Amount spent: Direct or through Implementing Agency
					Direct	Overhead		
1	Other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Economically Back ward	Pune (Maharashtra)	500,000	500,000	-	500,000	Direct

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1) Local Area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or program wise (Amount in Rs.)	Amount spent on the project (Amount in Rs.)		Cumulative expenditure upto the Reporting Period (Amount in Rs.)	Amount spent: Direct or through Implementing Agency
					Direct	Overhead		
2	Activities of skill development for the boys and girls in the rural areas and setting up a Skill Development Institute	Promoting education	Shirur, Near Pune (Maharashtra)	20,00,000	20,00,000	-	20,00,000	Through implementing Agency

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: NA
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

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

Sd/-  
Siddharth Moorthy  
Managing Director

Sd/-  
R. Vasudevan  
Chairman, CSR Committee

## EXHIBIT 1: CSR ACTIVITIES REPORT

Vascon Moorthy Foundation has undertaken Corporate Social Responsibility activities of Vascon Engineers Ltd. This year Vascon Moorthy Foundation ('VMF') has successfully completed 12 years, during the time, the efforts have been taken for increasing the educational coverage through providing the formal as well as non formal education and Health to children who were deprived from educational opportunity. VMF also takes care of better hygiene, safe drinking water facility, healthy environment and better living condition to improve the labourers quality of life.

Activities undertaken by VMF during the year are as follows:

### **Preventive and Curative Health Camps:**

Various health problems from minor to the contagious diseases were observed as the major reason. Apart from this, traditional approach of labourers 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 labourers. In the year 2019-20, VMF focused on the preventive and curative health care of the construction workers, with the help of Pune Municipal Corporation and NGO. A total of 18 health checkup camps were held on all the sites in Pune. Total 1590 Workers benefited from these camps. At this camp getting medicines, vitamins as well as iron supplements free of cost was rewarding for them. Construction industry is a hazardous industry, wherein cuts and wounds are very common while working on sites. Total 831 workers were given T. D. vaccine. This will be an ongoing program every month. Anemia is one of the sever problem in women. During the health camp most of the female workers received iron and folic acid supplements at every site.

### **Immunization:**

Immunization is an important component to prevent the disease. Preventive Health Care is one of the major Components of the extensive Health Care Program implemented by VMF at all the construction sites. Due to continuous migration, laborers and their children are deprived of preventive health care program. 88 children received Polio, BCG, Triple Vaccine Hepatitis B, DPT, DT, Measles doses. Teams of Niramay NGO come to site on regular basis. We have conducted pulse polio immunization camp at Godrej greens site with the help of Primary Health Center, Phursungi and Keshav Nagar on 22nd January and 24th January 2020, Total 105 Children took Pulse polio vaccine in this camp. Total 193 children from construction sites have been immunized in the year 2019-20. Parents of these children are convinced for immunization camps. The response to this camp was overwhelming. Doctors and the nursing staff built excellent rapport with the parents and gained their confidence.

### **Health checkup camp through - National Health Mission:**

National Health Mission would cover all State capitals, district headquarters and cities/towns with a population of more than 50000. It would primarily focus on slum dwellers and other marginalized groups like rickshaw pullers, street vendors, railway and bus station coolies, homeless people, street children, construction site workers. In this year, the VMF is collaborating with the National Health Mission, The NHM

providing are free medicines in this camp as well as free blood tests for people suffering from various diseases. A total of 481 workers and children received benefits at the end of the health checkup camp, with 224 workers given tetanus diphtheria and 67 workers blood tested. VMF is thankful to NHM team and Dr Ketki Ghadge.

### **Fire Safety Awareness Program:**

VMF successfully organized Fire safety awareness program with the help of Safe Kid Foundation team. There were 426 laborers and 49 staff participated in this program. Mr. Sathe Coordinator of Safe kid Foundation, using the material of short film and pamphlet were developed by Safe Kid Foundation and ensure correct understanding of the laborers. Safety of children is the primary duty of every parent. There is nothing worse for a parent than losing a child. With an aim of creating safer homes and protecting children from the risk of fire and burns and other common accidents, which occur at home.

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

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

Construction sites Labourers continuously keep wandering in the urban centers in search of work. This is considered to be a high risk population, as far as, HIV & AIDS is concerned. They have very little awareness about it and have many misconceptions about the illness. VMF staff covered almost all Sites in Pune city for the scientific HIV/AIDS awareness programm. They were also provided the address of the Anti Retroviral Treatment (ART) centers. After the HIV/AIDS awareness program, condom demonstration was shown to male workers and condom distributed. In this year, we have collaboration with Soudamini NGO is an working with positive women and children. VMF organised Awareness and HIV testing camp at Godrej greens site, Windermere site and Forest Edge site through Soudamini NGO and total 503 workers have attended the awareness program but among these 346 workers were HIV tested. 345 workers result is negative but 1 person find was positive. He has linking in ART center with the help of Soudamini NGO and is also taking regular medicine of ART.

### **Dengue awareness program:**

Dengue is a mosquito-borne viral disease that has rapidly spread. Dengue virus is transmitted by female mosquitoes mainly of the species *Aedes aegypti* and, to a lesser extent, *Albopictus*. These mosquitoes are also vectors of chikungunya viruses. Dengue is widespread throughout the tropics, with local variations in risk influenced by rainfall, temperature and relative humidity. VMF has been conducted Dengue malaria awareness program at all Pune site. There were 683 workers and included 58 staff attend the awareness program.

### **De-addiction awareness program:**

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

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

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

Prevention is better than cure.

Therefore, VMF has been organized a de-addiction awareness program for workers and staff. In this camp total 280 workers and 19 staff benefitted.

#### **Tetanus Diphtheria (T.D.) Camp:**

Pune Municipal Corporation has been updated new vaccine, T.T (Tetanus Toxicity) to T.D (Tetanus Diphtheria) vaccine for workers and children. Most tetanus comes from soil, animal feces or dust. Puncture wounds are notable because tetanus-harboring dirt or dust collected on the sharp object can be driven into the body. The nail is simply the carrier of the bacteria into the body's blood stream. At the construction site workers are the most vulnerable population getting the tetanus infection. In this year VMF collaboration with Niramay NGO for Tetanus Diphtheria Camp, during the Health camp some of the workers avoid the injections. VMF staff conducted separate T. D camp at Windermere site, Citron Phase – II site and Godrej Greens site. Total 133 workers including female benefitted the Tetanus Diphtheria vaccination ns in this camp.

#### **HB testing camp:**

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

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

Therefore, VMF is conducted HB testing camp for specially women in the site.

VMF conducted HB testing camp for the workers at Godrej greens and Windermere site. Total 113 workers had taken benefitted the camp with the help of Family Planning Association of India and PMC hospital.

#### **Crèches, Day Care Centers on Construction Sites:**

Since construction industry is hazardous, safety of children on construction sites is very important. Both the husband and wife work on the site and there is nobody to look after the children at home. If women stay at home they will lose out on opportunities to earn wages, which is important for them to earn their living. Vascon Moorthy Foundation running two Daycare centers respectively, Windermere labour camp and

Forest Edge labour camp. And also with the help of Tara Mobile Crèches at Godrej Greens site labour camp to take care of children at crèches and women are assured that they have left their children at a safe place and can go to work with a calm mind. In crèches children get nutritional food, dry snacks, toys to play, animated movies for entertainment and of course they get pre primary formal education too.

#### **Education:**

Vascon Moorthy Foundation is preparing children to join nearby formal schools as early as possible and succeed in a mainstream academic setting. Moreover, with the enforcement of Right to Education Act, enrolment has been easy into formal school, especially for children of migrant families. In our site, 26 children are getting formal education.

Respectively, Forest Edge site 12 children, Godrej Greens site 06 children and Windermere site 08 children taken formal education from 1st std to 10th std in PMC, and Z.P school during the academic year 2019-20.

#### **Summer Vacation Trip:**

Most of the children living on construction sites rarely have the opportunity to see life outside the construction grounds on which they live. Vascon Moorthy Foundation believes that providing children with opportunities for outings and exposure visits is very important, not only to enhance their education but also to let them have fun. This year a picnic to Rajiv Gandhi Zoological Park, Katraj Pune was organized for the children where they enjoyed having refreshments and participated in various games. Total 34 children and 3 Staff participated through the organized summer vacation trip.

Star Site Competition for Best maintained Labour camp for workers. VMF conducting Star site competition at all India level every year. (From August 18 to June 19) The purpose of this competition is to motivate the site staff to provide the better hygiene, safe drinking water facility, healthy environment and better living condition to improve the laboures quality of life. VMF staff done the periodic visit to all the sites to guide the site regarding maintaining of labor camp.

In the year 2018-19 total 7 site Fulfilled the criteria of the competition and Again TNMCH, site Chennai win the award of Star site competition, and also again Windermere, site Pune was first runner up and Godrej Greens, site Pune was second runner up. Congratulations to all winning sites.

#### **Ramya Siddharth Moorthy**

#### **Trustee**

**ANNEXURE – V: REMUNERATION OF MANAGERIAL PERSONNEL**

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

1 & 2) The ratio of remuneration of each director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each director, CEO, CFO and CS, for FY 2020 and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company:

Name	Designation	Ratio of Remuneration to the Median Remuneration of Employees	% Increase in Remuneration During FY 2020
V. Mohan	Independent Director	**Not Applicable	-
R. Vasudevan	Chairman	3	-
K. G. Krishnamurthy	Independent Director	**Not Applicable	-
Sowmya Moorthy	Non Executive Director	**Not Applicable	-
Mukesh Malhotra	Director	**Not Applicable	-
Siddharth Vasudevan Moorthy	Managing Director	95	12%
Santosh Sundararajan	CEO	111	-
Mrs. Vibhuti Dani	CS	5	95%
D. Santhanam*	CFO	18*	-
Somnath Biswas*	CFO	21	17%

*\*Mr. D. Santhanam retired as Chief Financial Officer r w.e.f 31.8.2019 and Mr. Somnath Biswas was appointed as Chief Financial Officer w.e.f. 1.9.2019*

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

*KMPs includes our CEO, CFO and CS.*

1	The number of permanent employees on the rolls of the Company	728
2	The percentage increase in median remuneration of employees in the financial year	(1.91%)
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the year 2019-20, the number of employees has increased by over 9%, the total salary to employees other than Key Managerial Personnel has also increased by more than 4%. Your Company follows a rigorous practice of accessing each role in the company and benchmark the same against the market. The average salary of the employees other than Key Managerial Personnel has not increased in 2019-20 because of new employee recruitment. The average salary of Key Managerial Personnel has increased by more than 7% mainly because of promotions.
4	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration paid/payable is as per the remuneration policy of the company

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

**Details of Employees whose salary exceeds Rs. 1.02 crores**

Name	Age	Designation	*Remuneration	Nature of Employment	Qualifications	Experience	Date of Commencement of Employment with the Company	Previous Employment	% of Equity Shares held	Any relation with Director
Dr. Santosh Sundararajan	44	Chief Executive Officer	40,582,518	Permanent	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	24	01.10.2007	Buro Engineers Singapore Pte Ltd.	4.57%	-
Siddharth Moorthy	35	Managing Director	35,255,840	Permanent	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	13	01.04.2011	Vascon Infra Ltd.	1.59	Son of Mr. R. Vasudevan and brother of Ms. Sowmya Aditya Iyer
Rajesh Dilip Mhatre	43	Chief Executive Officer- Real Estate	14,715,000	Permanent	BE (Mechanical), MMS	18	01.02.2017	Lodha Ventures	0.42%	-

**Details of Top 10 Employees alongwith Key Managerial Personnel:**

Name	Age	Designation	*Remuneration	Qualifications	Total Experience	Date of Commencement of Employment with the Company	Previous Employment	% of Equity Shares held	Any relation with Director
Dr. Santosh Sundararajan	44	Chief Executive Officer	40,582,518	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	25	01.10.2007	Buro Engineers Singapore Pte Ltd.	4.57%	-
Siddharth Moorthy	35	Managing Director	35,255,840	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	13	01.04.2013	Vascon Infra Ltd.	1.59%	Son of Mr. R. Vasudevan and brother of Ms. Sowmya Iyer
Rajesh Dilip Mhatre	43	Chief Executive Officer - Real Estate	14,715,000	BE (Mechanical), MMS	18	01.02.2017	Lodha Ventures.	0.42%	-
Somnath B. Biswas	53	Chief Financial Officer	96,23,724	Graduate (Science), ICWA	28	15.07.2011	Amby Valley Ltd.	0.24%	-
S. Padmanaban	58	Vice President - Projects	54,97,525	BE (Civil)	36	24.09.2009	RakindoKovai Township Ltd	-	-
Sanjay Muttepawar	50	Vice President - Projects	64,56,325	Diploma (Civil), BE (Civil), MBA	27	01.03.2002	K. RahejaEngg. Services	0.13%	-
Tanaji Atole	50	Vice President - Projects	64,17,850	Diploma (Civil)	29	01.03.1996	Advance Construction Co. Pvt, Ltd.	0.19%	-
Vivekanand Botre	42	Vice President - Projects	61,74,175	Diploma (Civil)	22	07.10.2003	Devi Construction Co. Pvt, Ltd.	0.15%	-
Rathika Kariappa	39	Vice President-Human Resource and HR	51,25,750	Graduate (Commerce), MBA (PM & HRD)	16	10.07.2006	Vardhman Polytex Limited.	-	-
Prasad Hinge	43	Assistant Vice President - Contracts & Estimation	5,052,700	BE (Civil)	23	22.06.2004	Nyati Group	0.16%	-

**Annexure - VI**  
**FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020  
Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014

**I. Registration and Other Details**

CIN	L70100PN1986PLC175750
Registration Date	01.01.1986
Name of the Company	Vascon Engineers Limited
Category of the Company	Company Limited by Shares
Sub-category of the Company	Indian Non-Government Company
Address of the Registered office & contact details	Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hotel Hyatt, Pune-Nagar Road, Pune-411014 Tel No.: 020 3056 2100 / 200 Fax No.: 020 3056 2600
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>KFin Technologies Private Limited</b> (Formally known as Karvy Fintech Private Limited) Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana, India Telephone: +91 40 6716 2222 Facsimile: +91 40 2343 1551 E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Investor grievance id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website: <a href="https://www.kfintech.com/">https://www.kfintech.com/</a> Contact Person: Mr. S V Raju, SEBI Registration No.: INR000000221

**II. Principal business activities of the Company**

Sr No	Name and description of main products / services	NIC code of the product/service	% to total turnover of the Company
1	Engineering, Procurement and Construction (EPC)	43900	49%
2	Real Estate Development	4100 - Construction of Buildings	21%
3	Manufacturing & BMS	25111	30%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sr. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	<b>Almet Corporation Limited</b> 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai-400083	U29290MH1960PLC059367	Subsidiary	100	2(87)(ii)
2	<b>GMP Technical Solutions Private Limited</b> 3rd Floor, Swastik Disa Business Park, Lbs Marg, Behind Wadhani Industrial Estate, Ghatkopar West, Mumbai-400086	U74999MH2003PTC142312	Subsidiary	85.00	2(87)(ii)
3	<b>GMP Technical Solutions Middle East(FZE) P.O. Box 9134, Sharjah, (U.A.E.)</b>	Foreign Company	Step Subsidiary	85.00	2(87)(ii)
4	<b>Marathwada Realtors Private Limited</b> 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai -400083	U24110MH1984PTC034809	Subsidiary	100.00	2(87)(ii)



Sr. No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
5	<b>Marvel Housing Private Limited</b> 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai -400083	U45200MH2005PTC154682	Subsidiary	100.00	2(87)(ii)
6	<b>Vascon Value Homes Private Limited</b> Vascon Weikfield Chambers, Behind Hotel Novotel, Pune Nagar Road, Pune MH 411014	U45200PN2017PTC171989	Subsidiary	100.00	2(87)(ii)
7	<b>Vascon EPC Limited</b> Vascon Weikfield Chambers, Behind Hotel Novotel, Pune Nagar Road, Pune MH 411014	U70103PN2019PLC181214	Subsidiary	100.00	2(87)(ii)
8	<b>Mumbai Estate Private Limited</b> 401, Rajendra Chambers, 19, Nanabhai Lane, Fort, Mumbai-4000s01	U45201MH2006PTC163672	Associates	44.44	2(6)
9	<b>Phoenix Ventures</b> 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	AOP	Joint Venture	50.00	2(6)
10	<b>Ajanta Enterprises</b> M/1, M/2, Clover Center, Moledina Road, Camp, Pune- 411001	AOP	Joint Venture	50.00	2(6)
11	<b>Cosmos Premises Private Limited</b> 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	U70100PN1997PTC133546	Joint Venture	43.83	2(6)
12	<b>Vascon Saga Construction LLP</b> Vascon Weikfield Chambers, Survey No.30/3, 31/1 & 31/2a, Village Vadgaonsheri Pune MH 411014	AAO-3913	Joint Venture	76.00	2(6)

#### IV Shareholding Pattern (Equity Share Capital Break up as percentage of Total Equity)

##### (i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2019				No. of Shares held at the end of the year as on 31-March-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a. Individual/HUF	51407827	-	51407827	28.86	54877184	-	54877184	30.81	1.95
b. Central Government	-	-	-	-	-	-	-	-	-
c. State Government	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	9599275	-	9599275	5.39	9599275	-	9599275	5.39	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>61007102</b>	<b>-</b>	<b>61007102</b>	<b>34.25</b>	<b>64476459</b>	<b>-</b>	<b>64476459</b>	<b>36.20</b>	<b>1.95</b>
<b>(2) Foreign</b>									
a. NRI Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A)</b>	<b>61007102</b>	<b>-</b>	<b>61007102</b>	<b>34.25</b>	<b>64476459</b>	<b>-</b>	<b>64476459</b>	<b>36.20</b>	<b>1.95</b>

# VASCON ENGINEERS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2019				No. of Shares held at the end of the year as on 31-March-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Public</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/ FIs (NBFC)	571777		571777	0.32	13736	-	13736	0.01	(0.31)
c. Central Government	-	-	-	-	-	-	-	-	-
d. State Government(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (FPIs)	200000		200000	0.11	200000		200000	0.11	-
<b>Sub-Total (B)(1)</b>	<b>771777</b>		<b>771777</b>	<b>0.43</b>	<b>213736</b>	-	<b>213736</b>	<b>0.12</b>	<b>(0.31)</b>
a. Bodies Corporate	34488033	100	34488133	19.36	22705258	-	22705258	12.75	(6.61)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i) Individual Shareholders holding nominal share capital upto 2 lakhs	33525175	2	33525177	18.82	31953601	2	31953603	17.94	(0.88)
ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs	46892522	0	46892522	26.32	48713650	-	48713650	27.35	1.03
c. Others (Specify)									
HUF	-	-	-	-	-	-	-	-	-
Non-Resident Indians	999537	0	999537	0.56	925870	-	925870	0.52	(0.04)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	448876	0	448876	0.25	9144548	-	9144548	5.13	4.88
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
IEPF	3592	0	3592	0.00	3592	0	3592	0.00	-
<b>Sub-total (B)(2):-</b>	<b>116357735</b>	<b>102</b>	<b>116357837</b>	<b>65.32</b>	<b>113446519</b>	<b>2</b>	<b>113446521</b>	<b>63.69</b>	<b>(1.63)</b>
<b>Total Public (B)</b>	<b>117003338</b>	<b>102</b>	<b>117003440</b>	<b>65.68</b>	<b>113660255</b>	<b>2</b>	<b>113660257</b>	<b>63.81</b>	<b>0.13</b>
<b>A. Shares held by Custodian for ADRs and GDRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A)+(B)+(C)</b>	<b>178136614</b>	<b>102</b>	<b>178136716</b>	<b>100</b>	<b>178136714</b>	<b>2</b>	<b>178136716</b>	<b>100</b>	<b>-</b>

## (ii) Shareholding of Promoter as on March 31, 2020

Sr No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares*	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares*	
	<b>Indian</b>							
1	Vasudevan Ramamoorthy	41897701**	23.52	9.05	42428701 <sup>§</sup>	23.82	9.05	0.30
2	Lalitha Vasudevan	8109538	4.55	-	8919538 <sup>§</sup>	5.01	-	0.46
3	Siddharth Vasudevan Moorthy	700294	0.39	-	2828651 <sup>§</sup>	1.59	-	1.20
4	Sowmya Aditya Iyer	700294	0.39	-	700294	0.39	-	-
	<b>Any Other</b>							
5	Bellflower Premises Private Limited	520328	0.29	-	520328	0.29	-	-
6	Vatsalya Enterprises Private Limited	9078947	5.10	-	9078947	5.10	-	-
7	Vasumangal Constructions LLP	-	-	-	-	-	-	-
	<b>Total</b>	<b>61007102</b>	<b>34.24</b>	<b>9.05</b>	<b>64476459</b>	<b>36.29</b>	<b>9.05</b>	<b>1.96</b>

\*The term 'encumbrance' has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Shareholders listed above are disclosed as Promoters under Regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as on March 31, 2020.

\*\*Includes 16130672 shares pledged with SBICAP Trustee Company Ltd (SBICAP) under Regulation 29(1) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 in June 2017.

§ includes shares acquired/purchased

## (iii) Change in Promoters Shareholding (Please specify, if there is no change)

Sr. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Opening Balance	VASUDEVAN RAMAMOORTHY	41897701	23.52	30/03/2019			41897701	23.52
	Purchase				24/06/2019	378571	Market Purchase	42276272	23.73
					25/06/2019	152429	Market Purchase	42428701	23.82
	Closing Balance				31/03/2020			42428701	23.82
2	Opening Balance	LALITHA VASUDEVAN	8109538	4.55	30/03/2019			8109538	4.55
	Purchase				21/06/2019	50000	Market Purchase	8159538	4.58
	Purchase				28/06/2019	650000	Market Purchase	8809538	4.95
	Purchase				05/07/2019	50000	Market Purchase	8859538	4.97
	Purchase				12/07/2019	60000	Market Purchase	8919538	5.01
	Closing Balance				31/03/2020			8919538	5.01
3	Opening Balance	SOWMYA ADITYA IYER	700294	0.39	30/03/2019			700294	0.39
	Closing Balance				31/03/2020			700294	0.39
4	Opening Balance	SIDDHARTH VASUDEVAN MOORTHY	700294	0.39	30/03/2019			700294	0.39
	Purchase				28/06/2019	1111144	Market Purchase	1811438	1.02

# VASCON ENGINEERS LIMITED

Sr. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	Purchase		-	-	05/07/2019	800000	Market Purchase	2611438	1.47
	Purchase		-	-	28/02/2020	217213	Market Purchase	2828651	1.59
	Closing Balance		-	-	31/03/2020	-	-	2828651	1.59
5	Opening Balance	BELLFLOWER PREMISES PRIVATE LIMITED	520328	0.29	30/03/2019	-	-	520328	0.29
	Closing Balance		-	-	31/03/2020	-	-	520328	0.29
6	Opening Balance	VATSALYA ENTERPRISES PRIVATE LIMITED	9078947	5.10	30/03/2019	-	-	9078947	5.10
	Closing Balance		-	-	31/03/2020	-	-	9078947	5.10
7	Opening Balance	VASUMANGAL CONSTRUCTIONS LLP	-	-	30/03/2019	-	-	-	-
	Closing Balance		-	-	31/03/2020	-	-	-	-

**(IV) Shareholding Pattern of top ten Shareholders as on March 31, 2020(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2019 AND 30/03/2020									
	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Opening Balance	SHAMYAK INVESTMENT PRIVATE LIMITED	8783273	4.93%	30/03/2019			8783273	4.93%
	Sale				31/03/2020	-8783273	Transfer	0	0.00
	Closing Balance				31/03/2020			0	0.00
2	Opening Balance	AXIS CAPITAL LIMITED	0	0.00	30/03/2019			0	0.00
	Purchase				31/03/2020	8783273	Transfer	8783273	4.93
	Closing Balance				31/03/2020			8783273	4.93
3	Opening Balance	SANTOSH SUNDARARAJAN	8134393	4.57	30/03/2019			8134393	4.57
	Closing Balance				31/03/2020			8134393	4.57
4	Opening Balance	AKASH BHANSHALI	7123211	4.00	30/03/2019			7123211	4.00
	Closing Balance				31/03/2020			7123211	4.00
5	Opening Balance	PREMRATAN EXPORTS LLP	5820703	3.27	30/03/2019			5820703	3.27
	Closing Balance				31/03/2020			5820703	3.27
6	Opening Balance	AADI FINANCIAL ADVISORS LLP	5613519	3.15	30/03/2019			5613519	3.15
	Closing Balance				31/03/2020			5613519	3.15
7	Opening Balance	BLUE DAIMOND PROPERTIES PRIVATE LIMITED	2940389	1.65	30/03/2019			2940389	1.65
	Closing Balance				31/03/2020			2940389	1.65

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2019 AND 30/03/2020									
	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
8	Opening Balance	ASHOK MOTILAL KATARIYA	2517244	1.41	30/03/2019			2517244	1.41
	Purchase				14/06/2019	121450	Transfer	2638694	1.48
	Sale				21/06/2019	-432377	Transfer	2206317	1.24
	Sale				28/06/2019	-1553669	Transfer	652648	0.37
	Sale				05/07/2019	-13657	Transfer	638991	0.36
	Purchase				20/03/2020	15000	Transfer	653991	0.37
	Closing Balance				31/03/2020			653991	0.37
9	Opening Balance	VALLABH ROOPCHAND BHANSHALI	2358789	1.32	30/03/2019			2358789	1.32
	Closing Balance				31/03/2020			2358789	1.32
10	Opening Balance	TARUN JAIN	2100000	1.18	30/03/2019			2100000	1.18
	Closing Balance				31/03/2020			2100000	1.18

**V) Shareholding Directors and Key Managerial Personnel as on March 31, 2020**

Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2019		Cumulative Shareholding During The Year March 31, 2020	
			No. of Shares	% of total Share	No. of Shares	% of total Shares
<b>Name: V. Mohan, Independent Director</b>						
At the beginning of the year	01.04.2019	-	-	-	-	-
Changes during the year	-	-	-	-	-	-
At the end of the year	31.03.2020	-	-	-	-	-
<b>Name: Vasudevan Ramamoorthy, Whole Time Director</b>						
At the beginning of the year	01.04.2019	-	41897701	23.52	41897701	23.52
Changes during the year	-	Market Purchase	378571	0.21	42276272	23.73
		Market Purchase	152429	0.06	42428701	23.82
At the end of the year	31.03.2020	-	42428701	23.82	42428701	23.82
<b>Name: K G Krishnamurthy, Independent Director</b>						
At the beginning of the year	01.04.2019	-	-	-	-	-
Changes during the year	-	-	-	-	-	-
At the end of the year	31.03.2020	-	-	-	-	-
<b>Name: Sowmya Aditya Iyer, Non-Executive Director</b>						
At the beginning of the year	01.04.2019	-	700294	0.39	700294	0.39
Changes during the year	-	-	-	-	-	-
At the end of the year	31.03.2020	-	700294	0.39	700294	0.39
<b>Name: Mukesh Satpol Malhotra, Independent Director</b>						
At the beginning of the year	01.04.2019	-	5525	0.00	5525	0.00
Changes during the year	-	-	-	-	-	-
At the end of the year	31.03.2020	-	5525	0.00	5525	0.00

# VASCON ENGINEERS LIMITED

Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2019		Cumulative Shareholding During The Year March 31, 2020	
			No. of Shares	% of total Share	No. of Shares	% of total Shares
<b>Name: Siddharth Vasudevan Moorthy, Managing Director</b>						
At the beginning of the year	01.04.2019	-	700294	0.39	700294	0.39
Changes during the year	28.06.2019	Market Purchase	1111144	0.62	1811438	1.02
	05.07.2019	Market Purchase	800000	0.45	2611438	1.47
	28.02.2020	Market Purchase	217213	0.12	2828651	1.59
At the end of the year	31.03.2020	-	2828651	1.59	2828651	1.59
<b>Name: Santosh Sundararajan , Chief Executive Officer</b>						
At the beginning of the year	01.04.2019	-	8134393	4.57	8134393	4.57
Changes during the year	-	-	-	-	-	-
At the end of the year	31.03.2020	-	8134393	4.57	8134393	4.57
<b>Name: D. Santhanam, Chief Financial Officer (upto 31.08.2019)</b>						
At the beginning of the year	01.04.2019	-	745692	0.42	745692	0.42
Changes during the year	-	-	-	-	-	-
At the end of the year	31.08.2019	-	745692	0.42	745692	0.42
<b>Name: Vibhuti Darshin Dani, Company Secretary &amp; Compliance Officer</b>						
At the beginning of the year	01.04.2019	-	-	-	-	-
Changes during the year	-	-	-	-	-	-
At the end of the year	31.03.2020	-	-	-	-	-
<b>Name: Somnath Biswas, Chief Financial Officer (w.e.f. 01.09.2019)</b>						
At the beginning of the year	01.04.2019	-	370000	0.21	370000	0.21
Changes during the year	26.03.2020	Market Purchase	50000	0.03	50000	0.03
At the end of the year	31.3.2020	-	420000	0.24	420000	0.24

## (VI) INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,122,552,931	260,203,185	19,900,000	2,402,656,117
ii) Interest accrued but not due on borrowings	-	1,160,630	-	1,160,630
iii) Interest accrued due on borrowings	-	107,476,041	-	107,476,041
<b>Total (i+ii+iii)</b>	<b>2,122,552,931</b>	<b>368,839,856</b>	<b>19,900,000</b>	<b>2,511,292,787</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	16,496,064	43,669,581	3,850,000	64,015,645
<b>Net Change</b>	<b>(16,496,064)</b>	<b>(43,669,581)</b>	<b>(3,850,000)</b>	<b>(64,015,645)</b>
<b>Indebtedness at the end of the financial year (Mar 20)</b>				
i) Principal Amount	2,106,056,868	233,759,272	16,050,000	2,355,866,139
ii) Interest accrued but not due on borrowings	-	4,354,335	-	4,354,335
iii) Interest accrued due on borrowings	-	87,056,668	-	87,056,668
<b>Total (i+ii+iii)</b>	<b>2,106,056,868</b>	<b>325,170,274</b>	<b>16,050,000</b>	<b>2,447,277,142</b>

## (VII) Remuneration of Directors and Key Managerial Personnel

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Total Amount	
		R. Vasudevan	Siddharth Vasudevan Moorthy
	<b>Gross Salary</b>	<b>10.00</b>	<b>362.58</b>
1.	a. Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- As a % of Profit	-	-
	- Others, specify	-	-
5.	Others, please specify	-	-
6.	Total(A)	<b>10.00</b>	<b>362.58</b>
	<b>Ceiling as per Act</b>		

## B. Remuneration to Other Directors

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of the Directors			
		V. Mohan	K. G. Krishnamurthy	Mukesh Malhotra	Sowmya Iyer
1.	<b>Independent Directors</b>				
	Fees for attending board/committee meetings	1.00	0.25	1.00	-
	Commission	-	-	-	-
	Others, specify	-	-	-	-
	<b>Total (1)</b>	<b>1.00</b>	<b>0.25</b>	<b>1.00</b>	<b>-</b>
2	<b>Other Non-Executive Directors</b>				
	Fees for attending Board/committee meetings	-	-	-	0.50
	Commission	-	-	-	-
	Others, specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.50</b>
	<b>Total B=(1)+(2)</b>	<b>1.00</b>	<b>0.25</b>	<b>1.00</b>	<b>0.50</b>
	<b>Total Managerial Remuneration paid to Non-Executive Directors including Independent Directors</b>	<b>1.00</b>	<b>0.25</b>	<b>1.00</b>	<b>0.50</b>
	<b>Overall Ceiling as per Act</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Fees for attending Board are subject to Income Tax Act, 1961

# VASCON ENGINEERS LIMITED

## C. Remuneration paid to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Total Amount			
		Santosh Sundararajan	Santhanam Doraiswamy (upto 31.8.2019)	Somnath Biswas(w.e.f. 1.9.2019)	Vibhuti Darshin Dani
1.	<b>Gross Salary</b>				
	<b>a. Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961</b>	<b>405.82</b>	<b>28.43</b>	<b>70.21</b>	<b>16.80</b>
	<b>b. Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	<b>0.108</b>	<b>-</b>	<b>0.108</b>	<b>-</b>
	<b>c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As a % of Profit - Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total(A)	<b>405.93</b>	<b>28.43</b>	<b>70.32</b>	<b>16.80</b>
	<b>Ceiling as per Act</b>				

## (VIII) Penalties/Punishment/Compounding Offence

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding of Fees imposed	Authority[RD/ NCLT/Court	Appeal made, if any, give details
<b>A. Company</b>					
Penalty	NA				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	NA				
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty	NA				
Punishment					
Compounding					



## REPORT ON CORPORATE GOVERNANCE

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

### Philosophy

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

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI 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.

### Composition

The Company has an optimal combination of executive, non-executive and independent directors to maintain the independence of the Board from the management, which is in conformity with the requirement of Section 149(4) of the Companies Act, 2013 (the Act) and Regulation 17 of SEBI LODR Regulations. As of March 31, 2020, the Board of Directors of the Company consisted of 6(six) Directors drawn from diverse fields/professions which includes, Executive Chairman(one), Managing Director(one), Independent Directors (three) and woman director (one). 50% of the Board comprises of Independent Directors. The details are as under:

Category	Name	DIN	Shares held by Directors
Non-Executive-Non-Independent Director	• Sowmya Iyer (Promoter Director)	06470039	700294
Non-Executive Independent Directors	• Mr. V. Mohan	00071517	Nil
	• Mr. K. G. Krishnamurthy	00012579	Nil
	• Mr. Mukesh Malhotra	00129504	5525
Executive Directors	• Mr. R. Vasudevan (Promoter Director)	00013519	42428701
	• Mr. Siddharth Vasudevan Moorthy (Promoter Director)	02504124	2828651

The details of Board Members are as under:

**Mr. R. Vasudevan** holds a bachelor's degree in civil engineering from the University of Pune. He has also completed an 'Owner President' Management Program from the Harvard Business School. He has been a Director on the Board of our Company since January 01, 1986. Currently he is the Executive Chairman of the Company. He is responsible for the over-all management of our Company. He has more than 35 years of experience in the construction industry.

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

With his meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of has spearheaded the organizational growth. His steady work conviction & vision continues to drive the organization into a leadership position in the real estate and construction business. He has been as Managing Director on the Board of our Company since April 01, 2018

**Mr. V. Mohan** is a fellow member of the Institute of Chartered Accountants of India. He is a practising chartered accountant with more than 31 years of experience in the areas of audit and assurance services, company law, tax planning, tax representations and foreign exchange regulations with V Sankar Aiyar and Company, Chartered Accountants, where he is a partner. He has been a director since March 6, 2007. He was appointed as Independent Director of the Company for a period of 5 years in 2014. He was further re-appointed as Independent Director of the Company for another period of five years in 2019.

**Mr. Krishnamurthy Kulumani Gopalratnam** holds a bachelor's degree in architecture from the Indian Institute of Technology, Kharagpur. He has 31 years of experience in the areas of real estate, construction finance, property valuation and property search services. He is currently the Managing Director and Chief Executive Officer of HDFC Property Ventures Limited. He has also been appointed on the board of various companies. He has been appointed as a Director on the Board of our Company since June 21, 2006. He was appointed as Independent Director of the company for a period of five years in 2014. He was further reappointed as Independent Director of the Company for another period of 5 years in 2019.

**Mr. Mukesh Satpal Malhotra** completed his schooling at The Bishop's School, Pune & then went on to complete his Bachelor of Engineering at the College of Engineering, Pune. He was appointed Managing Director of Weikfield Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. With his focus on International Trade, Mr. Mukesh Satpal Malhotra has travelled to over 60 countries and 150 cities, thus giving him a broad appreciation and understanding of International business practices and economic scenarios.

## VASCON ENGINEERS LIMITED

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

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

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

**Ms. Sowmya Iyer** holds bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education, Singapore. She has more than

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

### No. of meeting of the Board

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

Under Indian law, the Board of Directors must meet at least four times a year, with a maximum gap of four months between two Board meetings. During the year 2019-20, the Board of Directors met seven times, viz., 28<sup>th</sup> May 2019, 12<sup>th</sup> July 2019, 12<sup>th</sup> August, 2019, 24<sup>th</sup> October, 2019, December 12, 2019, January 31, 2020 and January 31, 2020 (including separate meeting of Independent Directors). The gap between any two meetings has been less than one hundred and twenty days.

### Attendance Record of Directors

Name of the Director	Category	Relationship with other Directors	No. of Board Meetings attended (out of 7)*	Whether attended AGM
Mr. R. Vasudevan	Chairman, Executive	Father of Mr. Siddharth Vasudevan Moorthy and Ms. Sowmya Iyer	6	Yes
Mr. Siddharth Vasudevan Moorthy	Managing Director, Executive	Son of Mr. R. Vasudevan and brother of Ms. Sowmya Iyer	5	Yes
Mr. V. Mohan	Non-Executive, Independent	-	5	Yes
Mr. K. G. Krishnamurthy	Non-Executive, Independent	-	1	Yes
Mr. Mukesh Malhotra	Non-Executive, Independent	-	5	Yes
Ms. Sowmya Iyer	Non-Executive, Non-Independent	Daughter of Mr. R. Vasudevan and sister of Mr. Siddharth Vasudevan Moorthy	2	Yes

\*includes a separate meeting of Independent Directors

### Availability of Information to Board Members

The Board has unrestricted access to all Company-related information, including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board members on a continuous basis for their review, inputs and approval. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements. Specific cases of acquisitions, 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.

During the year under review, all recommendations given by committees were accepted by the Board.

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

Non-executive directors of the Company are being paid, sitting fee of Rs. 25000 per meeting for every meeting of the Board.

The Company has not granted any stock options to the Directors.

### Information supplied to the Board

The Board agenda comprises of relevant information on various matters related to the working of the Company, especially those that require deliberation at the Board level. The Board is periodically updated on important developments in the business segments and otherwise through presentation made by the function heads. The directors have separate and independent access to officers of the Company. In addition to items which are required to be placed before the Board for its noting or approval, information on various significant items is also provided. In terms of quality and importance, the information supplied by the Management to the Board is beyond the list mandated under the Listing Regulations. The independent directors, at their separate meeting held on January 31, 2020, 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.

### Directorships and memberships of Board Committees

Particulars	Directorships			Committee position in listed and unlisted public limited companies	
	In equity listed companies	In unlisted public limited companies	In private limited companies	As member (including as Chairman)	As Chairman
Mr. R. Vasudevan	1	1	1	2	-
Mr. Siddharth Vasudevan Moorthy	1	1	2	0	-
Mr. V. Mohan	2	0	3	4	2
Mr. K. G. Krishnamurthy	2	4	2	5	3
Mr. Mukesh Malhotra	1	1	6	2	0
Ms. Sowmya Iyer	1	0	0	0	0

*Note: For considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies registered under section 8 of the Act/section 25 of the erstwhile Companies Act, 1956 have been excluded. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.*

None of the directors of the Company holds office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public limited companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and dormant companies are excluded.

As per the declaration received from the directors, none of the directors of the Company is an independent director in more than seven equity listed companies or in more than three equity listed companies in case he is a whole-time director in any listed company.

None of the directors is either a member in more than ten committees or a chairman in more than five committees across all public limited companies in which he is a director.

### Directorships in Equity Listed Companies

#### Name of the Equity Listed Companies where Directors of the Company held Directorships as on March 31, 2020

Name of the Director	Name of the Equity Listed Entities	Category of Director
Mr. R. Vasudevan	Vascon Engineers Limited	Chairman, Executive
Mr. Siddharth Vasudevan Moorthy	Vascon Engineers Limited	Managing Director, Executive
Mr. V. Mohan	1. Vascon Engineers Limited.	Independent Director, Non Executive
	2. Talbros Automotive Components Limited	Independent Director, Non Executive
Mr. K. G. Krishnamurthy	1. Vascon Engineers Limited	Independent Director, Non Executive
	2. Ajmera Realty & Infra India Limited	Independent Director, Non Executive
Mr. Mukesh Malhotra	Vascon Engineers Limited	Independent Director, Non Executive
Ms. Sowmya Iyer	Vascon Engineers Limited	Non Executive, Non Independent

### Certificate from the Practising Company Secretary

The Company has received a certificate from Mr. Kulbhushan D Rane of M/s K D Rane and Associates, Practising Company Secretary, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. This certificate is annexed to this Annual Report.

### 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, 2020.

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 2019-20.

Sd/-  
**Managing Director**

Pune  
Date: June 12, 2020

## Maximum tenure of Independent Directors

The maximum tenure of independent directors is in accordance with Companies Act, 2013 and Regulation 25(2) of SEBI Listing Regulations, 2015.

## Formal letter of appointment of Independent Directors

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

## Performance Evaluation

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

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 January 31, 2020 inter-alia, for:

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Details on the evaluation of the Board, non-independent Directors and Chairperson of the Company as carried out by the independent directors at their meeting held on January 31, 2020 have been furnished in a separate para elsewhere in this Report.

## Remuneration Policy

The assessment and appointment of members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board member is also assessed on the basis

of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

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

Independent Directors and Non-Executive Directors maybe paid sitting fees for attending board Meetings within the parameters prescribed by law. 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. 2019-20

(in lacs)

Sr No	Name of the Directors	Salary and Allowance	Sitting Fees paid	Shareholding in the Company
1.	V. Mohan	0	1.00	-
2.	K. G. Krishnamurthy	0	0.25	-
3.	Sowmyalyer	0	0.50	700294
4	Mukesh Malhotra	0	1.00	5525

## Remuneration paid or payable to Executive Directors for F.Y. 2019-20

(₹ in lakhs)

Sr No	Name of the Directors	Salary and Allowance	Perquisites	Retirement Benefits*	Commission payable	Total	Shareholding in the Company
1.	R. Vasudevan	10.00	-	-	-	10.00	42428701
2.	Siddharth Vasudevan Moorthy	352.55	-	10.02	-	362.57	2828651

### \*Payable at the time of retirement

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

## 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.

## Familiarisation programmes for independent directors

With a view to familiarising the independent directors with the Company's operations, as required under regulation 25(7) of SEBI Listing Regulations, 2015, the Company has held various familiarisation programmes for the independent directors throughout the year on an ongoing and continuous basis.

The details of such familiarisation programmes are placed on <https://www.vascon.com/investors/services>

### **Whistle Blower Policy/Vigil Mechanism**

Pursuant to section 177(9) of Companies Act, 2013 and regulation 22 of the 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 2019-2020, 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 the policy is available on the Company's website at <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 SEBI Listing Regulations, 2015.

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 the 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/corporate-updates>

There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

The Policy on materiality of RPTs stipulating the threshold limits and also on dealing with RPTs which was approved by the Board and the same has been placed on the Company's website <https://www.vascon.com/investors/services>

### **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 ensure that the candidate possesses appropriate skills, experience and knowledge in one or more fields of finance, architecture, business management, sales, marketing, corporate governance, technical operations or other disciplines related to your Company's business.

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

# VASCON ENGINEERS LIMITED

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

## • Audit Committee

Audit Committee was constituted on February 17, 2007 and reconstituted on 9.2.2017. It now comprises of 4 directors. Out of four directors three are independent. All members of the Audit Committee are financially literate. Moreover, the Chairman and members of the Audit Committee have 'accounting or related financial management expertise'.

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

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

- Supervise the financial reporting process.
- Review the quarterly and annual financial results before placing them to the Board along with the related disclosures and filing requirements.
- Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function.
- Discuss with management, the Company's major policies with respect to risk assessment and risk management
- 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.
- Ensure compliance with accounting standards and with listing requirements with respect to the financial statements.
- Recommend the appointment and removal of external auditors and their remuneration.
- Recommend the appointment of cost auditors.
- Review the independence of auditors.
- Ensure that adequate safeguards have been taken for legal compliance for both the Company and its other Indian as well as foreign subsidiaries.
- Review the financial statements, in particular, investments made by all the subsidiary companies.
- Review and approval of related party transactions.
- Review the functioning of whistle-blower mechanism.

- Review the implementation of applicable provisions of various acts.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls.
- Review the suspected fraud as committed against the Company.
- Recommendation for appointment, remuneration and terms of appointment of auditors of Listed Entity.
- 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.
- Review of compliance with respect to provisions of SEBI (Prohibition of Insider Trading Code) 2015 atleast once a year.

## Meetings and Attendance

During 2019-20, the Audit Committee met four times, viz., May 23, 2019, August 12, 2019, October 24, 2019 and January 31, 2020. 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 Chief Financial Officer, 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. V. Mohan	Chairman, Non-Executive-Independent	4
Mr. Mukesh Malhotra	Member, Non-Executive-Independent	2
Mr. K. G. Krishnamurthy	Member, Non-Executive-Independent	2
Mr. R. Vasudevan	Member, Executive	4

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.

V. Mohan, Chairman of the Audit Committee, was present to answer shareholders' queries at the Annual General Meeting of the Company held on September 23, 2019.

• **Nomination and Remuneration Committee**

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

During the year under review, the Committee met four times, i.e. May 23, 2019, August 12, 2019, October 24, 2019 and January 31, 2020.

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

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

Mrs. Vibhuti Dani, Company Secretary acted as the secretary of the Committee.

**Terms of reference of the Nomination and Remuneration Committee ('NRC') are broadly 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 SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance Evaluation of the Chairman and Non- Independent Directors was carried out by the Independent Directors. Further the Board hereby confirms that all the Independent Directors fulfill the conditions as specified under Schedule V of SEBI (LODR), 2015 and further the Board also confirms that they are independent of the management.

K. G. Krishnamurthy, Chairman of the Nomination and Remuneration Committee, was present to answer shareholders' queries at the Annual General Meeting of the Company held on September 23, 2019.

• **Stakeholders Relationship Committee**

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

During the year under review, Committee met four times, viz. May 23, 2019, August 12, 2019, October 24, 2019 and January 31, 2020.

**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	2
Mr. V. Mohan	Member, Non-Executive, Independent	4
Mr. Mukesh Malhotra	Member, Non-Executive, Independent	2
Mr. R. Vasudevan	Member, Executive	4

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

- Details of the investor status of complaints received during the year 2019-20

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 not solved to the satisfaction of shareholders	No. of complaints pending to be resolved at the end of the year
April 1, 2019 to June 30, 2019	0	0	0	0
July 1, 2019 to September 30, 2019	8	8	0	0
October 1, 2019 to December 31, 2019	1	1	0	0
January 1, 2020 to March 31, 2020	0	0	0	0

Mrs. Vibhuti Dani, Company Secretary and Compliance Officer is the Compliance Officer for complying the requirements of Securities Laws

### **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 January 31, 2020 and:

- noted the report on performance evaluation for the year 2019-20 from the Chairman of the Board;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive director and non-executive directors; and
- assessed the quantity, quality and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

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

#### **Remuneration of Directors**

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

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

The register of contracts is maintained by the Company under section 189 of Companies Act, 2013. The register is signed by the directors present at the respective Board 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 and commission as separately stated in this Report.

##### **Managing Director**

During the year under review, Company has paid remuneration to Mr. Siddharth Vasudevan Moorthy, Managing Director, the details are as provided in annexure to Directors Report in Form MGT-9. (Extract of Annual Return)

##### **Details of Remuneration to directors**

During the year under review, Company has not granted any stock options and hence it does not form part of remuneration package. The details of remuneration paid to other directors are as provided in annexure to Directors Report in Form MGT-9. (Extract of Annual Return).

##### **Shareholding of Directors**

Information on shares held by Directors as on March 31, 2020 is provided in annexure to Directors Report in Form MGT-9. (Extract of Annual Return).

#### **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.

#### **Compliances regarding Insider Trading**

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

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

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

The Code of Conduct for Prevention of Insider Trading in Securities of Vascon Engineers Limited has been formulated to regulate, monitor and ensure reporting of Trading by Designated Persons and their immediate relatives and Connected Persons



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

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

#### 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, director's 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 three AGMs are as under

Details of AGM - Date and Time of AGM	Location of AGM	Details of Special Resolution(s) passed at AGM
September 28, 2017 at 3.30 P.M.	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	<ol style="list-style-type: none"> <li>To divest/sale/slump sale/demerger of Non-Core Assets and/or Material Subsidiary</li> <li>To amend the Articles of Association of the Company</li> <li>To convert loan availed from ECL into Equity Shares upon event of Default</li> <li>Shifting of Registered Office of the Company</li> </ol>
September 17, 2018 at 3.30 P.M.	MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014	<ol style="list-style-type: none"> <li>Appointment Of Mr. Siddharth Vasudevan Moorthy As Managing Director Of The Company</li> <li>Appointment Of Mr. R. Vasudevan As Whole Time Director (Executive Chairman) Of The Company</li> </ol>
September 23, 2019 at 11:00 A.M.	MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014	<ol style="list-style-type: none"> <li>Re-appointment of Mr. V. Mohan (DIN: 00071517) as Non-Executive Director</li> <li>Re-appointment of Mr. K. G. Krishnamurthy (DIN: 00012579) as Non-Executive Director</li> <li>Approval for Payment of Remuneration to Mr. Siddharth Vasudevan Moorthy as Managing Director of the Company</li> <li>Approval for payment of Remuneration to Mr. Vasudevan Ramamoorthy as Whole Time Director(Executive Chairman) of the Company</li> <li>To convert Loan availed from JM Financials Credit Solutions Ltd into equity shares upon the Event of Default</li> </ol>

During the year under review, the Company did not pass any resolutions of the shareholders by postal ballot.

## Other Disclosures:

- a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large. The necessary details are provided in Annexure-II of Report of Board of Directors.
- b. Details of Non-Compliance by the listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years: NIL
- c. Details of establishment of Vigil Mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee: The Company has a whistle blower policy (Whistle Blower/Vigil Mechanism) to report concerns. Under this policy, provisions have been made to safeguard persons who use this mechanism from victimization.

An Independent Member of Audit Committee is the Chief of Vigil Mechanism. The policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The details of the procedure are also available on Company's website <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 Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation 2 of Regulation 46 of SEBI(Listing Obligations and Disclosure Requirements), 2015.

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

Your Company has complied with all the requirements of corporate governance report as specified in sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations

The policy for determining material subsidiaries can be seen <https://www.vascon.com/investors/services>

The policy for determining related party transactions can be seen at <https://www.vascon.com/investors/services>

- e. Disclosure of commodity price risks and commodity hedging activities: The company may be affected by the variation in the prices of input commodities of its EPC and Real Estate Projects. The Company has not done any hedging transaction.
- f. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulation: Not Applicable

## g. Compliance Certificate

The Managing Director & CEO and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) read with

Part B of Schedule II to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

## h. Secretarial Auditor's Certificate on Corporate Governance

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

## i. Compliance of mandatory and discretionary requirements

Company has complied with mandatory requirements of the SEBI Listing Regulations, 2015

### Discretionary

The Company has also complied with the discretionary requirements as under:

#### a. The Board

Since the Company has an Executive Chairman, the requirement regarding non-executive Chairman is not applicable.

#### b. Modified opinion(s) in audit report

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

#### c. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

## j. 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	37.50	0
2	GMP Technical Solutions Private Limited	10.00	

## k. 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 2019-20	No. of complaints dissolved during the FY 2019-20	No. of complaints pending at the end of the year
1	-	-	-

## Shareholders Means of Communication

### a. Quarterly and Annual Results

Quarterly and annual results of the Company are published in widely circulated national newspapers such as Indian Express and the local vernacular daily, Loksatta. These are made available on the Company's Website <https://www.vascon.com/investors/quarterly-financials-presentations>

### b. News Releases, Presentation etc

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

### c. Website

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

### d. Annual Report

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

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

### e. Reminder to Investors

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

### f. Compliances with Stock Exchanges

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

### g. Designated Exclusive Email ID

In terms of 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

35<sup>th</sup> Annual General Meeting of Vascon Engineers Limited

**Venue:** The Company is conducting meeting through video conferencing ('VC')/ other audio visual means ('OAVM') pursuant to the MCA circulars. For details please refer to the Notice of AGM.

**Date :** September 29, 2020

**Time :** 11:30 hours

Mrs. Vibhuti Darshin Dani

Company Secretary & Compliance Officer

T: +91-20-30562200

F: +91-20-26131071

Email: [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com)

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

### b. Financial Year

The Financial Year is 1<sup>st</sup> April to 31<sup>st</sup> March

### c. Dividend Payment Date:

As the Board has not recommended payment of dividend for the year 2019-20, the same isn't applicable.

**Financial Results on the Company's website:** The annual results of the Company are published in the newspapers in India, Indian Express; English Edition and Loksatta, Marathi Edition and also displayed on its web site [www.vascon.com](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 Ltd (BSE).

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

Following table indicates your Company's Stock Exchange codes:

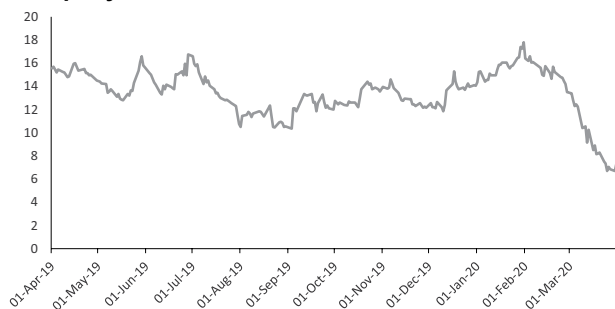
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	VASCONEQ
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	533156
ISIN	INE893101013

### e. Master Price Data:

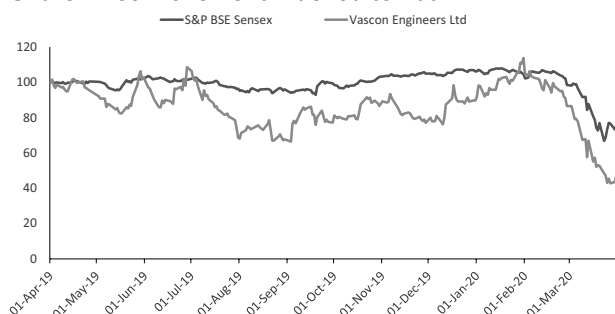
Month and Year	BSE		NSE	
	High	Low	High	Low
April 19	16.50	14.35	16.70	14.30
May 19	17.00	12.51	16.80	12.25
June 19	17.55	12.35	17.50	12.50
July 19	17.30	10.65	17.30	10.55
August 19	12.44	10.00	12.50	09.85
September 19	13.95	10.22	14.00	10.25
October 19	14.94	12.00	14.90	11.50
November 19	15.00	11.69	15.00	11.95
December 19	16.69	11.21	16.75	11.65
January 2020	18.87	13.70	18.70	13.70
February 2020	18.75	13.50	18.05	13.50
March 2020	14.10	06.02	14.30	06.25

## f. Share Price Chart

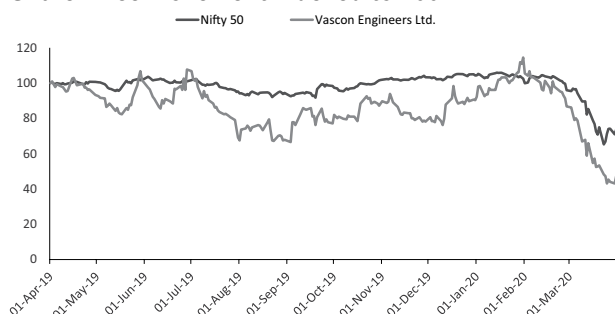
### Company's share Price Movement



### Share Price Movement Indexed to 100



### Share Price Movement Indexed to 100



## h. Plant Location

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

## i. Distribution of Shareholding of the Company as on March 31, 2020

No. of Equity Shares held	Shareholders		Equity Shares held	
	No. of Shareholders	% to total	No. of Shares	% to total
1-5000	22827	65.71	45047290.00	2.53
5001-10000	5093	14.66	43955000.00	2.47
10001-20000	2884	8.30	46400660.00	2.60
20001-30000	1210	3.48	32156220.00	1.81
30001-40000	509	1.47	18760870.00	1.05
40001-50000	550	1.58	26603210.00	1.49
50001-100000	818	2.35	62153400.00	3.49
100001 & above	849	2.44	1506290510.00	84.56
<b>Total</b>	<b>34740</b>	<b>100.00</b>	<b>1781367160.00</b>	<b>100.00</b>

## j. Shareholding Pattern of the Company as on March 31, 2020

Category	Total Shares	% to Equity
Promoters	54877184	30.81
Resident Individuals	61825169	34.71
Bodies Corporate	22705258	12.75
Promoters Bodies Corporate	9599275	5.39
Foreign Portfolio Investors	200000	0.11
HUF	3883823	2.18
Employees	14958261	8.40
Banks	2000	0.001
Clearing Members	9144548	5.13
Non-Resident Indians	712185	0.40
Indian Financial Institutions	11736	0.006
Non-Resident Indian Non-Repatriable	213685	0.12
NBFC	-	-
IEPF	3592	0.002
<b>Total</b>	<b>178136716</b>	<b>100.00</b>

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

No instrument is outstanding for Conversion and/or allotment.

## m. Investor Complaints

During the year total 9 complaints were received from shareholders /investors and all were resolved.

Investor Complaints Status as on March 31, 2020

Particulars	No. of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
April 1, 2019 to June 30, 2019	0	0	0
July 1, 2019 to September 30, 2019	8	8	0
October 1, 2019 to December 31, 2019	1	1	0
January 1, 2020 to March 31, 2020	0	0	0

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

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

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

Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link <https://www.vascon.com/investors/shares-information>. 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/>

**n. Commodity Price Risk or Hedging Transaction**

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

**o. Credit Rating**

The Company's financial prudence is reflected in the credit ratings ascribed by Rating Agency.

The below mentioned credit rating is obtained for debt securities.

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

**p. Dematerialization of shares**

As on March 31, 2020, 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, 2020 was as follows:

Category	No. of shares	% to total Equity
Demat Mode	178136714	0.99%
Physical Mode	2	0.01%
<b>Total</b>	<b>17813616</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.

**q. Share Transfer system:**

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

**r. Registrar and Transfer Agents**

**• KFIN Technologies Private Limited**

Karvy Selenium Tower B, Plot no 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032

**Telephone:** +91 40 6716 2222

**Facsimile:** +91 40 2343 1551

**E-mail:** [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

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

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

Contact Person: Mr. S. V. Raju

SEBI Registration NO: INR000000221

**• Change of name of Company's RTA**

The name of the Company's RTA is changed to KFin Technologies Private Limited from Karvy Fintech Private Limited effective December 5, 2019. The Company has communicated this information to the stock exchanges and also made it available on the Company's website.

**• Debenture Trustees**

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

**a. Vistra ITCL (India) Limited**

CIN: U66020MH1995PLC095507

Registered Office: IL&FS Financial Centre Plot C-22, G-Block, Bandra-Kurla Complex, Bandra(E) Mumbai- 400 005

Phone: 022-26593535

**Email Address:** [sanjay.dodti@vistra.com](mailto:sanjay.dodti@vistra.com)

**b. Axis Trustee Services Limited**

CIN: U74999MH2008PLC182264

Registered Office: Axis House, Bombay Dyeing Mills Compound, PandhurangBudhkar Marg, Worli Mumbai – 400025

Contact NO . 022 – 62300435

**Email:** [report@axistrustee.com](mailto:report@axistrustee.com)

**c. Shareholders' Correspondence:**

Ministry of Corporate Affairs ("MCA") has vide Circular No.17/ 2011 dated 21st April, 2011 allowed the service of documents on members by a company through electronic mode. Accordingly the Company proposes to send documents like Shareholders Meeting Notice/ other notices, audited financial statements, directors' report, auditors' report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their Depositories. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their Depositories or by clicking the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/)

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

**KFintech Technologies Private Limited**

Karvy Selenium, Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032  
Telephone: +91 40 6716 2222  
Facsimile: +91 40 2343 1551

**Investor grievance id:** einward.ris@kfintech.com

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

**Contact Person:** Mr. S V Raju,

**SEBI Registration No.:** INR000000221

**OR**

**VASCON ENGINEERS LIMITED**

Mrs. Vibhuti Darshin Dani  
Vascon Weikfield Chambers  
Opp. Hyatt Hotel, B/h Hotel Novotel,  
Pune-Nagar Road, Vimannagar, Pune – 411 014  
Contact: 020-30562200  
Fax: 02030562600

**Website:** [www.vascon.com](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:

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

- The Managing Director or Chief Executive Officer or Manager
- Whole Time Director
- The Company Secretary
- The Chief Financial Officer and
- 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:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- 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;
- Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- To devise a Policy on Board diversity.
- 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 (N&R)/ Audit Committee (AC) (minutes of AC & N&R are circulated to the Board), where Directors get an opportunity to interact with Senior Managers. Presentations, inter alia, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of Internal Audit, risk management framework, operations of subsidiaries and associates, etc. Independent Directors have the freedom to



interact with the Company's management. Interactions happen during Board / Committee meetings, when senior company personnel are asked to make presentations about performance to the Board. Such interactions also happen when these Directors meet senior management in Independent Company meetings and informal gatherings. Directors are also informed of the various developments in the Company through e-mails, newsletters, internal magazines, etc.

#### Annexure-D

### PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

#### Background:

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

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

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

#### Board of Directors

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

Board Composition and Quality	
1	The Board has appropriate expertise and experience to meet the best interests of the company
2	The board has appropriate combination of industry knowledge and diversity (gender, experience, background)
3	All the independent directors are independent in true letter and spirit i.e. whether the independent Director has given declaration of independence and they exercise their own judgement, voice their concerns and act freely from any conflicts of interests.
4	Board members demonstrate highest level of integrity (including maintaining confidentiality and identifying, disclosing and managing conflicts of interests)
5	The Board members spend sufficient time in understanding the vision, mission of the company and strategic and business plans, financial reporting risks and related internal controls and provides critical oversight on the same.
6	The Board understands the legal requirements and obligations under which they act as a Board; i.e. bylaws, corporate governance manual etc. and discharge their functions accordingly.
7	The Board has set its goals and measures its performance against them on annual basis.
8	The Board has defined its stakeholders and has appropriate level of communication with them.
9	The Board understands the line between oversight and management
10	The board monitors compliances with corporate governance regulations and guidelines.
11	An effective succession plan of board in place.
12	The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements.
Board Meetings and Procedures	
13	The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time.

14	The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail.
15	The information is received by board members sufficiently in advance for proper consideration.
16	Adequacy of attendance and participation by the board members at the board meetings.
17	Frequency of Board Meetings is adequate.
18	The facility for video conferencing for conducting meetings is robust
19	Location of Board Meeting ( As a good governance practice the Board meeting should be held at different places).
20	The Board meetings encourage a high quality of discussions and decision making
21	Openness to ideas and ability to challenge the practices and throwing up new ideas
22	The amount of time spent on discussions on strategic and general issues is sufficient
23	How effectively does the Board works collectively as a team in the best interest of the company
24	The minutes of Board meetings are clear, accurate, consistent, complete and timely
25	The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings
26	The processes are in place for ensuring that the board is kept fully informed on all material matters between meetings (including appropriate external information eg. emerging risks and material regulatory changes).
27	Adequacy of the separate meetings of independent directors
28	Appropriateness of secretarial support made available to the Board
29	The Board members understand the terms and conditions of D & O insurance.
30	All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis
Board Development	
31	Appropriateness of the induction programme given to the new board members.
32	Timeliness and appropriateness of ongoing development programmes to enhance skills of its members
33	Appropriate development opportunities are encouraged and communicated well in time
Board Strategy and Risk Management	
34	The time spent on issues relating to the strategic direction and not day-today management responsibilities
35	Engaging with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve them.
36	The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company.
37	The Board has sufficient understanding of the risk attached with the business structure and the Board uses appropriate risk management framework and whether board reviewed and understood the risks provided in the internal audit report and the management is taken sufficient steps to mitigate the risk.
38	The Board evaluates the strategic plan/ policies periodically to assess the Company's performance, considers new opportunities and responds to unanticipated external developments.
39	The Risk management framework is subject to review
40	Monitoring the implementation of the long term strategic goals.
41	Monitoring the company's internal controls and compliance with applicable laws and regulations
42	The adequacy of Board contingency plans for addressing and dealing with crisis situations.

# VASCON ENGINEERS LIMITED

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

## 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:
	<ul style="list-style-type: none"> <li>i. Director has ability to remain focused at a governance level in Board/ Committee meetings</li> <li>ii. Director's contributions at Board / Committee meetings are of high quality and innovative</li> </ul>
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

## Independent Directors

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

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

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

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

**EXHIBIT-1**

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

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

I hereby certify that the Board members and senior management personnel of Vascon have affirmed compliance with the Code of the Company for the financial year 2019-20.

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

Place Pune  
Date: June 12, 2020

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

Date: June 12, 2020

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  
Chief Executive Officer

Sd/-  
Mr. Somnath Biswas  
Chief Financial Officer

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

I have examined compliance by Vascon Engineers Limited ('the Company') with the requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations') relating to Corporate Governance requirements for the year ended on 31 March 2020.

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

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

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

**Kulbhushan D Rane**  
**FCS No.: 10022, C. P. No.: 11195**  
**UDIN: F010022B000338724**

**Place: Pune**  
**Date: 12 June 2020**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Vasudevan Ramamoorthy	00013519	01/01/1986
2.	Siddharth Vasudevan Moorthy	02504124	29/03/2018
3.	Sowmya Aditya Iyer	06470039	31/03/2015
4.	Krishnamurthy Kulamani Gopalratnam	00012579	23/09/2019
5.	V Mohan	00071517	23/09/2019
6.	Mukesh Satpal Malhotra	00129504	17/05/2016

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

**Kulbhushan D Rane**  
**FCS No.: 10022, C. P. No.: 11195**  
**UDIN: F010022B000338713**

**Place: Pune**  
**Date: 12 June 2020**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Company Overview**

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

**Macro-Economic Review**

Fiscal year 2019-20 had started on a weaker note, India's GDP grew at 5 percent in the first quarter of FY19-20, the slowest since the fourth quarter of FY2012-13. All the major growth engines—private consumption, private investment, and exports—had experienced a significant slowdown. Consumption, the biggest contributor of growth, fell to an 18-quarter low of 3.1 percent in Q1 FY2019-20, pointing to fragile consumer sentiment and purchasing ability. Investments grew 4 percent, marginally up from 3.6 percent in the previous quarter. Exports remained volatile owing to global uncertainties around trade and investments and geopolitical tensions. The fourth engine, government consumption and investment, is running out of steam because of the limited elbow room the government has for counter-cyclical spending as the budget deficit remains under pressure.

In FY2019-20, GDP is expected to grow at 5.2% due to weak domestic demand and external uncertainties. To combat the slowing economic growth, the government made a flurry of policy announcements to boost demand and supply. Including liberalization of FDI norms for select sectors; rollback of recently introduced and much debated tax surcharge on foreign portfolio investors; incentives to support several industries; bank consolidation; and the blockbuster cut in the corporate tax rate. These measures are expected to improve credit growth, increase capital inflows, reinvigorate private investments and hiring, and thereby boost economic growth.

When the economy is battling to get back on track, the pandemic all over the globe has triggered a slowdown in the economies world over. India's GDP is expected to fall to 1.9 % in FY21 as against 5.8 % estimated amid the lockdown due to coronavirus pandemic. Reserve Bank of India (RBI) undertook slew of measures to boost liquidity to NBFCs and other financial institutions to aid support during slowdown amid lockdown, also Reserve Bank of India expects the Indian economy to experience a sharp turnaround and resume its pre-Covid trajectory by growing at 7.4 % in 2021-22. India is the only country other than China to register a positive growth rate in 2020.

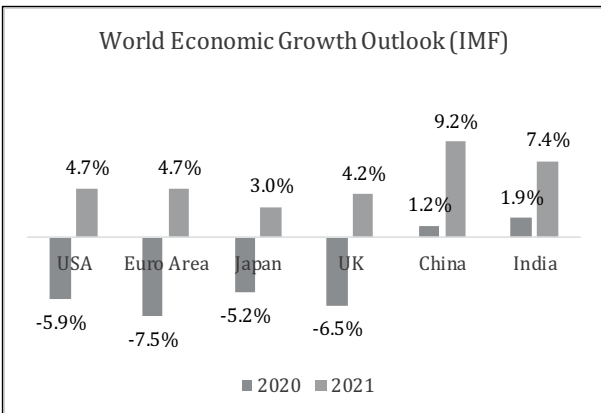
(Source: IMF Report)

**India's Civil Construction & Real Estate Sector**

India's GDP is expected to gradually move upwards in the next five years anchored on the clean-up of financial sector balance sheets, reversing the deleveraging phase with corporates starting to leverage for funding capex, leading to growth and payoff from policies and reforms such as Goods and Services Tax and Insolvency and Bankruptcy Code, 2016. Capacity utilisation is expected to catch up, resulting in an improvement in the investment cycle. It is a given that infrastructure development is a critical factor for boosting the economy, providing improved growth prospects. In order to improve India's global competitiveness, creating new and upgrading existing infrastructure will be critical along with introducing a slew of reforms. Infrastructure development is labour intensive, leading to increase in employment opportunities and thus, fueling domestic demand. All of this together can aid in initiating a virtuous cycle of higher investments, growth and employment generation in the economy.

The above envisaged economic growth will be accompanied by a shift in the underlying demographics of the country – increase in urbanization levels, growing workable population and increase in the share of employed individuals in the services sector in urban areas. In the last decade, India's urban population has increased at an annual rate of ~2.4%, which is expected to increase in the near future, given the focus on urban infrastructure and increase in employment opportunities in the urban areas. India's urbanization levels are estimated to improve to ~42% in 2030 from 34% as of 2018. These transformed demographics will require development of a host of infrastructure facilities, thus increasing the demand for increase in coverage and quality of service delivery across the entire infrastructure spectrum.

To fuel the growth in the sector, Government of India has launched the 'National Infrastructure Pipeline' (NIP), an investment plan with an outlay of Rs.111 lakh Crore for enhancing infrastructure in identified sectors for a period of five years from 2020-25. This is a first-of-its-kind exercise to efficiently provide world-class infrastructure across the country and improve the quality of life for all citizens. NIP will enable a forward outlook on both economic and social infrastructure projects, which will create jobs, improve ease of living and



Source: IMF

provide equitable access to infrastructure for all, thereby making growth more inclusive.

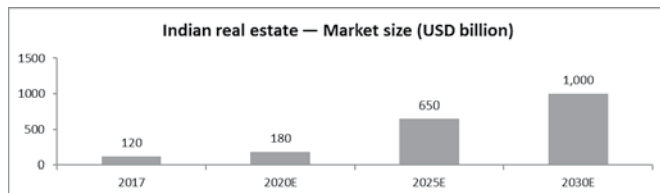
It is envisaged that during the fiscals 2020 to 2025, sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) amount to ~71% of the projected infrastructure investments in India, with a total capital expenditure projected at ~Rs. 111 lakh crore. The Centre (39%) and states (40%) are expected to have an almost equal share in implementing the NIP in India, followed by the private sector (21%).

The government's ambitious infrastructure development programmes is the key enabler to achieve ambitious \$5 trillion economy by 2025 target. It provide significant opportunities for investors and market players to help transform the sector and partner India's socio-economic progress. Robust demand, higher investments, attractive opportunities and policy support changed the face of the sector in the country in coming years.

(Source: NIP Taskforce Report)

### **Real Estate Sector**

Real Estate Sector is the second largest sector after agriculture, contributing 6-7 percent to the Indian Gross Domestic Product. Indian Real Estate sector is estimated to grow to USD 1 trillion by 2030 and it is expected to be 13 percent of the country's GDP By 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. Indian real estate is projected to increase by 19.5 percent CAGR from 2017 to 2028.



Source: IBEF Report, March 2020

In the last few years, Indian Real Estate sector has been struggling to overcome several landmark reforms such as RERA, GST, Insolvency and Bankruptcy Code, adoption of REITs, etc; structured by the Government to build a healthy ecosystem with greatest transparency, accountability and customer assurance.

To provide respite to the sector Government have taken major steps like, raising liquidity to housing finance companies, relaxation of ECB funds, and approval of a Rs. 25,000-crore fund have all been made in positive stride. Covering 1,600 projects with 458,000 dwelling units under the announcement will help to boost buyer's confidence in near term.

Also, In Union Budget 2020-21, Government has taken few steps which will push the Real Estate Growth

1. The Government has proposed the new tax slabs format. The amended tax slabs will ensure more disposable income in the hands of the people. This could aid to

revive the consumption cycle in the realty sector and kick-starting the economy

2. Extended the support to affordable housing, by extending the tax benefit for affordable home buyers under section 80EEA till March 31, 2021, which is expected to positively impact demand in the affordable housing segment
3. Guarantee scheme for NBFC and HFCs, Government proposed to further enhance the credit guarantee scheme for NBFCs and HFCs, which is expected to provide some respite to market

With this, the sector was moving back on a growth trajectory and was likely to emerge stronger than before, however, the current global pandemic (COVID-19) has put brakes on its growth momentum. It has aggravated the problems of the real estate sector, which was already reeling under the pressure of a challenging economic environment and liquidity starved crisis. The residential sector which was already adjusting to the structural reforms and reeling under inventory overhang and lack of consumer confidence, is headed for an overall slump in demand. The affordable housing sector in particular – which was earlier expected to drive the volumes in the sector – will be also be impacted. The Government of India and Reserve Bank of India have announced several measures like Lowering of interest rates, Reduction in cash reserve ratio (CRR), Loan moratorium, and Special liquidity schemes for HFCs and NBFCs to combat economic crisis arising around of the COVID-19.

### **Factors Driving Growth in the Sector:**

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

**Union Budget:** The Union budget 2020-21 had key focus on infrastructure sector. The Government's total allocation for infrastructure in Budget of 2020-21 stands at USD 63.20 billion. India's infrastructure spend has been in the range of 5.3%-6.2% of Nominal GDP between FY13-FY19. As primary focus on improving the physical quality of life and growth, the Government came up with an infrastructure investment plan till FY25 which entails investment worth Rs 102.5 lakh crore with highest investment in roads, urban infrastructure, railways and power. Allocation of Rs. 888 crore for the upgradation of state government medical colleges at the district hospitals and Rs. 1,361 crore for government medical colleges and government health institutions. Furthermore, the Government proclaimed to invest Rs. 10,000,000 crore in infrastructure over the next five years.

Funding of Infrastructure Projects (FY20-25) in %			
Sector	Centre	State	Private
Road	25	36	39
Energy	37	57	6
Petroleum & natural gas	74	11	15
Renewable energy	0	0	100
Atomic	100	0	0
Railways	87	1	12
Port	50	39	11



Funding of Infrastructure Projects (FY20-25) in %			
Sector	Centre	State	Private
Airport	23	38	39
Urban	31	68	1
Digital Infrastructure	24	5	71
Irrigation	22	78	0
Rural	76	24	0
Agriculture	54	46	0
Health	29	71	0
Higher education	38	62	0
Source: SBI Research			

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

**Development of Healthcare:** In the Budget 2020-21, the Government allocated Rs. 69,000 crore for the health sector, an increase of about 8% as compared to the previous year. The expansion of Ayushman Bharat scheme will bring opportunities for Indian EPC contractors as this scheme eyes to setting up more hospitals in Tier-II and Tier-III cities under the PPP model. Furthermore, with emphasis to overcome the shortage of medical professionals in the country the government proposed to convert existing district hospitals to medical colleges through PPP mode under Niti Aayog.

**Metro Rail Development:** Metro rail projects worth over Rs. 500 billion are underway in India and this is poised to continue growing trail. Currently ~10 Indian cities are working on metro railway projects and the government is contemplating the feasibility of network in all cities with a population of more than 2 million.

### Housing for All by

**2020:** India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. This has the potential for propelling India to 3rd largest construction market globally. The sector is expected to contribute 15% to the Indian economy by 2030 (source: IBEF). The Government's recent push towards Affordable Rental launched under the Pradhan Mantri Awas Yojana (PMAY); Government-funded housing in cities will be converted in Affordable Rental Housing Complexes (ARHC) through the public-private partnership (PPP) model.

**Growth in Warehousing:** Investment in the logistics sector is expected to reach USD 500 billion annually by 2025. Warehousing in India is expected to get investment of Rs. 50,000 crore between 2018-20 (source: IBEF).

### Opportunities for Growth

Infrastructure development is critical to spur economic growth and achieve \$5 trillion economy by 2025, India. The Indian construction sector is expected to reach Rs. 50,000 billion by 2020, expanding at a CAGR of around 16%, since 2018. Rapid urbanization, government-led infrastructure enhancement across smart cities, housing, healthcare, transportation, combined with increasing foreign investor spend, shared economy model and improved regulatory reforms are the key drivers fueling the overall sector growth. The Government effort through policy reforms is expected to drive the growth in Indian Construction and Real Estate Industry. Vascon Engineers has prepared a comprehensive strategy to capture opportunity in both the EPC and Real Estate Development Business.

### Outlook

The global economy is witnessing challenges arising due to Covid-19 Pandemic and the Infrastructure sector & Real Estate is not isolated. The Pandemic, and the ensuing lockdown has adversely impacted the sector primarily attributable to the halting of construction activities across the country, lack of availability of labor, softening demand for real estate, amongst others. To provide the desired thrust to the sector government has announced various slew of measures like extension of construction period, special liquidity scheme to protect/safeguard liquidity, loan restructuring window for corporates, reduction interest rates to support demand amongst others.

The current crisis has led to reduction in consumption demand in the Country, government spending in social sectors to be the key driver for economic growth. Government's key initiatives like Building Industrial corridors, Housing for all, Udaan, Metro Rail Development, Ayushman Bharat, Transport infrastructure, amongst others to drive growth. The current crisis expected to trigger opportunity for growth in the Building & Factories segment, as major companies are working towards diversifying their manufacturing facilities beyond China, India being one of the fastest growing economy to be benefitted of this step thus, translating into huge opportunity for growth in the sector. Also, government is likely to increase in Healthcare Industry in the upcoming year, providing an opportunity for growth.

The Company's order book stands at Rs. 2,060 Crore, ensuring strong visibility for the EPC segment for foreseeable future. Also, your Company have identified new real-estate launched worth around Rs. 2,000 crores, proving further visibility for growth. With adequate liquidity in place your Company is well-prepared to capitalize on the arising opportunities going forward.

### Financial Performance with respect to operational performance

#### COMPANY PERFORMANCE

During the Financial Year 2019-20, Company witnessed the strong order intake worth Rs. 1,650 crores, Highest-Ever EPC order inflow in a year leading to Total Order book of Rs 2,060 crores; providing higher-visibility for growth in coming years. Also, Company have successfully monetized a land parcel



measuring approximately 8 acres situated at Kharadi, Pune for gross consideration of Rs. 170 Crore. The transaction has been executed through Ajanta Enterprises, a Joint Venture firm, where your Company holds the 50% shares. Your Company generated Net Cash Flow post expenses and tax of Rs. 52.5 Crores through liquidation of the non-core assets. The proceeds are used for working capital requirement for on-going projects and de-leveraging of Balance Sheet.

### Consolidated Financial Performance

- Total Consolidated Revenue stood at Rs. 540.89 crores as against Rs. 561.0 crores in FY2018-19.
- EBITDA increased from Rs. 43.99 crores in FY2018-19 to Rs. 73.87 in FY2019-20
- Profit After Tax stood at Rs. 39.74 crores in FY2019-20 as against Rs. 5.28 crores in FY2018-19; primarily due to higher execution higher, resulting in an increase in turnover
- As on March 31, 2020, Total consolidated debt stood at Rs. 255.32 crores as against Rs. 263.33 crores on March 31, 2019
- Net worth Rs. 743.67 crores as on March 31, 2020 compared to Rs. 699.59 crores as on March 31, 2019

### Working Capital Management

- Current assets as on March 31, 2020 stood at Rs. 930 crores compared to Rs. 897 crores as on March 31, 2019
- Current ratio as on March 31, 2020 stood at 2.17 times compared to 2.24 times as on March 31, 2019
- Inventories decreased from Rs. 483 crores as on March 31, 2019 to Rs. 463 crores as on March 31, 2020
- Short-term loans and advances increased to Rs. 67 crores in FY2019-20 compared to Rs. 61 crores in FY2018-19
- Current liabilities stood at Rs. 429 crores on March 31, 2020 compared to Rs. 400 crores as on March 31, 2019
- Cash and bank balances stood at Rs. 57 crores as on March 31, 2020 compared to Rs. 55 crores as on March 31, 2019.

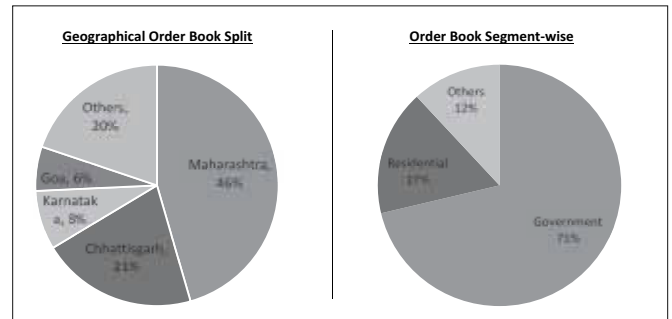
### Key Ratios

- Debtors' turnover: The Company's debtors' turnover stood at 127 days in FY2019-20 as compared to 151 days in FY2018-19; reduction in debtors' is on account of increase in debtor realization
- Inventory turnover: Inventory turnover improved to 456 days FY2019-20 compared to 478 days FY2018-19; 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 3.46 times in FY2019-20 against 1.63 in FY2018-19; primarily on account of improvement in profitability; Company expect to maintain the same consistency in coming years

- Current ratio: The Company's current ratio stood at 2.17 in FY2019-20 compared to 2.24 in the previous year
- Debt to Equity ratio: Debt to Equity Ratio stood at 0.33
- On standalone basis, Operating profit: The operating profit of the Company stood at Rs. 62 crores in FY2019-20 compared to Rs. 45 crores in FY2018-19
- Net profit: The net profit stood at Rs. 38 crores in FY2019-20 as compared to Rs. 15 crores in FY2018-19; primarily due to higher execution higher, resulting in an increase in turnover
- Return on net worth: The return on net worth stood at 5% in FY2019-20.

### ENGINEERING PROCUREMENT & CONSTRUCTION

In FY2019-20, your Company has received highest ever EPC Contracts (Third Party Contracts). In year under consideration, your Company received orders exceeding a sum of over Rs. 1,650 crores. The orders are from reputed developers and from various Government institutions. In addition to this, the EPC arm of your Company also received internal orders of around Rs. 107 crores from its recently launched real estate projects. Total order book stands at Rs. 2,060 crores which includes the Third Party contracts as well as internal order intake. In FY19-20, EPC segment contributed Rs. 277.05 crores to consolidated revenues as against Rs. 248.55 in previous year.



### REAL ESTATE

In FY19-20, Real Estate segment contributed Rs. 161.12 crores to consolidated revenues as against Rs. 81.20 crores in previous year. Your Company is pleased to share during the period under review; real estate segment of the Company has turned EBITDA positive it is an outcome of the strong marketing efforts, which has resulted in faster liquidation of the inventory. Your Company did new sale bookings of 1,35,412 square feet amounting to a total sales value of Rs. 116 crores in FY19-20 against new sale bookings of 420,998 square feet for a total sales value of Rs. 272 crores for the full Financial Year 2018-19. In Financial Year 2019-20, your Company adopted a cautious approach for project launch; launched ~1,10,000 square feet projects resulting in lower new sales booking.

During the year, your Company has successfully launched Phase II of Forest Edge, a residential project of 76 units of ultra-modern health-tech 2BHK, Kharadi, Pune in Sep 2019

and Citron Phase II, a modern lifestyle residential project consisting 1BHK and 2BHK, Wagholi, Pune in Nov 2019. Furthermore, this year your Company has identified various real estate launches of around 2.5 million square feet amounting to a total sale value of around Rs. 2,000 crores over the next 2-3 years, this will also add up to the internal order book of the Company.

During May 2018, your Company had successfully forayed into the affordable housing segment through the launch of Vascon Goodlife, the project is progressing well and witnessing fair uptick.

### **ONGOING PROJECTS:**

**Forest Edge – Residential Project in Kharadi, Pune**

After the grand success of Phase-I, Company has launched Phase-II of the project in this year. Forest Edge is an advance lifestyle project with carefully chosen health bounties and cutting edge technological features. The project is spread over ~ 3.4 acres, will be developed as a modern residential development comprising of 2 BHK apartments, and modelled as Health Tech Homes, one of its kind in Pune.

**Forest County- Residential Project in Kharadi, Pune**

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

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

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

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

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

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

**Xotech – Phase II, Hinjewadi, Pune**

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

**Citron – Phase II, Wagholi, Pune**

Citron is a modern lifestyle Residential Project at Wagholi, Pune. The project comprises of 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.

GMP has a good top line growth in recent years. In FY18-19, your Company received an order from Tata Solutions Pvt. Ltd. to supply 1.24 lakh steel doors over a period of three years. The execution of the order has been started and expect to pick-up in the future.

During the FY19-20, GMP Technicals contributed Rs 152.82 crores to consolidated revenues as against Rs. 161.79 crores in previous year.

### **STRENGTH, OPPORTUNITIES, STRATEGY**

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

Your Company continues to make efforts to improve the cash-flow through liquidation of non-core assets identified for the growth of EPC & Real Estate division. In this year, your Company generated Net Cash Flow post expenses and tax of Rs. 52.5 Crores through liquidation of the non-core assets. Your Company have successfully monetized a land parcel measuring approximately 8 acres situated at Kharadi, Pune for gross consideration of Rs. 170 Crore. The transaction has been executed through Ajanta Enterprises, a Joint Venture firm, where your Company holds the 50% shares. The proceeds are used for working capital requirement for on-going projects and de-leveraging of Balance Sheet.

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

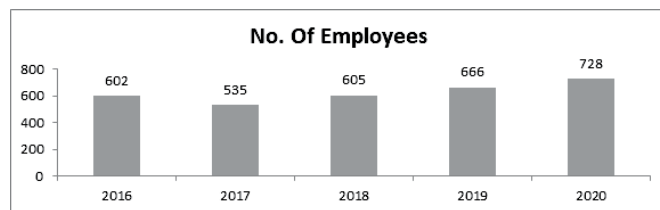
## THREATS, RISKS, CONCERNS

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

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

## HUMAN RESOURCES

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



## INTERNAL CONTROL SYSTEM

The Company 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. The measures such as advanced quantitative tools, global sourcing, standard operating procedures, and operational excellence initiatives have been implemented so as to protect the profitability of the business.

**INDEPENDENT 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, 2020, 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, 2020, its profits, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to Note 43 to the Standalone Financial Statements, which describes the economic and social consequences the entity is facing as a result of Covid-19, which is impacting operations of the Company, supply chains, personnel available for work etc.

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

**Key Audit Matters**

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

S. No.	Key Audit Matter	Auditor’s Response
1	<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. Accordingly this matter has been identified as KAM.</p> <p>Refer Note No. 2.04 of the Standalone Financial Statements.</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.</p> <p>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>Evaluation of the internal control designs relating to the revenue accounting standards,</li> <li>Selected an appropriate samples of contracts and evaluated them along with the supporting evidence to determine whether various elements of revenue recognition as well cost allocations are assessed with the principles prescribed under Ind AS 115.</li> <li>Read and assessed the disclosure made in the financial statements for assessing the compliance with the disclosure 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. Other information is expected to be made available to us after the date of our report.

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.

### Management Responsibilities for the Standalone Financial Statements

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

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

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

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

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

- a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Other Matters

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

The Standalone Financials Statement for the year ended March 31, 2019, were audited by predecessor auditor whose report dated May 28, 2019 express an unmodified opinion on those statements.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act and based on our audit we report that:

## VASCON ENGINEERS LIMITED

---

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of Section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
- h) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 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.

**For SHARP & TANNAN ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 109983W

**CA Tirtharaj Khot**  
Partner  
Membership No.: (F) 037457  
Pune – June 12, 2020 **UDIN: 20037457AAAABE6115**

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets of the Company.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans and guarantees are held in the name of the Company as at the balance sheet date.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
- (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) According to information and explanation provided to us, the Company has complied with provisions of Section 185 and Section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has specified maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that, *prima facie*, the prescribed cost accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) There were delays by the Company in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they become payable except for as given below:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Amount Paid Subsequently
Employee Provident Fund Act, 1952	Provident Fund	40,614	May 2018 to March 2019	15 <sup>th</sup> of the following month	-	-
		2,880	April 2019 to May 2019		-	-
Income Tax Act	Tax Deducted At Source - Salary	10,284,843	Aug 2019 to Sep 2019	7 <sup>th</sup> of the following month	8 <sup>th</sup> June 2020	10,284,843
Sales Tax Act	Sales Tax	463,199	April 2011 to March 2012	20 <sup>th</sup> of every following month	-	-
Goods and Service Tax Act	Goods and Service Tax Act	10,636,644	May 2019	20 <sup>th</sup> of every following month	-	-

## VASCON ENGINEERS LIMITED

- (c) Details of dues of Income tax, Sales-tax, Service tax, Goods and Service tax, Customs Duty and Cess which have not been deposited as on March 31, 2020 on account of disputes are given below:

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and dues to debenture holders and there are no borrowings from government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loan has been applied for the purposes for which they were raised.
- (x) Based upon the audit procedures performed by us and according to the information and explanations provided to us, no material fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- (xiv) According to the information and explanation provided to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, reporting on Para 3(xv) is not applicable.
- (xvi) According to the information and explanation provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For SHARP & TANNAN ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 109983W

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

Membership No.: (F) 037457  
**UDIN: 20037457AAAABE6115**

Pune – June 12, 2020



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

#### Opinion

We have audited the internal financial controls over financial reporting of **Vascon Engineers Limited** (hereinafter referred as "the Company") as of March 31, 2020 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, 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (hereinafter referred as "the guidance note") issued by the Institute of Chartered Accountants of India (hereinafter referred as "ICAI").

#### Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For **SHARP & TANNAN ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.: 109983W

Sd/-  
**CA Tirtharaj Khot**  
Partner

Membership No.: (F) 037457  
**DIN: 20037457AAAABE6115**

Pune – June 12, 2020

**Balance Sheet as at March 31, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	2,737.56	3,352.11
(b) Capital work-in-progress		0.00	0.77
(c) Investment Property	4	1,797.76	1,903.23
(d) Other Intangible assets	3	10.84	27.63
(e) Right of Use Assets	3	209.19	-
(f) Financial Assets			
(i) Investments	5	16,949.23	16,882.45
(ii) Others Financial Assets	7	9,538.85	9,237.91
(g) Income Tax Assets (net)		1,374.37	1,755.02
(h) Other non-current assets	8	1,634.70	1,175.35
<b>Total Non - Current Assets</b>		<b>34,252.50</b>	<b>34,334.47</b>
<b>2 Current assets</b>			
(a) Inventories	9	46,384.31	48,284.86
(b) Financial Assets			
(i) Investments	5	1,803.42	433.35
(ii) Trade receivables considered good - Unsecured	10	12,898.29	15,276.84
(iii) Cash and cash equivalents	11	2,023.54	3,324.56
(iv) Bank balances other than (iii) above	11	3,688.72	2,229.48
(v) Loans receivables considered good - Unsecured	6	6,745.15	6,114.72
(vi) Others Financial Assets	7	16,760.00	12,521.92
(c) Other current assets	8	2,695.72	1,490.49
<b>Total Current Assets</b>		<b>92,999.15</b>	<b>89,676.22</b>
<b>Total Assets (1+2)</b>		<b>127,251.65</b>	<b>124,010.69</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	12	17,813.67	17,813.67
(b) Other Equity	12.1	54,783.08	50,443.59
<b>Equity attributable to owners of the Company (I)</b>		<b>72,596.75</b>	<b>68,257.26</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	9,918.21	14,018.79
(ii) Other financial liabilities	14	1,797.07	1,745.49
<b>Total Non - Current Liabilities</b>		<b>11,715.28</b>	<b>15,764.28</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	8,395.79	7,963.25
(ii) Trade and other payables			
- Total outstanding dues of micro enterprises and small enterprises	15	1.90	2.69
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15	17,578.11	16,771.17
(iii) Other financial liabilities	14	6,401.62	3,224.62
(b) Provisions	16	1,571.42	1,446.93
(c) Other current liabilities	18	8,990.78	10,580.49
<b>Total Current Liabilities</b>		<b>42,939.62</b>	<b>39,989.15</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>127,251.65</b>	<b>124,010.69</b>
<b>Significant accounting policies</b>	2		
<b>See accompanying notes 3-43 forming part of the Standalone 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 Regn. No. 109983W)

 Sd/-  
 Siddharth Vasudevan  
 Managing Director  
 DIN-02504124)

 Sd/-  
 Mukesh Malhotra  
 Director  
 (DIN-00129504)

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

 Sd/-  
 Dr Santosh Sundararajan  
 Chief Executive Officer

 Sd/-  
 Vibhuti Darshin Dani  
 Company Secretary & Compliance Officer

 Sd/-  
 Somnath Biswas  
 Chief Financial Officer

 Date : June 12, 2020  
 Place : Pune

 Date : June 12, 2020  
 Place : Pune

## Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	19	36,599.98	36,345.15
II	Other Income	20	1,723.99	2,879.51
III	<b>Total Income (I + II)</b>		<b>38,323.97</b>	<b>39,224.66</b>
IV	<b>EXPENSES</b>			
	(a) Cost of materials consumed	21.a	23,855.49	29,043.62
	(b) Purchases of Stock-in-trade		0.74	5.04
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	21.b	1,541.68	(1,978.48)
	(d) Employee benefit expense	22	4,218.02	4,365.34
	(e) Finance costs	23	1,551.48	2,235.49
	(f) Depreciation and amortisation expense	3 & 4	864.55	798.59
	(g) Other expenses	24	2,477.54	3,336.00
	<b>Total Expenses (IV)</b>		<b>34,509.50</b>	<b>37,805.60</b>
V	<b>Profit before tax (III - IV)</b>		<b>3,814.47</b>	<b>1,419.06</b>
VI	<b>Tax Expense</b>			
	(1) Current tax	17	-	1.20
	(2) Deferred tax	17	-	-
	(3) (Excess) / Short provision for tax of earlier years	17	-	(103.22)
	<b>Total tax expense VI</b>		<b>-</b>	<b>(102.02)</b>
VII	<b>Profit after tax (V - VI)</b>		<b>3,814.47</b>	<b>1,521.08</b>
VIII	<b>Other comprehensive income</b>			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit liabilities / (asset)		162.88	(31.61)
IX	<b>Total comprehensive income for the Year (VII + VIII)</b>		<b>3,977.35</b>	<b>1,489.47</b>
X	<b>Earnings per equity share</b>			
	(1) Basic	25	2.14	0.86
	(2) Diluted	25	2.13	0.86
	<b>Significant accounting policies</b>	2		
	<b>See accompanying notes 3-43 forming part of the Standalone 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 Regn. No. 109983W)

Sd/-  
Siddharth Vasudevan  
Managing Director  
DIN-02504124)

Sd/-  
Mukesh Malhotra  
Director  
(DIN-00129504)

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

Sd/-  
Dr Santosh Sundararajan  
Chief Executive Officer

Sd/-  
Vibhuti Darshin Dani  
Company Secretary & Compliance Officer

Sd/-  
Somnath Biswas  
Chief Financial Officer

Date : June 12, 2020  
Place : Pune

Date : June 12, 2020  
Place : Pune

**Cash Flow Statement - Indirect Method**

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit before tax for the year	3,814.47	1,419.06
Adjustments for:		
Finance costs	1,551.48	2,235.49
Dividends received from Joint Venture/ shares	(0.04)	(133.05)
(Gain)/ loss on Sale of Assets	(0.35)	4.79
Depreciation	864.55	798.59
Interest received	(578.45)	(901.09)
Expense recognised in respect of equity-settled share-based payments	462.77	878.53
(Gain) / loss on investments carried at fair value through profit or loss	(732.05)	-
Profit on sale of investment	(169.37)	-
Bad debts and other receivables, loans and advances written off	-	803.54
Provision for doubtful debts and advances	37.79	(638.32)
Provision / Creditors no longer required written back	(92.12)	(1,696.22)
Gain / (loss) on investments carried at fair value	30.49	14.63
Dividend received on investments carried at fair value through profit or loss	(81.21)	(42.09)
Commision (Net)	35.49	28.21
Miscellaneous income	-	(67.98)
	5,143.45	2,704.09
Movements in working capital:		
(Increase)/decrease in trade and other receivables	3,522.92	(2,686.84)
(Increase)/decrease in amounts due from customers under construction	(2,727.57)	(3,179.07)
(Increase)/decrease in inventories	2,716.06	(1,886.29)
(Increase)/decrease in other financial assets	(1,631.65)	190.45
(Increase)/decrease in Financial asset Loans	(630.44)	1,411.67
(Increase)/decrease in other current and non current assets	(1,664.95)	1,654.62
Increase/(decrease) in other liabilities	(1,746.97)	1,441.00
Increase/(decrease) in trade and other payables	848.49	2,038.86
Increase/(decrease) in provisions	286.37	271.27
<b>Cash generated from operations</b>	<b>4,115.71</b>	<b>1,959.76</b>
Income tax (refund) / paid	381.00	1,257.99
<b>Net cash generated by operating activities</b>	<b>4,496.71</b>	<b>3,217.75</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets including work in progress	(184.00)	(566.32)
Profit on sale of investment	169.37	-
Proceeds from disposal of Fixed assets	184.60	124.29
Dividends received from Joint Venture /Shares	0.04	133.05
Proceeds on redemption / (Investment) of Liquid Mutual Fund	(1,318.34)	372.68
Investment in Fixed deposits with Banks	(1,712.15)	(73.14)
Proceeds / (Payment) from Investment	788.00	(2.52)
<b>Net cash (used in)/generated by investing activities</b>	<b>(2,072.48)</b>	<b>(11.96)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of Equity Shares	-	1,120.00
Repayment of borrowings	(1,926.15)	(12,431.95)
Proceeds from borrowings	1,300.00	12,611.02
Interest received	494.26	599.02
Finance cost including capitalized to qualifying assets	(3,751.61)	(3,287.41)
<b>Net cash used in financing activities</b>	<b>(3,883.50)</b>	<b>(1,389.32)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,459.27)</b>	<b>1,816.47</b>
Cash and cash equivalents at the beginning of the year (Refer Note-11A)	3,315.69	1,499.22
<b>Cash and cash equivalents at the end of the year (Refer note -11A)</b>	<b>1,856.42</b>	<b>3,315.69</b>

**Notes :**

Figures in brackets represent outflows

In terms of our report attached.

**For Sharp & Tannan Associates**

 Chartered Accountants  
 (Firm Regn. No. 109983W)

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

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

 Sd/-  
 Siddharth Vasudevan  
 Managing Director  
 DIN-02504124

 Sd/-  
 Mukesh Malhotra  
 Director  
 (DIN-00129504)

 Sd/-  
 Dr Santosh Sundararajan  
 Chief Executive Officer

 Sd/-  
 Vibhuti Darshin Dani  
 Company Secretary & Compliance Officer

 Sd/-  
 Somnath Biswas  
 Chief Financial Officer

 Date : June 12, 2020  
 Place : Pune

 Date : June 12, 2020  
 Place : Pune

## Statement of Changes in Equity

## A. Changes in Equity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	17,813.67	17,413.67
Issue of equity shares under employee share option plan	-	400.00
<b>Balance at the end of the year</b>	<b>17,813.67</b>	<b>17,813.67</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, 2018</b>	54,167.75	1,537.50	801.94	1,250.00	(9,988.27)	<b>47,768.92</b>
Premium on Shares issued during the year	720.00	-	-	-	-	<b>720.00</b>
Amount recorded on Grant	-	-	878.53	-	-	<b>878.53</b>
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	-
Other Comprehensive income for the year	-	-	-	-	(31.61)	<b>(31.61)</b>
Transitional Adjustment on account of application of Ind as 115 (Refer Note 41)	-	-	-	-	(413.33)	<b>(413.33)</b>
Profit for the Year	-	-	-	-	1,521.08	<b>1,521.08</b>
<b>Balance at the end of the reporting year - March 31, 2019</b>	<b>55,493.35</b>	<b>1,537.50</b>	<b>1,074.87</b>	<b>1,250.00</b>	<b>(8,912.13)</b>	<b>50,443.59</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, 2019</b>	55,493.35	1,537.50	1,074.87	1,250.00	(8,912.13)	<b>50,443.59</b>
Premium on Shares issued during the year	-	-	-	-	-	-
Amount recorded on Grant	-	-	462.77	-	-	<b>462.77</b>
Transferred to securities premium reserve on exercise	-	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	162.88	<b>162.88</b>
Transitional Adjustment on account of application of Ind as 116 (Refer Note 42)	-	-	-	-	(100.63)	<b>(100.63)</b>
Profit for the Year	-	-	-	-	3,814.47	<b>3,814.47</b>
<b>Balance at the end of the reporting Year - Mar 31, 2020</b>	<b>55,493.35</b>	<b>1,537.50</b>	<b>1,537.64</b>	<b>1,250.00</b>	<b>(5,035.42)</b>	<b>54,783.08</b>

In terms of our report attached.

**For Sharp & Tannan Associates**  
Chartered Accountants  
(Firm Regn. No. 109983W)

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

Date : June 12, 2020  
Place : Pune

For and on behalf of the Board of Directors

Sd/-  
Siddharth Vasudevan  
Managing Director  
DIN-02504124

Sd/-  
Mukesh Malhotra  
Director  
(DIN-00129504)

Sd/-  
Dr Santosh Sundararajan  
Chief Executive Officer

Sd/-  
Vibhuti Darshin Dani  
Company Secretary & Compliance Officer

Sd/-  
Somnath Biswas  
Chief Financial Officer

Date : June 12, 2020  
Place : Pune

**Notes forming part of the financial statements****1. Corporate Information**

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

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

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 12, 2020.

**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.

**a) Construction contracts**

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

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

**b) Real estate development**

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

- the seller has transferred to the buyer all significant risk and rewards of ownership and seller retains no effective control of the real estate to a degree usually associated with ownership.
- The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction.
- No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and
- It is not unreasonable to expect ultimate collection of revenue from buyers.

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

- c) **Interest Income** – Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- d) **Dividend Income** – Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).
- e) **Rental Income** - Income from letting-out of property is accounted on accrual basis - as per the terms of agreement and when the right to receive the rent is established.

- f) Income from services rendered is recognised as revenue when the right to receive the same is established.
- g) Profit on sale of investment is recorded upon transfer of title by the Company. It is determined as the difference between the sale price and the then carrying amount of the investment.

## 2.05 Cost of construction / Development

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

## 2.06 Leases

**Leases are accounted as per Ind AS 116 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 Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

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

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

### Lease under Ind AS 17 (Policy applicable befor April 01, 2019) :

A lease is classified at the inception date as a finance lease or an operating lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has identified all its leases as operating leases.

#### i) Assets taken on operating lease :

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

#### ii) Assets given on operating lease :

Assets subject to operating leases are included in fixed assets. Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss.

## 2.07 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 derecognised. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

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

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

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

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

**2.12 Investment Properties**

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

**2.13 Intangible Assets****Intangible assets acquired separately:**

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

**2.14 Goodwill**

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

**2.15 Impairment****Financial assets (other than at fair value)**

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

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

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

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

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

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

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

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

**Non-financial assets****Tangible and intangible assets**

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

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

## 2.16 Inventories

### a) Stock of Materials

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

### b) Development Work

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

### c) Stock of Trading Goods

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

## 2.17 Financial instruments

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

### Cash and cash equivalents

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

### Financial assets at amortised cost

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

### Effective Interest Method

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

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

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

### Financial guarantee contracts:

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

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

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

### Investment in subsidiaries

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

### Financial liabilities

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

### Effective Interest Method

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

### Equity instruments

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

**Reclassification of Financial Assets**

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

**Offsetting of financial instruments**

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

**2.18 Earnings Per Share (EPS)**

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

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

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

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

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

**2.20 Cash flow statement**

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

**2.21 Current/Non-Current Classification**

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

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

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

All other assets are classified as non-current.

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

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle. In case of project business, operating cycle is dependent on life of specific project/ contract/ service, hence current non-current bifurcation relating to project is based on expected completion date of project which generally exceeds 12 months

## 2.22 Share Capital

### Ordinary Shares

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

## 2.23 Fair Value Measurement

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Determination of Fair Value

#### 1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

#### 2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

#### 3) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

#### 4) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

##### Subsequent Measurement

##### Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

##### Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

**5) Embedded Derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. If the hybrid contract contains a host that is a financial asset within the scope of IND AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in IND AS 109 to the entire hybrid contract. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

**2.24 Recent accounting pronouncements**

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

**2.25 Dividend**

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

**2.26 Investments**

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

**2.27 Associates and joint ventures**

Associates and joint ventures are accounted for under the equity method at cost at the date of acquisition. In subsequent periods, the carrying amount is adjusted up or down to reflect the Company's share of the comprehensive income of the investee. Any distributions received from the investee and other changes in the 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".

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

Particulars	I. Property, Plant and Equipment							II. Intangible assets		III. Right of Use Assets		
	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, 2019	66.06	7,603.22	492.14	207.55	699.87	338.88	9,407.72	542.87	-	-	-	
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	964.93	74.70	1,039.63	
Additions	-	63.97	3.77	3.94	20.70	-	92.38	3.62	89.04	-	89.04	
Disposals	-	(323.69)	-	(6.20)	-	-	(329.89)	-	-	-	-	
<b>As at Mar 31, 2020 ( A )</b>	<b>66.06</b>	<b>7,343.50</b>	<b>495.91</b>	<b>205.29</b>	<b>720.57</b>	<b>338.88</b>	<b>9,170.21</b>	<b>546.49</b>	<b>1,053.97</b>	<b>74.70</b>	<b>1,128.67</b>	
Accumulated depreciation												
As at April 1, 2019	39.37	4,760.38	414.87	146.68	617.35	76.96	6,055.62	515.24	-	-	-	
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	674.16	29.35	703.51	
Additions	1.08	418.62	22.62	18.79	43.79	17.79	522.69	20.41	198.63	17.34	215.97	
Disposals	-	(139.65)	-	(6.01)	-	-	(145.66)	-	-	-	-	
<b>As at Mar 31, 2020 ( B )</b>	<b>40.45</b>	<b>5,039.35</b>	<b>437.49</b>	<b>159.46</b>	<b>661.14</b>	<b>94.75</b>	<b>6,432.65</b>	<b>535.65</b>	<b>872.79</b>	<b>46.69</b>	<b>919.48</b>	
<b>Net carrying value as at Mar 31, 2020 (A) - (B)</b>	<b>25.61</b>	<b>2,304.15</b>	<b>58.42</b>	<b>45.83</b>	<b>59.43</b>	<b>244.13</b>	<b>2,737.56</b>	<b>10.84</b>	<b>181.18</b>	<b>28.01</b>	<b>209.19</b>	
Gross carrying value												
As at April 1, 2018	66.06	7,350.64	498.97	214.19	598.92	338.88	9,067.66	464.64	-	-	-	
Additions	-	455.80	2.43	55.34	100.95	-	614.52	78.23	-	-	-	
Disposals	-	(203.22)	(9.26)	(61.98)	-	-	(274.46)	-	-	-	-	
<b>As at March 31, 2019 ( A )</b>	<b>66.06</b>	<b>7,603.22</b>	<b>492.14</b>	<b>207.55</b>	<b>699.87</b>	<b>338.88</b>	<b>9,407.72</b>	<b>542.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Accumulated depreciation												
As at April 1, 2018	38.16	4,352.03	394.68	164.18	543.04	58.25	5,550.34	464.64	-	-	-	
Additions	1.21	502.68	28.63	25.12	74.31	18.71	650.66	50.60	-	-	-	
Disposals	-	(94.32)	(8.43)	(42.62)	-	-	(145.38)	-	-	-	-	
<b>As at March 31, 2019 ( B )</b>	<b>39.37</b>	<b>4,760.38</b>	<b>414.87</b>	<b>146.68</b>	<b>617.35</b>	<b>76.96</b>	<b>6,055.61</b>	<b>515.24</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net carrying value as at March 31, 2019 (A) - (B)</b>	<b>26.69</b>	<b>2,842.84</b>	<b>77.27</b>	<b>60.87</b>	<b>82.52</b>	<b>261.92</b>	<b>3,352.11</b>	<b>27.63</b>	<b>-</b>	<b>-</b>	<b>-</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, 2019	2,490.73
Additions	-
Disposals	-
<b>As at Mar 31, 2020 ( A )</b>	<b>2,490.73</b>
Accumulated depreciation	587.50
As at April 1, 2019	-
Charge for the year	105.47
Reversals/ Disposals during the year	-
<b>As at Mar 31, 2020 ( B )</b>	<b>692.97</b>
<b>Net carrying value as at Mar 31, 2020 (A) - (B)</b>	<b>1,797.76</b>
Gross carrying value *	
As at April 1, 2018	2,490.73
Additions	-
Disposals	-
<b>As at March 31, 2019 ( A )</b>	<b>2,490.73</b>
Accumulated depreciation	
As at April 1, 2018	490.17
Charge for the year	97.33
<b>As at March 31, 2019 ( B )</b>	<b>587.50</b>
<b>Net carrying value as at March 31, 2019 (A) - (B)</b>	<b>1,903.23</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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment Property	3,176.21	3,114.56

The best evidence of fair value is current prices in an active market for similar properties. The market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer

Note : Of the above, a Building carrying value Rs.1,676.50 (Previous Year: Rs.1,762.10) is subject to first charge for secured bank loans (refer note 13.1.)

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### Note No. 5 - Investment

#### A. Non Current Investment

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
<b>A. COST</b>		
<b>Unquoted Investments (all fully paid)</b>		
<b><u>Investments in Equity Instruments of Subsidiaries</u></b>		
Almet Corporation Limited	1,475.66	1,475.66
58,824 ( March 31, 2019: 58,824) Equity Shares of ₹ 100/- Each Fully Paid		
Marathwada Realto₹ Private Limited	2,251.06	2,251.06
39,216 ( March 31, 2019: 39,216) Equity Shares of ₹ 100/- Each Fully Paid		
Marvel Housing Private Limited	1.00	1.00
10,000 ( March 31, 2019: 10,000) Equity Shares of ₹ 10/- Each Fully Paid		
GMP Technical Solutions Private Limited	4,602.71	4,602.71
12,689 ( March 31, 2019: 12,689) Equity Shares of ₹ 10/- Each Fully Paid		
Vascon Value Homes Private Limited	1.00	1.00
10000 ( March 31,2019: 10000) Equity shares of ₹ 10/- Each fully paid		
Vascon EPC Limited	1.00	1.00
10000 ( March 31,2019: Nil ) Equity shares of ₹ 10/- Each fully paid		
	<b>8,332.43</b>	<b>8,332.43</b>
<b><u>Investments in Equity Instruments of associates</u></b>		
Mumbai Estates Private Limited	10.00	10.00
199,999 ( March 31, 2019: 99,999) Equity Shares of ₹ 10 /- Each Fully Paid		
	<b>10.00</b>	<b>10.00</b>
<b><u>Investments in Equity Instruments of joint ventures - jointly controlled entities</u></b>		
Cosmos Premises Private Limited	337.00	367.91
162,500 ( March 31, 2019: 177,401) Equity Shares of ₹ 10/- Each Fully Paid		
Vascon Engineers Ltd Wll (Qatar) - 49% stake	0.01	0.01
Phoenix Venture	200.00	200.00
Investment in Partnership Firm - Ajanta Enterprises	4,272.94	4,272.94
Vascon Saga Construciones LLP	1.52	1.52
	<b>4,811.47</b>	<b>4,842.38</b>
<b>INVESTMENTS CARRIED AT COST [A]</b>	<b>13,153.90</b>	<b>13,184.81</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	1,044.79	921.90
0.001% 1,044,793 ( March 31, 2019: 1,044,793) 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>INVESTMENTS CARRIED AT AMORTISED COST [B]</b>	<b>1,044.99</b>	<b>922.10</b>
<b>Investments Carried at:</b>		
<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)	0.09	0.29
330 ( March 31,2019: 1,000) Equity shares of ₹ 10/- Each fully paid		
<b>Total Aggregate Quoted Investments</b>	<b>0.09</b>	<b>0.29</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, 2019: 2,500) Equity Shares Of ₹10/- Each Fully Paid		
Sahyadri Hospitals Limited	-	25.00
Nil ( March 31, 2019: 250,000) Equity Shares Of ₹10/- Each Fully Paid		
	<b>2,750.25</b>	<b>2,775.25</b>
<b>INVESTMENTS CARRIED AT FVTPL [C]</b>	<b>2,750.34</b>	<b>2,775.54</b>
<b>TOTAL INVESTMENTS [A] + [B] + [C]</b>	<b>16,949.23</b>	<b>16,882.45</b>

## Notes forming part of the financial statements

## Details of quoted / unquoted investments:

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
Aggregate amount of Quoted Investments and Market Value thereof	0.09	0.29
Aggregate amount of Unquoted Investments	16,949.14	16,882.16
Aggregate amount of Provision for expected credit loss on investments	-	-

## B. Current Investment

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
<b>Designated as Fair Value Through Profit and Loss</b>		
<b>Unquoted Investments (all fully paid)</b>		
<b>Investments in Equity Instruments of structured entities</b>		
Sita Lakshmi Mills Limited	234.00	234.00
806,000 ( March 31, 2019: 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>Investments in Mutual Funds</b>		
HSBC Cash Fund	1,569.42	199.35
Units 4335.6070 (March 31, 2019: 7220.0910) , NAV ₹ 1,977.4898(March 31, 2019: ₹ 1,861.5797) each		
Reliance Liquid Fund - Treasury Plan		
Units 30,587.0230 (March 31, 2019: 1423.5910), NAV ₹ 4,850.6885 (March 31, 2019: ₹ 4,561.8889 ) each		
<b>Total Quoted Investments</b>	<b>1,569.42</b>	<b>199.35</b>
<b>TOTAL CURRENT INVESTMENTS</b>	<b>1,803.42</b>	<b>433.35</b>

## Details of quoted / unquoted investments:

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
Aggregate amount of Quoted Investments and Market Value thereof	1,569.42	199.35
Aggregate amount of Unquoted Investments	234.00	234.00
Aggregate amount of Provision for expected credit loss on investments	-	-

## Note No. 6 - Loans receivable considered good - Unsecured

## Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Loans and Advances to Employees</b>		
- Unsecured, considered good	279.76	487.08
<b>b) Loans to related parties (Refer Note 33)</b>		
- Unsecured, considered good	362.67	895.52
<b>c) Other Loans</b>		
- Unsecured, considered good	6,102.72	4,732.12
<b>TOTAL</b>	<b>6,745.15</b>	<b>6,114.72</b>

## Note No. 7 - Others

## A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Security Deposits</b>		
- Unsecured	804.45	807.30
- Doubtful	25.00	25.00
Less: Allowance for Credit Losses	(25.00)	(25.00)
<b>b) Bank deposits with more than 12 months maturity</b>	<b>252.91</b>	<b>-</b>
<b>c) Project Advances</b>	<b>8,481.49</b>	<b>8,430.61</b>
<b>TOTAL</b>	<b>9,538.85</b>	<b>9,237.91</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### B. Current (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Security Deposits - Unsecured	601.60	430.36
b) Interest accrued on deposits	104.48	65.78
c) Project Advances	2,544.93	1,524.96
d) Other Recoverable (JV Partner share )	514.39	233.80
e) Amounts due from customers		
- Gross amount due from customer (Unbilled)	15,720.50	12,750.15
- Less : Related Advance Payments received	(2,725.90)	(2,483.13)
	12,994.60	10,267.02
<b>TOTAL</b>	<b>16,760.00</b>	<b>12,521.92</b>

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

#### A. Non Current (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Balances with government authorities (other than income taxes)	1,634.70	1,175.35
<b>TOTAL</b>	<b>1,634.70</b>	<b>1,175.35</b>

#### B. Current (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Advances to suppliers	1,967.21	1,271.05
(b) Prepaid Expenses	721.99	206.27
(c) Travel Advance	6.52	13.17
<b>TOTAL</b>	<b>2,695.72</b>	<b>1,490.49</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Building materials / tools	3,258.39	3,617.26
(b) Projects under Development	31,721.48	30,883.30
(c) Completed Units	11,404.44	13,784.30
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>46,384.31</b>	<b>48,284.86</b>

### Note No. 10 - Trade receivables considered good - Unsecured (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Outstanding for a period exceeding six months from the date they are due</b>		
(a) Unsecured, considered good	8,953.71	8,381.55
(b) Doubtful	1,273.00	846.39
Less: Allowance for Credit Losses	(1,273.00)	(846.39)
	8,953.71	8,381.55
<b>Others</b>		
(a) Unsecured, considered good	2,446.69	5,577.12
(b) Doubtful		
Less: Allowance for Credit Losses		
Retention (Accrued but not due)		
(a) Unsecured, considered good	3,038.28	3,124.66
(b) Doubtful	-	388.81
Less: Allowance for Credit Losses	-	(388.81)
	3,038.28	3,124.66
Less: Related Unearned Receivables	(1,540.39)	(1,806.49)
<b>TOTAL</b>	<b>12,898.29</b>	<b>15,276.84</b>

## Notes forming part of the financial statements

## Notes:

1. The company records receivables on account of ' EPC contracts ' and ' Development sales' in the normal course of business and classify the same as "trade receivable".
2. The average credit period on EPC contracts is 60 days. No Interest is charged on trade receivables.
3. Trade receivables includes receivables from related parties and amount due from directors or other officers of the company either severally or jointly with any other person or any trade or other receivables due from firm or private companies in which any director is a partner, a director or member (Refer Note 33).
4. The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
5. The Company does not provide for expected credit loss allowance development sales and receivables from related parties as the Company does not expect any loss on these sales. There is no historical credit loss experience and the Company does not expect any loss on these trade receivables.
6. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables from EPC contracts based on a provision matrix. The provision matrix takes into account historical credit losses experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. In addition the Company provides for expected credit loss based on case to case basis

## Provision Matrix

Age of receivables	% of receivables
0-1 Year	-
1-2 year	20.00%
2-3 years	35.00%
3 years and above	38.50%

## Age of receivables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
EPC:		
Less than 1 year	2,936.10	3,821.84
1-2 year	1,907.46	1,605.80
2-3 year	597.77	356.96
More than 3 year	4,605.63	4,072.80
Less :- Expected Credit Loss	(1,273.00)	(1,235.20)
<b>Total</b>	<b>8,773.96</b>	<b>8,622.20</b>
<b>Development Sales Receivables</b>	<b>2,624.09</b>	<b>3,644.55</b>
<b>Receivables from Related Parties (Refer Note No. 33)</b>	<b>1,500.24</b>	<b>3,010.09</b>
<b>TOTAL</b>	<b>12,898.29</b>	<b>15,276.84</b>

Movement in the expected credit loss allowance is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1,235.20	1,873.52
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	39.82	124.67
Utilization / Reversals	(2.02)	(762.99)
<b>Balance at end of the year - March 31, 2019</b>	<b>1,273.00</b>	<b>1,235.20</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### Note No. 11 - Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A) Current Cash and bank balances</b>		
(a) Unrestricted Balances with banks #	1,670.61	3,061.99
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	208.35	142.86
(d) Balances with banks in deposit accounts with original maturity of less than 3 months	144.58	119.71
<b>Cash and Cash equivalent as per balance sheet</b>	<b>2,023.54</b>	<b>3,324.56</b>
Bank Overdraft	167.12	8.87
<b>Total Cash and cash equivalent as per statement of cash flows</b>	<b>1,856.42</b>	<b>3,315.69</b>
<b>B) Other Bank Balances</b>		
(a) Balances with banks in deposit accounts with original maturity more than 3 months	153.60	146.03
(b) In earmarked accounts		
- Balances held as margin money or security against borrowing, guarantee and other commitments*	3,535.12	2,083.45
- Unpaid dividend account		
<b>Total Other Bank Balances</b>	<b>3,688.72</b>	<b>2,229.48</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

(₹ in Lakhs)

Share Capital	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
Equity shares of ₹ 10 each with voting rights	264,130,000	26,413.00	264,130,000	26,413.00
Preference Share of ₹ 10 each without voting rights	5,000,000	500.00	5,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of ₹ 10 each with voting rights	178,136,716	17,813.67	178,136,716	17,813.67

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled for one vote per share held. In the event of liquidation of the company the holder of the equity share will be entitled to receive remaining asset after deducting all its liabilities in proportion to the number of equity shares held.

#### (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

(₹ in Lakhs)

Particulars	Number of Shares	Equity share capital
<b>Issued and Paid up Capital at April 1, 2018</b>	174,136,716	17,413.67
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	4,000,000	400.00
<b>Balance at March 31, 2019</b>	<b>178,136,716</b>	<b>17,813.67</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	-	-
<b>Balance at Mar 31, 2020</b>	<b>178,136,716</b>	<b>17,813.67</b>

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

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	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>				
R. Vasudevan	42,428,701	23.82	41,897,701	23.52
Vatsalya Enterprises Private Limited	9,078,947	5.10	9,078,947	5.10
Lalitha Vasudevan	8,919,538	5.01	8,109,538	4.55
Shamyak Investment Pvt Ltd (formerly - Amrit Petroleum Private Limited)	-	-	8,783,273	4.93

## Notes forming part of the financial statements

(iii) As at 31 Mar, 2020, 12,000,000 shares (As at 31 March, 2019, 12,000,000 shares ) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2020	As at March 31, 2019
Outstanding employee stock options granted / available for grant	12,000,000	12,000,000

## Note No. 12.1 - Other Equity

(₹ 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, 2018</b>	54,167.75	1,537.50	801.94	1,250.00	(9,988.27)	<b>47,768.92</b>
Premium on Shares issued during the year	720.00	-	-	-	-	<b>720.00</b>
Amount recorded on Grant	-	-	878.53	-	-	<b>878.53</b>
Transferred to securities premium reserve on exercise	605.60	-	(605.60)	-	-	-
Other Comprehensive income for the year	-	-	-	-	(31.61)	<b>(31.61)</b>
Transitional Adjustment on account of application of Ind as 115 (Refer Note 41)	-	-	-	-	(413.33)	<b>(413.33)</b>
Profit for the Year	-	-	-	-	1,521.08	<b>1,521.08</b>
<b>Balance at the end of the reporting year - March 31, 2019</b>	<b>55,493.35</b>	<b>1,537.50</b>	<b>1,074.87</b>	<b>1,250.00</b>	<b>(8,912.13)</b>	<b>50,443.59</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, 2019</b>	55,493.35	1,537.50	1,074.87	1,250.00	(8,912.13)	<b>50,443.59</b>
Premium on Shares issued during the year	-	-	-	-	-	-
Amount recorded on Grant	-	-	462.77	-	-	<b>462.77</b>
Transferred to securities premium reserve on exercise	-	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	162.88	<b>162.88</b>
Transitional Adjustment on account of application of Ind as 116 (Refer Note 42)	-	-	-	-	(100.63)	<b>(100.63)</b>
Profit for the Year	-	-	-	-	3,814.47	<b>3,814.47</b>
<b>Balance at the end of the reporting Year - Mar 31, 2020</b>	<b>55,493.35</b>	<b>1,537.50</b>	<b>1,537.64</b>	<b>1,250.00</b>	<b>(5,035.41)</b>	<b>54,783.08</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, 2020	As at March 31, 2019
<b>Measured at amortised cost</b>		
<b>A. Secured Borrowings:</b>		
(a) Fully Redeemable Debentures	7,293.70	10,945.00
(b) Term Loan from Financial Institution	1,835.42	1,666.13
(c) Long term maturities of Finance Lease Obligations	35.77	41.66
<b>Total Secured Borrowings</b>	<b>9,164.89</b>	<b>12,652.79</b>
<b>B. Unsecured Borrowings - at amortised Cost</b>		
(a) Public Deposits	-	2.00
(b) Loans from related parties	89.32	-
<b>Total Unsecured Borrowings</b>	<b>89.32</b>	<b>2.00</b>
<b>Total Borrowings carried at Amortised Cost [A] + [B]</b>	<b>9,254.21</b>	<b>12,654.79</b>
<b>Measured at FVTPL</b>		
<b>A. Secured Borrowings:</b>		
1,364 (March 31, 2019: 2,114) Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 5864 of ₹ 1 lakhs each (Refer Note 40)	664.00	1,364.00
<b>Total Borrowings carried at FVTPL</b>	<b>664.00</b>	<b>1,364.00</b>
<b>Total Non-Current Borrowings</b>	<b>9,918.21</b>	<b>14,018.79</b>

#### B. Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Secured Borrowings</b>		
Cash Credit from Banks *	6,647.51	6,452.96
<b>Total Secured Borrowings</b>	<b>6,647.51</b>	<b>6,452.96</b>
<b>B. Unsecured Borrowings</b>		
(a) From Banks (Bank overdraft )	167.12	8.87
(b) Loans from related parties	558.63	110.00
(c) Loans from other parties	1,022.53	1,391.42
<b>Total Unsecured Borrowings</b>	<b>1,748.28</b>	<b>1,510.29</b>
<b>Total Current Borrowings</b>	<b>8,395.79</b>	<b>7,963.25</b>

\* Cash Credit from State Bank of India ranging from 9 % -15.50 % is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.



## Notes forming part of the financial statements

## 13.1 Disclosure regarding long term borrowings

(₹ in Lakhs)

Name of the lender	Outstanding amount	Current Maturities	Long Term				Total Long Term Borrowings	Rate of interest	Nature of security
			Apr 21 to Mar 22	Apr 22 to Mar 23	Apr 23 to Mar 24	Apr 24 to Mar 27			
<b>I. Secured</b>									
a) Kotak India Real Estate Fund	10,383.44	3,089.74	3,646.85	3,646.85			7,293.70	15.50%	1. Sole & Exclusive mortgage on the identified unsold units with 1.40 lacs sq.ft. Of Saleable area, including 2 villas of the project & Personal Guarantee of the Promoter 2. Sole & Exclusive first charge on the Project development rights both Vascon and Land Owners under Development Agreement 3. Hypothecation on 100% receivable from the Project, which includes both vascon's and Land Owner's shares. 4. Escrow account on cash flow from the sales collected from the project 5. Post dated cheques from for the repayment amount of principle and interest
b) JM Financial Credit Soution Limited	1,673.35	688.79	688.79	295.77	-		984.56	15.05%	Secured by way of registered mortgage on the land admeasuring approximately 9.9 acres along with approx saleable are of 0.61 MMSFT in Project Good Life located at Talegaon Pune and also escrow of receivable generated from Project Goodlife and secured by way of personal guarantee of Promoter
c) ICICI Home Finance	950.61	99.75	112.84	127.66	144.42	465.94	850.86	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.
c) Zero Coupon, Rupee denominated, Unrated, unlisted, secured, Non Convertible Debentures of ₹ 1,00,000/- each (Refer Note 40)	1,364.00	700.00	664.00	-	-		664.00	-	Pledge of shares of GMP Technical Solution Pvt Ltd (Subsidiary)
<b>from financial institution</b>									
Daimler Financial Services India Pvt Ltd	41.66	5.89	35.77		-		35.77	10.65%	Hypothecation of Vehicle financed by lender

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

Name of the lender	Outstanding amount	Current Maturities	Long Term				Total Long Term Borrowings	Rate of interest	Nature of security
			Apr 21 to Mar 22	Apr 22 to Mar 23	Apr 23 to Mar 24	Apr 24 to Mar 27			
<b>II. Unsecured</b>									
a) <b>Public deposits (accepted for a period of 400 days)</b>	160.50	160.50	-	-	-	-	-	12.50%	Not Applicable
b) <b>Inter corporate loans</b>									
Yester Investment Pvt Ltd	500.00	500.00	-	-	-	-	-	12.00%	Not Applicable
c) <b>Loans and advances from related parties</b>									
- <b>Subsidiaries</b>									
Almet Corporation Limited	83.34	-	83.34	-	-	-	83.34	9.00%	Not Applicable
Marathawada Realtors Private Limited	5.98	-	5.98	-	-	-	5.98	9.00%	Not Applicable
<b>Total</b>	<b>15,162.88</b>	<b>5,244.66</b>	<b>5,237.57</b>	<b>4,070.28</b>	<b>144.42</b>	<b>465.94</b>	<b>9,918.21</b>		

\* Interest accrued and due on borrowings as on 31st Mar, 2020 disclosed under other current liabilities (Refer Note 14)

### Note No. 14 - Other Financial Liabilities

#### A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Commitment and other deposits	1,695.24	1,745.49
Lease Liability	101.83	-
<b>Other Non-Current Financial Liabilities</b>	<b>1,797.07</b>	<b>1,745.49</b>

#### B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term debt	5,238.78	2,038.75
(b) Current maturities of lease obligations	166.30	5.89
(c) Interest accrued but not due on borrowings	43.54	11.61
(d) Interest accrued but due on borrowings	870.57	1,074.76
(f) Creditors for capital supplies/services	17.50	25.61
(g) Others	64.93	68.00
<b>Total other financial liabilities</b>	<b>6,401.62</b>	<b>3,224.62</b>

### Note No. 15 - Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable for goods & services dues to Micro, Small and Medium Enterprises (Refer Note 34)	1.90	2.69
Trade payable for goods & services dues to creditors other than Micro, Small and Medium Enterprises	17,578.11	16,771.17
<b>Total trade payables</b>	<b>17,580.01</b>	<b>16,773.86</b>

### Note No. 16 - Provisions

#### Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits		
1) Compensated absences	637.70	623.62
2) Gratuity (Refer Note 31)	830.64	715.96
(b) Other Provisions		
Taxation	103.08	107.35
<b>Total Provisions</b>	<b>1,571.42</b>	<b>1,446.93</b>

## Notes forming part of the financial statements

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

## (a) Income Tax Expense

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current Tax:</b>		
Current Income Tax Charge	-	1.20
Adjustments in respect of prior years	-	(103.22)
<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>(102.02)</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
	Amount	Amount
<b>Profit Before tax from Continuing Operations</b>	3,814.47	1,419.45
Income Tax using the Company's domestic Tax rate @ 34.61%	1,320.19	491.27
Effect of Tax Rates in Foreign Jurisdictions	-	-
Reduction in Tax Rate	-	-
<b>Tax Effect of :</b>		
- Non deductible Expenses	-	-
- Tax - Exempt income	-1,181.41	43.33
- Capital Gains	-	-
- Current Year Losses for which no deferred Tax Asset is recognised	-	-
- Recognition of Tax Effect of Previously unrecognised tax losses	-138.78	(534.60)
Deferred tax assets on temporary differences	-	-
Changes in recognised deductible temporary differences	-	-
Changes in estimates related to prior years	-	(102.02)
Unrecognised MAT Credit	-	-
<b>Income Tax recognised In P&amp;L from Continuing Operations (Effective Tax Rate)</b>	<b>0.00</b>	<b>(102.02)</b>

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Tax effect of items constituting deferred tax liabilities</u>		
Property, Plant and Equipment	234.62	483.82
	234.62	483.82
<u>Tax effect of items constituting deferred tax assets</u>		
Employee Benefits	508.19	463.63
Carry forward Tax Loss	(273.57)	20.19
	234.62	483.82
<b>Net Tax Asset (Liabilities)</b>	-	-

Note : A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company has decided to continue with the existing tax structure for the year ended March 31, 2020.

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### Note - 18: Other Liabilities

#### Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Advances received from customers		
- Gross amount due to customers	7,942.38	9,278.70
- Less : Related Unbilled Revenues	(2,725.90)	(2,483.13)
	5,216.48	6,795.57
b. Amount due to customers under construction contracts		
- Gross amount due to customers ( Unearned)	3,836.05	2,969.78
- Less : Related Debtors	(1,540.39)	(1,806.49)
	2,295.66	1,163.29
c. Statutory dues		
- taxes payable (other than income taxes)	1,478.64	2,621.63
<b>Total Other Liabilities</b>	<b>8,990.78</b>	<b>10,580.49</b>

### Note No. 19 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue recognized / sales</b>		
- Contract revenue	25,376.41	28,059.27
- Sale of unit	7,241.25	7,935.46
- Trading sales	0.15	2.60
- Other sales ( Includes maintenance charges of soceity,Hire charges, Scrap Sales)	358.47	272.31
<b>Other operating income</b>		
- Rent earned	210.20	200.69
- Share of profit / (loss) from Partnership firms (net)	3,413.50	(125.18)
<b>Total Revenue from Operations</b>	<b>36,599.98</b>	<b>36,345.15</b>

### Note No. 20 - Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Income		
On Financial Assets at Amortised Cost	578.45	901.09
(b) Dividend received on investments carried at fair value through profit or loss	81.21	42.09
Liquid Mutual fund units		
(c) Gain / (loss) on investments carried at fair value through profit or loss	732.05	-
(d) Profit on sale on Investment	169.37	-
(e) Dividend Income	0.04	133.05
(f) Provisions / Creditors no longer required written back	92.12	1,696.22
(g) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	0.35	-
(H) Miscellaneous Income	70.40	107.06
<b>Total Other Income</b>	<b>1,723.99</b>	<b>2,879.51</b>

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contract	19,207.79	20,770.33
Development	3,832.19	6,994.76
Incidental borrowing cost incurred attributable to qualifying assets	815.51	1,278.53
<b>Cost of materials consumed</b>	<b>23,855.49</b>	<b>29,043.62</b>

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

## Notes forming part of the financial statements

## Note No. 21.b - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Closing balance of projects under development :</u>		
Completed Units	11,404.44	13,784.30
Projects under Development	31,721.48	30,883.30
	<b>43,125.92</b>	<b>44,667.60</b>
<u>Opening balance of projects under development:</u>		
Completed Units	13,784.30	1,266.64
Projects under Development	30,883.30	40,381.19
Add- Transitional Adjustment on account of application of Ind AS 115 ( refer Note 41)	-	1,041.29
	<b>44,667.60</b>	<b>42,689.12</b>
<b>Net (increase) / decrease</b>	<b>1,541.68</b>	<b>(1,978.48)</b>

## Note No. 22 - Employee Benefits Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages, including bonus (Refer Note 31)	3,555.46	3,290.35
(b) Contribution to provident and other funds	169.33	148.27
(c) Share based payment transactions expenses	462.77	878.53
(d) Staff welfare expenses	30.46	48.19
<b>Total Employee Benefit Expense</b>	<b>4,218.02</b>	<b>4,365.34</b>

## Note No. 23 - Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest expense	2,293.29	3,325.31
(b) Other borrowing cost	73.70	188.73
	<b>2,366.99</b>	<b>3,514.04</b>
<i>Less: Amounts included in the cost of qualifying assets</i>	<i>(815.51)</i>	<i>(1,278.55)</i>
<b>Total finance costs</b>	<b>1,551.48</b>	<b>2,235.49</b>

## Note No. 24 - Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Repairs to buildings	41.78	104.72
(b) Power & Fuel oil consumed	101.30	77.20
(c) Rent including lease rentals	138.34	428.57
(d) Repairs and maintenance - Others	95.06	88.04
(e) Rates and taxes	86.69	58.38
(f) Insurance charges	55.35	54.41
(g) Bad debts and other receivables, loans and advances written off	-	803.54
(h) Provision for doubtful debts and advances	37.79	(638.32)
(i) <i>Loss on asset sold /scrapped /written off</i>	-	4.79
(j) Auditors remuneration and out-of-pocket expenses		
(1) As Auditors	52.50	85.00
(2) For Taxation matters	-	-
(3) Other services	-	-

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(k) Other expenses		
(1) Legal and other professional costs	819.09	809.27
(2) Advertisement, Promotion & Selling Expenses	400.89	840.98
(3) Travelling and Conveyance Expenses	116.74	131.20
(4) Postage and telephone	41.46	49.49
(5) Printing and stationery	37.20	67.03
(6) Brokerage / commission	128.34	146.37
(7) Donations	30.62	5.97
(8) Corporate Social Responsibility Expenditure (Refer Note 39)	25.02	12.99
(9) Bank charges	137.44	84.22
(10) Hire Charges Paid	17.54	12.01
(11) Miscellaneous Expenses	114.20	110.14
(12) loss on investments carried at fair value through profit or loss	0.19	-
<b>Total Other Expenses</b>	<b>2,477.54</b>	<b>3,336.00</b>

### Note No. 25 - Earning Per share

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Per Share	Per Share
Basic Earnings per share (₹)	2.14	0.86
Diluted Earnings per share (₹)	2.13	0.86

### 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, 2020	For the year ended 31 March, 2019
Profit for the year attributable to owners of the Company	3,814.47	1,521.08
Weighted average number of equity shares	178,136,716	176,690,141
Earnings per share - Basic (₹)	2.14	0.86

### 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, 2020	For the year ended 31 March, 2019
Profit for the year attributable to owners of the Company	3,814.47	1,521.08
Weighted average number of equity shares used in the calculation of Basic EPS	178,136,716	176,690,141
Employee Stock Option Plans	629,442	705,320
Weighted average number of equity shares used in the calculation of Diluted EPS	178,766,158	177,395,460
Earnings per share - Dilutive (₹)	2.13	0.86

## Notes forming part of the financial statements

## Note No. - 26 Fair Value

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

(₹ in Lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>FINANCIAL ASSETS</b>				
<b>Financial assets measured at amortised cost</b>				
<b>Non - Current Assets</b>				
(i) Investments	14,198.98	14,106.91	14,198.98	14,106.91
(ii) Others Financial Assets	9,538.85	9,237.91	9,538.85	9,237.91
<b>Current Assets</b>				
(i) Trade receivables	12,898.57	15,276.84	12,898.57	15,276.84
(ii) Cash and cash equivalents	2,023.54	3,324.56	2,023.54	3,324.56
(iii) Bank balances other than (ii) above	3,688.72	2,229.48	3,688.72	2,229.48
(iv) Loans	6,745.15	6,114.72	6,745.15	6,114.72
(v) Others Financial Assets	16,760.00	12,521.92	16,760.00	12,521.92
<b>Financial assets measured at fair value through Statement of Profit &amp; Loss</b>				
(a) Current investments	1,803.42	433.35	1,803.42	433.35
(b) Non Current investments quoted	0.09	0.29	0.09	0.29
(b) Non Current investments unquoted	2,750.25	2,775.25	2,750.25	2,775.25
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities measured at amortised cost</b>				
<b>Non - Current Liabilities</b>				
(i) Borrowings	9,254.21	12,654.79	9,254.21	12,654.79
(ii) Other financial liabilities	1,797.07	1,745.49	1,797.07	1,745.49
<b>Current Liabilities</b>				
(i) Borrowings	8,395.79	7,963.25	8,395.79	7,963.25
(ii) Trade and other payables	17,580.01	16,773.86	17,580.01	16,773.86
(iii) Other financial liabilities	6,401.62	3,224.62	6,401.62	3,224.62
<b>Financial liabilities measured at fair value through Statement of Profit &amp; Loss</b>				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	664.00	1,364.00	664.00	1,364.00

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting the contractual cash inflows/outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all financial assets and liabilities (other than investment in mutual funds) is at amortised cost, using the effective interest method.

**Discount rates used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

The Company maintain policies and procedure to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

## Notes forming part of the financial statements

The following methods and assumptions were used to estimate fair value:

- Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- Security deposit paid are evaluated by the 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.
- Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.
- The fair value of the Company's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting year. The own non performance risk as at the reporting was assessed to be insignificant.

### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents the assets and liabilities measured at fair value on recurring basis at March 31, 2018 and March 31, 2017.

Particulars	Level 1	Level 2	Level 3
<b>March 31, 2020</b>			
Investment in mutual funds	1,569.42	-	-
Equity	0.09	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	664.00
<b>March 31, 2019</b>			
Investment in mutual funds	199.35	-	-
Equity	0.29	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	1,364.00

During the year ended Mar 31, 2020, there were no transfer between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement.

### Note No. 27 - Financial Instruments and Risk Review

#### Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.



## Notes forming part of the financial statements

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	23,594.44	24,026.68
Trade Payables	17,580.01	16,773.86
Less : Cash and Cash Equivalents	5,712.26	5,554.03
<b>Net Debt</b>	<b>35,462.19</b>	<b>35,246.51</b>
Equity	72,596.75	68,257.26
<b>Total Capital</b>	<b>72,596.75</b>	<b>68,257.26</b>
<b>Capital and Net Debt</b>	<b>108,058.94</b>	<b>103,503.77</b>
<b>Gearing Ratio</b>	<b>33%</b>	<b>34%</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 period ended March 31, 2020 and Year Ended March 31, 2019.

#### Financial Risk Management Framework

Vascon Engineers Limited is exposed primarily to credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

##### i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade payables and borrowings. None of the financial instruments of the Company result in material concentration of credit risk.

##### Exposure to credit risk

The carrying amount of financial asset represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 45,584.89 lakhs and ₹ 43,085.62 lakhs as of March 31, 2020 and March 31, 2019 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, 2020 and March 31, 2019, however there was no default on account of those customer in the past. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Before accepting any new customer, the Company uses an external/internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis.

The Company performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than 1 year.

## Notes forming part of the financial statements

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting year is as follows.

Movement in the expected credit loss allowance:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1,235.20	1,873.52
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	39.82	124.67
Utilization / Reversals	(2.02)	(762.99)
<b>Balance at the end of the year</b>	<b>1,273.00</b>	<b>1,235.20</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.

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

Particulars	31-Mar-19		
	Less than 1 Year	1-3 Years	4-5 Years
<b>Financial liabilities</b>			
Trade payables	16,773.86	-	-
Other Financial Liabilities	2,474.62	1,744.73	-
Working capital demand loans / Term loans	7,963.25	12,654.68	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	750.00	1,364.00	-

### Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or having economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

### Note No. 28 - Share Based Payments

#### Employee stock option scheme (ESOS) - 2017

The ESOS was approved by Board of Directors of the Company on 10th Aug 2017 and thereafter by the share holders on 15th September 2017. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of ₹ 28/- per share. The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017.

## Notes forming part of the financial statements

The ESOS granted on 10th August 2017, was repriced on 15th March 2019, at a predetermined rate of ₹ 15/- per share. The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017.

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

Particulars	FY 2019-20	FY 2018 - 19
Options granted, beginning of the year	12,000,000	16,000,000
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	12,000,000	-
Weighted Average remaining life	2.42	3.42

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

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

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

### Note No. 29 - Disclosures under Ind AS 116

The Ministry of Corporate Affairs (MCA) through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind As 116 Lease (Ind As 116) which replace the existing Lease standard, Ind As 17 Leases, Ind As 116 set out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

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

- (i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (ii) 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.
- (iii) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- (iv) 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

- (v) The Company has applied modified retrospective approach in adopting the new standard as a lessee (for all leases other than those end within a period of 12 months) and accordingly has given an cumulative debit effect of Rs. 100.63 lakhs by applying this standard, on the opening balance of retained earnings as at April 01, 2019 (refer Note No. 42).
- (vi) 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.
- (vii) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 13%.

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### (A) Leases as lessee

#### (i) The movement in Lease liabilities during the year

(₹ in Lakhs)

Particulars	As at 31st March, 2020
<b>Opening Balance</b>	47.55
Balance as at 1st April, 2019 (on adoption of Ind AS 116 - Leases)	436.76
Additions during FY 2019-20	89.04
Finance costs incurred during the year	57.82
Payments of Lease Liabilities	327.25
<b>Balance as at 31st March, 2020</b>	<b>303.92</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 (III) "Property, Plant & Equipments & Intangible Assets".

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Expenses related to Short Term Lease & Long Term Lease		
- Finance Cost	57.82	-
- Depreciation	215.97	-
(ii) Expenses related to Short Term Lease & Low Asset Value Lease	155.88	-
(iii) Lease Expenses	-	360.65
<b>Total Expenses</b>	<b>429.67</b>	<b>360.65</b>

#### (iv) Maturity analysis of lease liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020
<b>Maturity Analysis of contractual undiscounted cash flows</b>	
Less than one year	213.76
One to five years	150.83
More than five years	
<b>Total undiscounted Lease Liability</b>	<b>364.59</b>
<b>Balances of Lease Liabilities</b>	
Non Current Lease Liability	137.62
Current Lease Liability	166.30
<b>Total Lease Liability</b>	<b>303.92</b>

### Note No. 30 - Contingent liabilities and commitments

(₹ in Lakhs)

Contingent liabilities (to the extent not provided for)	As at March 31, 2020	As at March 31, 2019
<b>Contingent liabilities</b>		
(a) Disputed demands for Income Tax	233.33	-
(b) Disputed demands for Service Tax	-	117.92
(c) Disputed demands for Value Added Tax & Other	1,001.97	1,227.20
(d) Performance and financial guarantees given by the Banks on behalf of the Company	14,446.07	9,496.00
(e) Corporate guarantees given for other companies / entities and mobilization	14,077.19	14,254.70
(f) Claims against the Company not acknowledged as debt	2,991.76	3,018.28

(i) The Creditors of the Company have filed a civil suit claiming of ₹ 100.67 lakhs (Previous year ₹ 100.67 lakhs) as amount due to them, which claims the Company is disputing.

(ii) Short Levy of Stamp Duty including Penalty due to misclassification of conveyance deed as development agreement amounting to ₹ 20.14 lakhs (Previous year ₹ 46.66 lakhs) with Joint District Registrar & Collector of Stamps, Pune.

## Notes forming part of the financial statements

- (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.

- (vi) In earlier years Vascon Dwelling Private Limited (Merged Company) has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of ₹ 295.50 lakhs

In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.

As per the conditional sale the company has to obtain clear enforceable title and to obtain certain permission/clearance within 18 months of the execution of the agreement.

In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 68.95 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 2.35 lakhs per month from the date of breach till the date of curing the breach.

- (vii) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of ₹ 853.35 lakhs

The company is under obligation to obtain tentative layout approval from corporation, which is subject to new Development Plan to be issued by the corporation.

In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 100 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages.

In respect of the above three agreement to sale of plots the company has recognised the sales amounting to ₹ 1,525.12 lakhs and profit of ₹ 659.67 lakhs. As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.

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

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

(₹ in Lakhs)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	442.85	283.57

**Notes forming part of the financial statements**
**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 ₹ 153.87 lakhs for Provident Fund contributions (March 31, 2019 : ₹ 125.42 lakhs) and ₹ 15.46 lakhs (March 31, 2019 : ₹ 22.86 lakhs) towards ESIC in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

**(b) Defined Benefit Plans:**
**Gratuity**

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

**Defined benefit plans – as per actuarial valuation on 31st Mar, 2020**

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2020	2019
<b>Service Cost</b>		
Current Service Cost	103.66	79.25
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	46.62	43.18
Components of defined benefit costs recognised in profit or loss	150.28	122.42
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.51	(0.72)
Actuarial gains and loss arising from changes in financial assumptions	47.41	3.61
Actuarial gains and loss arising from experience adjustments	114.95	18.05
Actuarial gains and loss arising from demographic adjustments	-	10.67
Others (describe)		
Components of defined benefit costs recognised in other comprehensive income	162.87	31.61
<b>Total</b>	<b>313.15</b>	<b>154.03</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	947.49	741.56
2. Fair value of plan assets as at 31st March	116.85	25.61
3. Surplus/(Deficit)	(830.64)	(715.96)
4. Current portion of the above	830.64	715.96
5. Non current portion of the above	116.85	25.61
<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	(741.56)	(585.27)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Current Service Cost	(103.66)	(79.25)
- Past Service Cost		
- Interest Expense (Income)	(52.10)	(45.05)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	(10.67)
ii. Financial Assumptions	(47.41)	(3.61)
iii. Experience Adjustments	(114.95)	(18.05)
5. Benefit payments	112.20	0.34
6. Others (Specify)		

## Notes forming part of the financial statements

Particulars	(₹ in Lakhs)	
	Funded Plan	
	Gratuity	
	2020	2019
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>(947.48)</b>	<b>(741.56)</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	25.61	24.56
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	5.47	1.88
- Mortality Charges and Taxes	(6.51)	(1.21)
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	(0.51)	0.72
5. Contributions by employer (including benefit payments recoverable)	205.00	-
6. Benefit payments	(112.20)	(0.34)
<b>7. Fair value of plan assets at the end of the year</b>	<b>116.86</b>	<b>25.61</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	6.40%	7.60%
2. Expected rate of return on plan assets	7.60%	7.70%
3. Attrition rate	7.50%	7.50%

## Maturity Profile of Defined Benefit Obligation:

For the Year Ended March 31, 2020	Expected Benefit Payment Rounded to the nearest thousand (in ₹)
2021	39,450,000
2022	7,955,000
2023	6,641,000
2024	8,300,000
2025	9,166,000
2026-2030	52,127,000

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

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	907.53	707.20	992.50	780.09

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase		1% Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	978.12	767.27	918.72	717.32

C. Effect of 1 % change in the assumed Withdrawal Rate	1% Increase		1% Decrease	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	947.45	744.34	947.56	738.53



**Notes forming part of the financial statements**

VIII. Experience Adjustments:	Year Ended	
	2020	2019
	Gratuity	
1. Defined Benefit Obligation	(947.48)	(741.56)
2. Fair value of plan assets	116.85	25.61
3. Surplus/(Deficit)	(830.64)	(715.96)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	114.95	18.05
5. Experience adjustment on plan assets [Gain]/(Loss)]	0.44	(0.50)

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.

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.



## Notes forming part of the financial statements

### Note 33 : Related Party Transactions

#### I Names of related parties

1. Subsidiaries
  - Marvel Housing Private Limited
  - GMP Technical Solution Private Limited
  - Almet Corporation Limited
  - Marathawada Realtors Private Limited
  - GMP Technical Solutions Middle East (FZE)
  - Vascon Value Homes Private Limited
  - Vascon EPC Limited
2. Joint Ventures
  - Phoenix Ventures
  - Cosmos Premises Private Limited
  - Ajanta Enterprises
  - Vascon Saga Constructions LLP
  - Vascon Qatar WLL
3. Associates
  - Mumbai Estate Private Limited
4. Key Management Personnel
  - Mr. R. Vasudevan
  - Mr. Siddarth Vasudevan
  - Dr Santosh Sundararajan
  - Mr. Somnath Biswas (*appointed w.e.f. 01.09.2019*)
  - Mr. D.Santhanam (*Retired w.e.f 31.08.2019*)
  - Mr.M.Krishnamurthi (*Retired w.e.f. 30.09.2018*)
  - Ms.Vibhuti Dani (*appointed w.e.f 1.10.2018*)
  - Mr. Rajesh Mhatre

Other Directors

  - Mr. V Mohan
  - Mr. K G Krishnamurthy
  - Mr.Mukesh Malhotra
  - Ms. Sowmya Aditya Iyer
5. Relatives of Key Management Personnel
  - Mrs. Thangam Moorthy
  - Mrs. Lalitha Vasudevan
  - Mrs. Lalitha Sundararajan
  - Mrs. Shilpa Shivaram
  - Mrs. Sailaxmi Santhanam Mudaliar (*upto 31.08.2019*)
  - Ms Aishwarya Santhanam (*upto 31.08.2019*)
6. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence
  - Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
  - Vastech Consultants Private Limited
  - Vastech consultants and engineers LLP
  - Vatsalya Enterprises Private Limited
  - Bellflower Premises Private Limited
  - Cherry Construction Private Limited
  - Stresstech Engineers Pvt Ltd.
  - Syringa Engineers Private Limited ( Formerly known as Syringa Properties Private Limited)
  - Vascon Infrastructure Limited
  - Venus Ventures
  - Seraphic Design Private Limited
  - Sira Assets LLP
  - D. Santanam (HUF) - *Upto 31.08.2019*

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

### II Related party transactions

		(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
(a)	<b>Sales and work</b>	<b>2,968.56</b>	<b>1,963.93</b>
	<b>Joint Ventures</b>		
	Phoenix Ventures	337.07	183.08
	Ajanta Enterprises	2,086.04	1,402.30
	<b>Total</b>	<b>2,423.11</b>	<b>1,585.38</b>
	<b>Key management Personnel</b>		
	Mr. R. Vasudevan	-	312.00
	Dr Santosh Sundararajan	-	17.75
	<b>Total</b>	<b>-</b>	<b>329.75</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Cherry Constructions Private Limited.	545.45	48.80
	<b>Total</b>	<b>545.45</b>	<b>48.80</b>
(b)	<b>Interest Income/commission Received</b>	<b>263.57</b>	<b>438.15</b>
	<b>Subsidiaries</b>		
	<b>Interest</b>		
	GMP Technical Solutions Private Limited	122.89	107.90
	<b>Commission</b>		
	GMP Technical Solutions Private Limited	16.44	20.04
	<b>Total</b>	<b>139.34</b>	<b>127.94</b>
	<b>Joint Venture</b>		
	Ajanta Enterprises	124.23	177.16
	Cosmos Premises Private Limited - Dividend Received	-	133.05
	<b>Total</b>	<b>124.23</b>	<b>310.21</b>
(c)	<b>Interest Expense /commission Paid</b>	<b>170.80</b>	<b>206.83</b>
	<b>Subsidiaries</b>		
	<b>Interest</b>		
	Almet Corporation Limited	7.50	7.50
	Marathawada Realtors Private Limited	0.66	0.93
	<b>Commission</b>		
	GMP Technical Solutions Private Limited	51.38	48.25
	<b>Total</b>	<b>59.53</b>	<b>56.68</b>
	<b>Joint Venture</b>		
	Ajanta Enterprises	13.03	25.89
	<b>Total</b>	<b>13.03</b>	<b>25.89</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	D Santhanam- HUF	0.31	1.25
	Flora Facilities Private Limited	71.58	106.59
	Sira Assets LLP	24.15	10.81
	<b>Total</b>	<b>96.05</b>	<b>118.65</b>
	<b>Relatives of Key Management Personnel</b>		
	Mr. Siddarth Vasudevan	1.03	1.38
	Ms. Sailaxmi Santhanam Mudaliar	0.28	0.74
	Ms. Aishwarya Santhanam Mudaliar	0.25	1.00
	<b>Total</b>	<b>1.56</b>	<b>3.11</b>
	<b>Key Management Personnel</b>		
	D Santhanam	0.62	2.50
	<b>Total</b>	<b>0.62</b>	<b>2.50</b>

## Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
(d)	<b>Purchase of Goods / Work/Rent</b>	<b>685.14</b>	<b>963.67</b>
	<b>Subsidiaries</b>		
	Marvel Housing Private Limited.	337.72	321.55
	GMP Technical Solution Pvt Ltd	1.94	300.05
	<b>Total</b>	<b>339.67</b>	<b>621.59</b>
	<b>Joint Venture</b>		
	Ajanta Enterprises	-	1.39
	<b>Total</b>	<b>-</b>	<b>1.39</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	<b>Rent</b>		
Flora Facilities Private Limited	235.56	231.84	
<b>Works</b>			
Stresstech Engineers Private Limited	54.69	80.37	
Vastech Consultants & Engineers LLP	55.23	28.48	
<b>Total</b>	<b>345.47</b>	<b>340.68</b>	
(e)	<b>Receiving of Services</b>	<b>1,069.81</b>	<b>1,032.07</b>
	<b>Subsidiaries</b>		
	<b>Key Management Personnel</b>		
	Mr R Vasudevan		
	a) Short term benefits	10.00	10.00
	b) Post Employment benefits*	-	-
	Dr Santosh Sundararajan		
	a) Short term benefits	405.83	405.83
	b) Post Employment benefits*	0.22	0.22
	c) Share based payments	-	-
	Mr. D.Sanathanam		
	a) Short term benefits	28.44	68.25
	b) Post Employment benefits*	0.09	0.22
	c) Share based payments	-	-
	Mr. Somnath Biswas		
	a) Short term benefits	45.78	-
	b) Post Employment benefits*	0.11	-
	c) Share based payments	-	-
	Mr. Siddharth Vasudevan		
	a) Short term benefits	369.56	314.56
	b) Post Employment benefits*	0.22	0.22
	Mr. Rajesh Dilip Mhatre		
	a) Short term benefits	147.15	147.15
	b) Post Employment benefits*	0.22	0.22
	c) Share based payments	-	-
	Ms. Vibhuti Darshin Dani		
	a) Short term benefits	16.80	4.92
	b) Post Employment benefits*	0.22	0.11
	Mr.M.Krishnamurthi		
	a) Short term benefits	-	29.22
b) Post Employment benefits*	-	0.11	
c) Share based payments	-	-	
<b>Total</b>	<b>1,024.61</b>	<b>981.01</b>	

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
	*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		
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	15.87	17.16
	Vastech Consultants Private Limited	28.95	33.60
	Aiswarya Santhanam Mudaliar	0.38	0.30
	<b>Total</b>	<b>45.20</b>	<b>51.07</b>
(f)	<b>Share of Profit from AOP/Firm</b>	<b>3,476.50</b>	-
	<b>Joint Ventures</b>		
	Phoenix Ventures	7.02	-
	Ajanta Enterprises	3,469.48	-
	<b>Total</b>	<b>3,476.50</b>	-
(g)	<b>Share of Loss from AOP/Firm</b>	-	<b>125.17</b>
	<b>Joint Ventures</b>		
	Ajanta Enterprises	-	68.61
	Phoenix Ventures	-	56.56
	<b>Total</b>	-	<b>125.17</b>
(h)	<b>Reimbursement of expenses</b>	<b>5.61</b>	<b>53.56</b>
	<b>Joint Ventures</b>		
	Ajanta Enterprises	-	52.06
	Phoenix Ventures	0.04	0.90
	<b>Total</b>	<b>0.04</b>	<b>52.96</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	5.57	0.60
	<b>Total</b>	<b>5.57</b>	<b>0.60</b>
(i)	<b>Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit</b>	<b>989.23</b>	<b>1,121.34</b>
	<b>Subsidiaries</b>		
	Marvel Housing Private Limited	156.00	117.50
	Marathawada Realtors Private Limited	2.43	3.80
	Vascon EPC Limited	1.00	1.00
	Almet Corporation Limited	2.11	-
	<b>Total</b>	<b>161.54</b>	<b>122.30</b>
	<b>Joint Ventures</b>		
	Phoenix Ventures	7.10	47.39
	Ajanta Enterprises	300.00	551.65
	<b>Total</b>	<b>307.10</b>	<b>599.04</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Sira Assets LLP	110.00	-
	Flora Facilities Private Limited	410.59	400.00
	<b>Total</b>	<b>520.59</b>	<b>400.00</b>
(j)	<b>Finance availed /Received back(including equity contributions in cash or in kind)</b>	<b>5,404.19</b>	<b>2,808.32</b>
	<b>Subsidiary</b>		
	Marvel Housing Private Limited	-	293.59
	<b>Total</b>	-	<b>293.59</b>
	<b>Joint Ventures</b>		
	Phoenix Venture	2.94	210.57
	Ajanta Enterprises	4,803.26	1,799.16
	<b>Total</b>	<b>4,806.19</b>	<b>2,009.74</b>

## Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
	Flora Facilities Private Limited	150.00	50.00
	SIRASSETS LLP	200.00	110.00
	Cherry Constructions Private Limited.	98.00	-
	<b>Total</b>	<b>448.00</b>	<b>160.00</b>
	<b>Relatives of Key Management Personnel (Through Fixed Deposit)</b>		
	Sailaxmi Santhanam Mudaliar(Through Fixed Deposit)	-	5.00
	<b>Total</b>	<b>-</b>	<b>5.00</b>
	<b>Key Management Personnel</b>		
	Mr. R. Vasudevan	150.00	340.00
	<b>Total</b>	<b>150.00</b>	<b>340.00</b>
(k)	<b>Outstanding corporate / bank guarantees given</b>	<b>6,577.19</b>	<b>6,577.19</b>
	<b>Subsidiaries</b>		
	GMP Technical Solution Private Limited	6,577.19	6,577.19
	<b>Total</b>	<b>6,577.19</b>	<b>6,577.19</b>
(l)	<b>Outstanding as on</b>		
	<b>A) Receivable to Vascon Engineers Limited</b>	<b>5,418.38</b>	<b>7,293.56</b>
	<b>Subsidiaries</b>	<b>278.89</b>	<b>109.45</b>
	<b>a) Trade Recivable</b>		
	GMP Technical Solution Private Limited	59.59	43.15
	<b>Total</b>	<b>59.59</b>	<b>43.15</b>
	<b>b) Loans &amp; Advances / Project Advances</b>		
	Vascon EPC Limited	1.00	-
	Marvel Housing Private Limited	218.30	66.30
	<b>Total</b>	<b>219.30</b>	<b>66.30</b>
	<b>Joint Ventures</b>	<b>1,389.19</b>	<b>3,467.18</b>
	<b>a) Trade Receivable</b>		
	Phoenix Ventures	708.57	1,078.52
	Ajanta Enterprises	318.95	1,493.14
	<b>Total</b>	<b>1,027.52</b>	<b>2,571.66</b>
	<b>b) Loans &amp; Advances</b>		
	Phoenix Ventures	7.01	3.01
	<b>Total</b>	<b>7.01</b>	<b>3.01</b>
	<b>c) Balance in current accounts</b>		
	Phoenix Ventures	354.67	347.65
	Ajanta Enterprises	-	544.86
	<b>Total</b>	<b>354.67</b>	<b>892.50</b>
	<b>Associates</b>	<b>2,563.00</b>	<b>2,563.00</b>
	<b>a) Loans &amp; Advances ( Including deposits and trade advances)</b>		
	Mumbai Estate Private Limited	2,563.00	2,563.00
	<b>Total</b>	<b>2,563.00</b>	<b>2,563.00</b>
	<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>953.89</b>	<b>919.15</b>
	<b>a) Trade Receivable</b>		
	Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	62.06	97.30
	Cherry Constructions Private Limited.	382.33	312.34
	<b>Total</b>	<b>444.39</b>	<b>409.65</b>
	<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
	Flora Facilities Private Limited	125.00	125.00
	Venus Ventures	384.50	384.50
	<b>Total</b>	<b>509.50</b>	<b>509.50</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of the financial statements

	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Key Management Personnel</b>	<b>233.40</b>	<b>234.79</b>
<b>a) Trade Receivable</b>		
Mr. R. Vasudevan	3.34	4.73
Mr.Santosh Sundararajan	24.06	24.06
<b>Total</b>	<b>27.40</b>	<b>28.79</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>1,909.10</b>	<b>1,784.21</b>
<b>Subsidiaries</b>	<b>702.26</b>	<b>685.75</b>
<b>a) Trade Payable</b>		
Marvel Housing Private Limited	19.29	85.08
GMP Technical Solution Pvt Ltd	588.68	503.72
<b>Total</b>	<b>607.97</b>	<b>588.80</b>
<b>b) Loans &amp; Advances</b>		
Almet Corporation Limited	87.73	88.38
Marathawada Realtors Private Limited	6.57	8.58
<b>Total</b>	<b>94.30</b>	<b>96.96</b>
<b>Joint Venture</b>	<b>94.21</b>	<b>78.58</b>
<b>a) Trade Payable</b>		
Ajanta Enterprises	5.28	5.28
<b>Total</b>	<b>5.28</b>	<b>5.28</b>
<b>b) Loans &amp; Advances</b>		
Ajanta Enterprises	-	23.30
Cosmos Premises Private Limited	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>73.30</b>
<b>c) Balance in current accounts</b>		
Ajanta Enterprises	38.93	-
<b>Total</b>	<b>38.93</b>	<b>-</b>
<b>Key Management Personnel</b>	<b>433.40</b>	<b>227.84</b>
<b>a) Trade Payable</b>		
Mr. Mukesh Malhotra	99.40	62.84
	<b>99.40</b>	<b>62.84</b>
<b>b) For Deposit Received</b>		
Mr. R Vasudevan	295.00	145.00
D Santhanam	39.00	20.00
<b>Total</b>	<b>334.00</b>	<b>165.00</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>651.23</b>	<b>764.04</b>
<b>a) Trade Payable</b>		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	57.14	23.65
Stresstech Engineers Private Limited	31.55	36.53
Vastech Consultants & Engineers LLP	27.47	49.00
Vastech Consultants Private Limited	57.81	33.02
D. Santhanam HUF	0.13	0.13
<b>Total</b>	<b>174.10</b>	<b>142.33</b>
<b>b) Loans/(Advances)</b>		
Flora Facilities Private Limited	249.52	491.97
Sira Assets LLP	217.61	119.73
<b>Total</b>	<b>467.13</b>	<b>611.71</b>
<b>c) Deposit Received</b>		
D. Santhanam HUF	10.00	10.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

## Notes forming part of the financial statements

		(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
<b>Relatives of Key Management Personnel</b>		<b>28.00</b>	<b>28.00</b>
<b>a) Deposits Recd.</b>			
Mr. Siddarth Vasudevan		11.00	11.00
Mrs. Sailaxmi Santhanam Mudaliar		9.00	9.00
Ms. Aishwarya Santhanam		8.00	8.00
<b>Total</b>		<b>28.00</b>	<b>28.00</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, 2020

**Notes - Additional Information to the Financial Statements****34 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

		(₹ in Lakhs)	
Particulars		March 31, 2020	March 31, 2019
(i)	Principal amount remaining unpaid to MSME suppliers as on	1.90	2.69
(ii)	Interest due on unpaid principal amount to MSME suppliers as on	10.13	9.69
(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)	0.44	1.16
(v)	The amount of interest accrued and remaining unpaid as on	10.13	9.69
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	0.44	1.16

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.

**35 Disclosure under Regulation 34(3) of the SEBI (Listing and Disclosure Requirements) Regulations, 2015**

Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested:

		(₹ in Lakhs)	
Name of the party	Relationship	Amount outstanding as at March 31, 2020	Maximum balance outstanding during the year
Marvel Housing Private Limited	Subsidiary	218.30	218.30
		(66.30)	(208.80)
Vascon EPC Limited	Subsidiary	1.00	1.00
		(1.00)	(1.00)

Note: Figures in bracket relate to the previous year.

- There are no transactions of loans and advances to subsidiaries, associate firms/ companies in which Directors are interested other than as disclosed above.
  - There are no Investment by loanee in share of parent or subsidiary where Company made loan or advances in the nature of loan.
- 36** The company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 ('regulation'). The pricing of such domestic transactions will need to comply with Arm's length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.
- The Company has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.
- 37** Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard (Ind AS) 108 on operating segment as notified under the Companies (Indian Accounting Standards) Rules, 2015.

**Notes forming part of the financial statements**
**38 Disclosure of particulars of contract revenue**

	March 31, 2020	March 31, 2019
Contract Revenue Recognized during the year	25,376.41	28,059.27
Contract costs incurred during the year	19,207.79	20,770.33
Recognized Profit	6,168.62	7,288.94
Advances received for contracts in progress	(3,596.64)	(3,055.75)
Retention money for contracts in progress	3,038.28	3,513.47
Gross amount due from customer for contract work ( assets )	12,092.15	9,387.00
Gross amount due to customer for contract work ( liability )	1,226.31	1,465.57

**39 Corporate Social Responsibility Expenditure**

As per Section 135 of the Companies Act, 2013 (the Act), a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) Activity. A CSR Committee has been formed by the company to undertake CSR activities on 09/11/2016 pursuant to the requirement of the Act.

a. Gross amount required to be spent by the Company during the year - ₹ 20.54 lakhs

b. Amount spent during the year on: (₹ in Lakhs)

CSR Activities	In Cash	Yet to be paid in cash	Total
	Rs.	Rs.	Rs.
i) Construction/acquisition of any asset	-	-	-
ii) Purpose other than (i) above	25.02	-	25.02

40 During the Financial Year, the company has made payment of ₹ 750 lakhs on June 2019, further the company has renegotiated the term and agreed for payment of ₹ 700 lakhs and ₹ 664 lakhs on Dec 2020 and June 2021 respectively.

The Company renegotiated the terms with debenture holders and agreed for full and final payment of ₹ 3,865 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures of ₹ 4,865 lakhs. The terms of debenture deed were earlier negotiated on March 30, 2018 wherein the settlement was agreed at ₹ 5,865 lakhs. Accordingly, the Company paid an instalment of ₹ 1,000 lakhs on April 30, 2018 as per the initially negotiated terms. Subsequent to September 30, 2018, the Company further paid an instalment of ₹ 500 lakhs on October 30, 2018, ₹ 500 lakhs on November 30, 2018 and ₹ 750 lakhs on January 2019 as per the renegotiated terms and balance outstanding as on March 31, 2019 is ₹ 2,114 lakhs

41 During the Previous Financial Year the Company has applied the modified retrospective approach to its real estate residential contracts that were not completed as of April 1, 2018 and has given impact of adoption of Ind AS 115 by debit to retained earnings as at the said date by ₹ 413 lakhs.

Due to the application of Ind AS 115 for the Year ended March 31, 2019 Revenue from Operations is higher by ₹ 1,011 lakhs (including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach), Construction Expenses / Cost of materials consumed including cost of land is higher by ₹ 1041 lakhs and net profit after tax is lower by ₹ 13 Lakhs (Including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach). Similarly, the basic and diluted EPS for the year are ₹ 0.86 instead of ₹ 0.87 per share. These changes are due to recognition of revenue based on satisfaction of performance obligation (at a point in time), as opposed to the previously permitted percentage of completion method.

42 Effective April 1, 2019, company has adopted Ind AS 116 "Leases", and applied the same to all applicable lease contracts existing on April 1, 2019 using the retrospective cumulative method allowed under the standard. Under this method, the cumulative adjustment, on the date of initial application is taken to retained earnings and accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standards, in the standalone accounts, resulted in recognition of a Right of Use (ROU) of Rs. 336.13 Lakhs and a Lease Liability of Rs.436.76 Lakhs, the difference being a cumulative debit to retained earnings of Rs. 100.63 lakhs. In the statement of Profit & Loss for the current period, the nature of expense for operating lease has changed from lease rent in the previous year to depreciation cost for the ROU assets and the finance cost for interest accrued on lease liabilities, the net effect of this adoption is that the standalone profit before tax for the period are higher by Rs. 47.58 lakhs.



## Notes forming part of the financial statements

- 43** The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

In terms of our report attached.

**For Sharp & Tannan Associates**  
Chartered Accountants  
(Firm Regn. No. 109983W)

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

Date : June 12, 2020  
Place : Pune

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

Sd/-  
Siddharth Vasudevan  
Managing Director  
DIN-02504124)

Sd/-  
Mukesh Malhotra  
Director  
(DIN-00129504)

Sd/-  
Dr Santosh Sundararajan  
Chief Executive Officer

Sd/-  
Vibhuti Darshin Dani  
Company Secretary & Compliance Officer

Sd/-  
Somnath Biswas  
Chief Financial Officer

Date : June 12, 2020  
Place : Pune

**INDEPENDENT AUDITOR’S REPORT**

**To the Members of VASCON ENGINEERS LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Financial Statements of **Vascon Engineers Limited** (hereinafter referred to as the “the Parent” or “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which includes Group’s share of profit / loss in its associates and its joint-ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, 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, 2020, the Consolidated Profit (financial performance including other comprehensive income), its Consolidated Cash Flows and the Consolidated Changes in Equity for the year then ended.

**Emphasis of Matter**

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

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

**Basis for opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group including associates and joint-ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

**Key Audit Matters**

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

S. No.	Key Audit Matter	Auditor’s Response
1	<p><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. Accordingly this matter has been identified as KAM.</p> <p>Refer Note No. 2.07 of the Consolidated Financial Statements.</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.</p> <p>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>• Evaluation of the internal control designs relating to the revenue accounting standards,</li> <li>• Selected an appropriate samples of contracts and evaluated them along with the supporting evidence to determine whether various elements of revenue recognition as well cost allocations are assessed with the principles prescribed under Ind AS 115.</li> <li>• Read and assessed the disclosure made in the financial statements for assessing the compliance with the disclosure requirements.</li> </ul>

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

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

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

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

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

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

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group including its Associates and joint-ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the audit of the Consolidated Financial Statements**

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

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

- A. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statement and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group including its associates and joint-ventures to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its associates and joint-ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- A. We did not audit the financial statements of four domestic subsidiaries & one foreign step-down subsidiary, whose Ind AS financial statements reflect total assets of Rs. 1,320 lakhs as at March 31, 2020; and total revenue of Rs. 377 lakhs, total net loss after tax of Rs. 144 lakhs, total comprehensive loss of Rs. 144 lakhs and net cash outflow of Rs. 2 lakhs for the year then ended. The Statement also includes the Group's share of profit after tax of Rs. 3,469 lakhs for the year then ended March 31, 2020, in respect of a joint venture, whose financial statements have not been audited by us. These Ind AS financial statements have been audited by their respective independent auditors whose audit reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- B. We did not audit the financial statements of one domestic subsidiary included in the statement, whose financial statements reflect total assets of Rs. 1 lakhs as at March 31, 2020 and total revenues of Rs. Nil, total net loss after tax of Rs. 0 lakhs, total comprehensive loss of Rs 0 lakhs and net cash outflows of Rs. 0 lakhs for the year ended March 31, 2020, as considered in the Statement. The Consolidated Financial results also include the Group's share of profit after tax of Rs. 188 lakhs and total comprehensive income of Rs. 430 lakhs for the year ended March 31, 2020, as considered in the Statement, in respect of four joint ventures whose financial statements have not been audited by us. These financial statement / information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these four joint ventures and one subsidiary, are based solely on such unaudited financial information certified by management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.
- C. One domestic associate is non-operative entities and its financial information as at March 31, 2020 is unaudited. This financial information is provided by the management in whose opinion it is not material to the group.
- D. Due to the Covid-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes carried out post lockdown were based on the remote access and evidence shared digitally.

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

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

### Report on Other Legal and Regulatory Requirements

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

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

- B. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
- C. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- D. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- E. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies including associates and joint-ventures which are companies incorporated in India, none of the directors of the subsidiary companies, associates and joint-ventures which are companies incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- F. With respect to the adequacy of internal financial controls over financial reporting of the Group including its associates and joint-ventures which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.
- G. With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group including associates and joint-ventures, which are companies incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2020 on the Consolidated Financial position of the Group including its associates and joint-ventures (refer note 30 to the Consolidated Financial Statements);
  - ii. the Group including associates and joint-ventures have made provision in the Consolidated Financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associates and joint-ventures, which are companies incorporated in India.

**For Sharp & Tannan Associates,**  
Chartered Accountants  
Firm's Registration No.: 109983W

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

Membership No.: (F) 037457  
**UDIN: 20037457AAAABF6577**

Pune: June 12, 2020

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

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

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

#### **Opinion**

We have audited the Internal Financial Controls over Financial Reporting of **Vascon Engineers Limited** (hereinafter referred as "the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint-ventures, which are companies incorporated in India, as of March 31, 2020 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, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

#### **Management's Responsibility for Internal Financial Controls**

The respective Company's Management and Board of Directors of the of the Holding company and its subsidiary companies, associates and joint-ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's including its associates and joint-ventures, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

- 8 -

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associates and joint-ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's including its associates and joint-ventures which are companies incorporated in India, internal financial controls system over financial reporting.

#### **Other matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiaries and a joint-venture, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**For Sharp & Tannan Associates,**  
Chartered Accountants  
Firm's Registration No.: 109983W

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

Membership No.: (F) 037457

**UDIN: 20037457AAAABF6577**

Pune: June 12, 2020

**VASCON ENGINEERS LIMITED**
**Consolidated Balance Sheet as at March 31, 2020**

(₹ in Lakhs)

Particulars		Note No	As at March 31, 2020	As at March 31, 2019
<b>A Assets</b>				
<b>1 Non Current Assets</b>				
(a)	Property, Plant and Equipment	3	5,861.64	6,828.19
(b)	Capital work-in-progress		-	0.77
(c)	Goodwill on Consolidation		2,661.25	2,661.25
(d)	Investment Property	4	1,797.76	1,903.23
(e)	Other Intangible assets	3	16.79	33.32
(f)	Right of Use Assets	3	424.03	-
<b>(g) Financial Assets</b>				
(i)	Investments	5	7,965.49	7,841.10
(ii)	Loans	6	880.40	882.90
(iii)	Others Financial Assets	7	10,132.48	9,995.46
(h)	Income Tax Assets (net)		1,704.20	1,945.83
(i)	Deferred Tax Assets (net)	17	715.62	716.73
(g)	Other Non Current Assets	8	1,893.47	1,707.14
<b>Total Non - Current Assets</b>			<b>34,053.13</b>	<b>34,515.92</b>
<b>2 Current Assets</b>				
(a)	Inventories	9	48,085.81	50,022.60
<b>(b) Financial Assets</b>				
(i)	Investments	5	1,803.42	433.35
(ii)	Trade Receivables	10	18,097.33	20,167.14
(iii)	Cash and cash equivalents	11	2,467.05	4,711.57
(iv)	Bank balances other than (iii) above	11	4,412.51	2,499.64
(v)	Loans	6	6,806.35	6,166.66
(vi)	Others Financial Assets	7	16,863.45	12,729.21
(c)	Other Current Assets	8	2,977.56	1,803.44
<b>Total Current Assets</b>			<b>101,513.48</b>	<b>98,533.61</b>
<b>Total Assets (1+2)</b>			<b>135,566.61</b>	<b>133,049.53</b>
<b>B Equity and Liabilities</b>				
<b>1 Equity</b>				
(a)	Equity Share Capital	12 & 12.1	17,813.67	17,813.67
(b)	Other Equity	12.2	55,616.39	51,210.33
<b>Equity attributable to owners of the Company</b>			<b>73,430.06</b>	<b>69,024.00</b>
Non Controlling Interest			936.84	935.48
<b>Total Equity</b>			<b>74,366.90</b>	<b>69,959.48</b>
<b>2 Non Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i)	Borrowings	13	9,832.62	14,022.41
(ii)	Other financial liabilities	14	1,824.79	1,896.73
(b)	Other Liabilities	18	7.17	11.17
<b>Total Non - Current Liabilities</b>			<b>11,664.58</b>	<b>15,930.31</b>
<b>3 Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i)	Borrowings	13	10,164.80	9,276.21
(ii)	Trade and other payables			
	-Total outstanding dues of micro enterprises and small enterprises	15	1.90	2.69
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	15	20,157.06	20,164.08
(iii)	Other financial liabilities	14	6,549.07	3,132.20
(b)	Provisions	16	1,980.82	1,859.66
(c)	Other Current Liabilities	18	10,681.48	12,724.90
<b>Total Current Liabilities</b>			<b>49,535.13</b>	<b>47,159.74</b>
<b>Total Equity and Liabilities (1+2+3)</b>			<b>135,566.61</b>	<b>133,049.53</b>
Significant accounting policies		2		
See accompanying notes 3-45 forming part of the Consolidated Financial Statements.				

In terms of our report attached.

**For Sharp & Tannan Associates**

 Chartered Accountants  
 (Firm Regn. No. 109983W)

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

 sd/-  
**Mukesh Malhotra**  
 Director  
 (DIN-000129504)

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

 sd/-  
**Dr Santosh Sundararajan**  
 Chief Executive Officer

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

 sd/-  
**Vibhuti Dani**  
 Company Secretary & Compliance Officer

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

 Date: June 12, 2020  
 Place: Pune

 Date: June 12, 2020  
 Place: Pune



## Consolidated Statement of Profit and Loss for the Year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	19	52,091.58	52,411.48
II Other Income	20	1,996.86	3,689.68
<b>III Total Income (I + II)</b>		<b>54,088.44</b>	<b>56,101.16</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	21.a	33,325.78	40,177.65
(b) Purchases of stock-in-trade		0.74	5.04
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	1,566.50	(1,853.89)
(d) Employee benefit expense	22	7,179.46	7,225.68
(e) Finance costs	23	1,905.36	2,631.51
(f) Depreciation and amortization expense	3 & 4	1,498.63	1,341.72
(g) Other expenses	24	4,629.61	6,147.81
<b>Total expenses (IV)</b>		<b>50,106.08</b>	<b>55,675.52</b>
<b>V Profit before tax (III - IV)</b>		<b>3,982.36</b>	<b>425.64</b>
<b>VI Less: Tax Expense</b>			
(1) Current Tax	17	8.03	3.15
(2) Deferred Tax	17	(1.47)	(2.05)
(3) Excess/ ( short ) provision for tax of earlier years	17	1.95	(103.22)
<b>Total tax expense (VI)</b>		<b>8.51</b>	<b>(102.12)</b>
<b>VII Profit after tax (V - VI)</b>		<b>3,973.85</b>	<b>527.76</b>
<b>VIII Profit after tax for the year attributable to:</b>			
(1) Owners of the Company		3,958.77	682.36
(2) Non controlling interests		15.06	(154.61)
<b>IX Other Comprehensive Income</b>			
(1) Items that will not be recycled to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		94.38	(62.90)
- Income tax relating to items that will not be reclassified to profit or loss		17.30	8.71
		<b>111.68</b>	<b>(54.19)</b>
<b>X Other Comprehensive Income for the year attributable to:</b>			
(1) Owners of the Company		119.39	(50.81)
(2) Non controlling interests		(7.71)	(3.39)
<b>XI Total Comprehensive Income for the year (VII-IX)</b>		<b>4,085.51</b>	<b>473.56</b>
<b>XII Total comprehensive income for the year attributable to:</b>			
(1) Owners of the Company		<b>4,078.16</b>	<b>631.55</b>
(2) Non controlling interests		<b>7.35</b>	<b>(157.99)</b>
<b>XIII Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :</b>			
<b>Earnings per equity share of face value of ₹ 10 each</b>			
(1) Basic	25	2.22	0.39
(2) Diluted	25	2.21	0.39
Significant accounting policies	2		
See accompanying notes 3 to 45 forming part of the Consolidated financial statements.			

In terms of our report attached.

**For Sharp & Tannan Associates**  
Chartered Accountants  
(Firm Regn. No. 109983W)

For and on behalf of the Board of Directors

sd/-  
**Mukesh Malhotra**  
Director  
(DIN-000129504)

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

sd/-  
**Dr Santosh Sundararajan**  
Chief Executive Officer

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

sd/-  
**Vibhuti Dani**  
Company Secretary & Compliance Officer

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

Date: June 12, 2020  
Place: Pune

Date: June 12, 2020  
Place: Pune

**Consolidated Cash Flow Statement for the year ended March 31, 2020**

(₹ in Lakhs)

PARTICULARS		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before Taxation	3,982.36	425.64
	Adjustments for :-		
	- Depreciation / amortisation expenses	1,498.63	1,341.72
	- Finance Cost	1,905.36	2,631.52
	- Dividend & (Gain) / loss on investments carried at FVTPL	(813.26)	(42.09)
	- Profit on Sale of investments	(169.37)	
	- Net Expense recognised in respect of equity-settled share-based payments	462.77	878.53
	- Prepaid Rent	99.88	59.95
	- Interest income	(533.83)	(1,072.47)
	- Deferred Revenue	(4.00)	(4.00)
	- Provision for doubtful debt and advances	(236.15)	30.29
	- Bad debts and other receivables, loans and advances written off	668.06	1,009.00
	- Provision no longer required written back	(92.12)	(1,924.97)
	- Share of Profits from Joint Venture	(180.49)	(54.48)
	- (Profit) Loss on Sale of Property, Plant & Equipment (net)	(2.87)	55.93
	<b>Operating Profit before working capital changes</b>	<b>6,585.12</b>	<b>3,334.57</b>
	<b>Adjustments for (increase) / decrease in operating assets</b>		
	Inventories before capitalisation of borrowing cost	2,752.31	(2,004.02)
	Trade receivables	1,637.91	(648.54)
	Amount due from / to Customer	(1,825.64)	(3,651.17)
	Loans (Non Current)	2.50	(57.85)
	Others Financial Assets (Non Current)	30.57	956.94
	Other assets (Non Current)	(286.21)	912.48
	Loans (Current)	(639.69)	1,254.44
	Others Financial Assets (Current)	(1,377.54)	(142.35)
	Other assets (Current)	(1,174.12)	727.10
	<b>Adjustments for (increase) / decrease in operating liabilities</b>		
	Current trade payables	84.31	1,810.02
	Provisions	218.60	270.38
	Other Non Current liabilities	(757.74)	(510.73)
	Other current liabilities	(1,727.01)	1,511.20
	Cash generated from operations	3,523.37	3,762.47
	Income tax refund received	228.58	1,869.11
	<b>Net Cash flow from operating activities</b>	<b>3,751.95</b>	<b>5,631.58</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets including capital work in progress	(466.82)	(1,385.81)
	Proceeds on disposal of fixed assets	173.46	226.39
	Payments / Proceeds from Investments	1,038.53	40.59
	Investments / Proceeds from fixed deposits with banks	(2,080.48)	524.38
	Investments / Proceeds from liquid mutual funds	(1,370.07)	345.21
	<b>Net Cash generated / (used) in investing activities</b>	<b>(2,705.34)</b>	<b>(249.24)</b>

(₹ in Lakhs)

PARTICULARS		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceed from issue of Equity shares	-	1,120.00
	Repayment of Long term borrowing	(1,907.70)	(12,241.36)
	Proceeds from Loan term borrowing	1,300.00	12,611.02
	Proceed / repayment from/to Short term borrowing	730.34	(1,239.85)
	Interest Income received	533.83	1,072.47
	Finance cost including capitalised to qualifying assets	(4,105.85)	(3,910.05)
	<b>Net Cash generated / (used) in financing activities</b>	<b>(3,449.38)</b>	<b>(2,587.77)</b>
<b>D</b>	<b>NET CASH INFLOW / (OUTFLOW) (A+B+C)</b>	<b>(2,402.77)</b>	<b>2,794.57</b>
	Cash and cash equivalents at the beginning of the year	4,702.70	1,908.13
	Cash and cash equivalents at the end of the year (Refer note -11 A)	2,299.93	4,702.70
	<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(2,402.77)</b>	<b>2,794.57</b>

Notes:

- a) The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) -7 "Statement of Cash Flows"

See accompanying notes 3-45 forming part of the Consolidated Financial Statements.

Figures in brackets represent outflows of cash and cash equivalents.

In terms of our report attached.

**For Sharp & Tannan Associates**

Chartered Accountants  
(Firm Regn. No. 109983W)

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

Date: June 12, 2020  
Place: Pune

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

sd/-  
**Mukesh Malhotra**  
Director  
(DIN-000129504)

sd/-  
**Vibhuti Dani**  
Company Secretary & Compliance Officer

Date: June 12, 2020  
Place: Pune

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

sd/-  
**Dr Santosh Sundararajan**  
Chief Executive Officer

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

**Statement of changes in equity for the year ended March 31, 2020**
**a) Change in Equity**

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
<b>Balance at the beginning of the year</b>	17,813.67	17,413.67
Issue of equity shares under employee share option plan	-	400.00
<b>Balance at the end of the year</b>	<b>17,813.67</b>	<b>17,813.67</b>

**b) Changes in Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus						Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	General reserve	Foreign Currency Translation Reserve	Retained earnings			
<b>Balance at the beginning of the reporting year - As of April 01, 2018</b>	1,377.50	54,167.75	801.94	1,537.50	2.66	(8,494.82)	49,392.53	1,093.48	50,486.01
Transitional Adjustment on account of application of Ind AS 115 (Refer Note 43)	-	-	-	-	-	(413.33)	(413.33)	-	(413.33)
Premium on Shares issued during the year	-	720.00	-	-	-	-	720.00	-	720.00
Amount recorded on grants	-	-	878.53	-	-	-	878.53	-	878.53
Transferred to securities premium account on exercise	-	605.60	(605.60)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	685.75	685.75	(154.61)	531.14
Other Comprehensive income for the year	-	-	-	-	-	(54.20)	(54.20)	(3.39)	(57.59)
Consolidated Adjustment	-	-	-	-	-	1.05	1.05	-	1.05
<b>Balance at the end of the reporting year - March 31, 2019</b>	<b>1,377.50</b>	<b>55,493.35</b>	<b>1,074.87</b>	<b>1,537.50</b>	<b>2.66</b>	<b>(8,275.55)</b>	<b>51,210.33</b>	<b>935.48</b>	<b>52,145.81</b>
	1,377.50	55,493.35	1,074.87	(1,537.50)	(2.66)	(8,275.55)			

(₹ in Lakhs)

Particulars	Reserves and Surplus						Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	General reserve	Foreign Currency Translation Reserve	Retained earnings			
<b>Balance at the beginning of the reporting year - As of April 01, 2019</b>	1,377.50	55,493.35	1,074.87	1,537.50	2.66	(8,275.55)	51,210.33	935.48	52,145.81
Transitional Adjustment on account of application of Ind AS 116 (Refer Note 44)	-	-	-	-	-	(134.60)	(134.60)	(5.99)	(140.59)
Amount recorded on grants	-	-	462.77	-	-	-	462.77	-	462.77
Profit for the year	-	-	-	-	-	3,966.48	3,966.48	15.06	3,981.54
Other Comprehensive income for the year	-	-	-	-	-	111.68	111.68	(7.71)	103.97
Consolidated Adjustment	-	-	-	-	-	(0.27)	(0.27)	-	(0.27)
<b>Balance at the end of the reporting Year - March 31, 2020</b>	<b>1,377.50</b>	<b>55,493.35</b>	<b>1,537.64</b>	<b>1,537.50</b>	<b>2.66</b>	<b>(4,332.26)</b>	<b>55,616.39</b>	<b>936.84</b>	<b>56,553.23</b>

See accompanying notes 3-45 forming part of the Consolidated Financial Statements.  
In terms of our report attached.

In terms of our report attached.

**For Sharp & Tannan Associates**  
Chartered Accountants  
(Firm Regn. No. 109983W)

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

sd/-  
**Mukesh Malhotra**  
Director  
(DIN-000129504)

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

sd/-  
**Dr Santosh Sundararajan**  
Chief Executive Officer

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

sd/-  
**Vibhuti Dani**  
Company Secretary & Compliance Officer

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

Date: June 12, 2020  
Place: Pune

Date: June 12, 2020  
Place: Pune

## Notes forming part of Consolidated Financial Statements

### 1 Corporate Information

Vascon Engineers Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") are engaged in the business of Engineering, Procurement and Construction services (EPC), Real Estate Development and Manufacturing of Clean Room Partitions. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

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

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on May 12, 2020.

### 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 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 Basis of consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except otherwise stated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The following companies are considered in the Consolidated Financial Statements:

Name of the Company	Relationship	Country of Incorporation or Residence	Voting Power %	
			As at March 31, 2020	As at March 31, 2019
Marvel Housing Private Limited	Subsidiary	India	100%	100%
Vascon Value Homes Private Limited	Subsidiary	India	100%	100%
Vascon EPC Limited	Subsidiary	India	100%	100%
GMP Technical Solutions Private Limited	Subsidiary	India	85%	85%
GMP Technical Solutions Middle East (FZE) (wholly owned subsidiary of GMP Technical Solutions Private Limited)	Step down Subsidiary	UAE (Sharjah)	85%	85%
Almet Corporation Limited	Subsidiary	India	100%	100%
Marathawada Realtors Private Limited	Subsidiary	India	100%	100%
Vascon Construction Saga LLP	Joint Venture	India	76%	76%
Phoenix Ventures	Joint Venture	India	50%	50%
Cosmos Premises Private Limited	Joint Venture	India	43.83%	43.83%
Ajanta Enterprises	Joint Venture	India	50%	50%
Mumbai Estate Private Limited	Associates	India	44.44%	44.44%

## 2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

## 2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

## 2.06 Use of estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

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

### **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 Goodwill**

The Group estimate the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows were developed using internal forecasts. The discount rate used for the CGU's represented the weighted- average cost of capital based on the historical market returns of comparable companies.

### **Useful lives of property, plant and equipment**

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

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

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.13

### **Determination of lease term & discount rate**

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

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

### **Provisions and contingent liabilities**

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

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

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

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

#### **Fair value measurements and valuation processes**

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

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

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

## **2.07 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

### **1. Construction Contracts**

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

## **Cost of construction / Development**

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

## **2.08 Leases**

### **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 Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

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

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

Lease under Ind AS 17 (Policy applicable before April 01, 2019) :

A lease is classified at the inception date as a finance lease or an operating lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has identified all its leases as operating leases.

#### **i) Assets taken on operating lease :**

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

#### **ii) Assets given on operating lease :**

Assets subject to operating leases are included in fixed assets. Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss.

## **2.09 Foreign Currencies**

The functional currency of the Group is the Indian Rupee whereas the functional currency of foreign subsidiaries is the AED.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

## **2.10 Borrowing Costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development



of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

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

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

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## 2.11 Government Grants and Export Incentive

### (i) Government grants in respect to manufacturing units located in developing regions

The Group is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Group accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

### (ii) Government grants in respect of additional Capital Expenditure

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognized as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

### (iii) Export Benefits

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

## 2.12 Employee benefits

### a) Short-term Employee Benefits -

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

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

### c) Other Long-term Employee Benefits -

#### Compensated Absences:

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

## **Share-based Payments:**

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

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

## **2.13 Taxation**

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

### **Current tax:**

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

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

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

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

### **Deferred Incomes taxes:**

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

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

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

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

The Group recognises interest levied and penalties related to income tax assessments in Finance cost.

## **2.14 Property Plant and Equipment (PPE)**

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

Machinery spares which can be used only in connection with an item of PPE and use of which, as per technical assessment, is expected to be irregular, are capitalised and depreciated as part of PPE.

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

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

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

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

## 2.15 Investment Properties

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

## 2.16 Intangible Assets

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

## 2.17 Impairment

### (i) Financial assets (other than at fair values)

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

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

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

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

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

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

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

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

### (ii) Non-financial assets

#### (a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value

less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

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

**(b) Goodwill**

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**2.18 Inventories**

**a) Stock of Materials, etc.**

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

**b) Development Work**

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

**c) Stock of Trading Goods**

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

**2.19 Financial Instruments**

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

**Cash and cash equivalents**

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

**Financial assets at amortised cost**

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

**Effective Interest Method**

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

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

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

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

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

**Financial liabilities**

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

**Effective Interest Method**

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

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognized by the Group are recognized at the proceeds received net off direct issue cost.

### Reclassification of Financial Assets

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

### Offsetting of financial instruments

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

### 2.20 Earning per share (EPS)

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

### 2.21 Critical Accounting Judgments and key sources of estimation uncertainty

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

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

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

### 2.22 Segment Reporting

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

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

### 2.23 Cash flow statement

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

### 2.24 Current / Non-Current Classification

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

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

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

All other assets are classified as non-current.

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

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

Current liabilities include the current portion of long term financial liabilities.

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The 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

## 2.25 Share Capital

### Ordinary Shares

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

## 2.26 Fair Value Measurement

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

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### Determination of Fair Value

#### 1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

#### 2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

#### 3) Debt instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

#### 4) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

#### Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

#### 5) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. If the hybrid contract contains a host that is a financial asset within the scope of IND AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in IND AS 109 to the entire hybrid contract. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

#### 2.27 Dividend

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

#### 2.28 Recent accounting pronouncements

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

#### 2.29 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 investee's 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.

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

### Note No. 3 - Property Plant and Equipments and Intangible assets

(₹ in Lakhs)

PARTICULARS	I. Tangible assets								II. Intangible assets	III. Right of Use Assets		
	LEASEHOLD IMPROVEMENTS	LAND	PREMISES	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENT'S	Total	SOFTWARES	OFFICE PREMISES	VEHICLE	Total
<b>Gross Carrying Value</b>												
As at April 1, 2019	377.44	440.02	3,286.54	13,281.38	692.12	313.22	699.87	19,090.59	634.29	-	-	-
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	1,273.90	74.70	1,348.60
Additions	-	-	-	212.96	5.26	28.34	20.69	267.25	7.16	100.91	-	100.91
Disposals	27.09	-	-	325.69	-	19.24	-	372.02	-	-	-	-
As at Mar 31, 2020	350.35	440.02	3,286.54	13,168.65	697.38	322.32	720.56	18,985.82	641.45	1,374.81	74.70	1,449.51
<b>Accumulated depreciation</b>												
As at April 1, 2019	106.55	-	1,886.55	8,836.90	587.07	227.97	617.35	12,262.39	600.97	-	-	-
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	674.16	29.35	703.51
Additions	17.90	-	110.07	817.17	29.65	28.91	43.79	1,047.49	23.69	304.63	17.34	321.97
Disposals	19.10	-	-	148.78	-	17.82	-	185.70	-	-	-	-
As at Sep 30, 2019	105.35	-	1,996.62	9,505.29	616.72	239.06	661.14	13,124.18	624.66	978.79	46.69	1,025.48
<b>Net carrying value as at Mar 31, 2020</b>								5,861.64	16.79	396.02	28.01	424.03
<b>Gross Carrying Value</b>												
As at April 1, 2018	384.98	440.02	3,290.12	13,239.93	760.22	324.05	598.91	19,038.23	565.64			
Additions	-	-	0.66	951.17	4.42	55.34	100.96	1,112.55	79.07			-
Disposals	7.54	-	4.24	909.72	72.52	66.16	-	1,060.18	10.42			
As at March 31, 2019	377.44	440.02	3,286.54	13,281.38	692.12	313.23	699.87	19,090.60	634.29			-
<b>Accumulated depreciation</b>												
As at April 1, 2018	94.75	-	1,765.04	8,599.92	609.24	239.13	543.04	11,851.12	555.81			
Additions	18.91	-	124.77	894.03	41.73	35.40	74.31	1,189.15	55.24			
Disposals	7.11	-	3.26	657.04	63.89	46.56	-	777.86	10.08			
As at March 31, 2019	106.55	-	1,886.55	8,836.91	587.08	227.97	617.35	12,262.41	600.97			-
<b>Net carrying value as at Mar 31, 2019</b>								6,828.19	33.32			-

### Note No. 4 - Investment Property

(₹ in Lakhs)

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



## Notes forming part of Consolidated Financial Statements

Description of Assets	(₹ in Lakhs)
	Buildings
<b>Gross carrying value *</b>	
As at April 1, 2018	2,490.73
Additions	-
Disposals	-
<b>As at March 31, 2019 ( A )</b>	<b>2,490.73</b>
<b>Accumulated depreciation</b>	
As at April 1, 2018	490.17
Charge for the year	97.33
Reversals/ Disposals during the year	-
<b>As at March 31, 2019 ( B )</b>	<b>587.50</b>
<b>Net carrying value as at March 31, 2019 (A) - (B)</b>	<b>1,903.23</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	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Investment Property	3,114.56	3,114.56

The best evidence of fair value is current prices in an active market for similar properties. The market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer

**Note :** Of the above, a Building carrying value Rs.1,676.50 (Previous Year: Rs.1,762.10) is subject to first charge for secured bank loans (refer note 13.1.)

## Note No. 5 : Investment

## A. Non Current Investment

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>A. COST</b>		
<b>I. Unquoted Investments (all fully paid)</b>		
Cosmos Premises Private Limited	740.48	590.89
162,500 (March 31, 2019: 177,401) Equity Shares of Rs. 10/- Each Fully Paid		
Vascon Engineers Ltd Wll (Qatar)	0.01	0.01
Phoenix Venture	200.00	200.00
Ajanta Enterprises	4,272.94	4,272.94
VASCON Construction Saga LLP	1.52	1.52
<b>INVESTMENTS CARRIED AT COST [A]</b>	<b>5,214.95</b>	<b>5,065.36</b>
<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>	<b>0.20</b>	<b>0.20</b>
<b>C. Designated as Fair Value Through Profit and Loss</b>		
<b>Quoted investments</b>		
Investments in Equity Instruments - Corporation Bank Limited	0.09	0.29
<b>Total Aggregate Quoted Investments</b>	<b>0.09</b>	<b>0.29</b>
<b>Unquoted Investments(all fully paid)</b>		
<b>Investments in Equity Instruments of structured entities</b>		
The Saraswat Co-Op Bank Limited	0.25	0.25
2,500 (March 31, 2018: 2,500) Equity Shares Of Rs.10/- Each Fully Paid		
Sahyadri Hospital Limited	-	25.00
250,000 (March 31, 2018: 250,000) Equity Shares Of Rs.10/- Each Fully Paid		
	<b>0.25</b>	<b>25.25</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investments in debentures</b>		
Investments in debentures of Ascent Hotels Private Limited Optionally Convertible Redeemable Debenture 6,726,396 (March 31, 2017: 6,726,396 ) of face Value Rs.10/- each	2,750.00	2,750.00
	2,750.00	2,750.00
<b>INVESTMENTS CARRIED AT FVTPL [C]</b>	2,750.34	2,775.54
<b>TOTAL INVESTMENTS [A] + [B] + [C]</b>	<b>7,965.49</b>	<b>7,841.10</b>

### Details of quoted / unquoted investments:

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
Aggregate amount of Quoted Investments and Market Value thereof	0.09	0.29
Aggregate amount of Unquoted Investments	7,965.40	7,840.81
Aggregate amount of Provision for expected credit loss on investments	-	-

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

### B. Current Investment

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<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, 2018: 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	1,569.42	199.35
HSBC Cash Fund - Growth Direct Plan Units 7220.0910 (March 31, 2018: 9152.297) , NAV ₹ 1,861.5797(March 31, 2018: ₹ 1729.9739) each		
Reliance Liquid Fund - Treasury Plan Units 1423.5910 (March 31, 2018: 9109.253), NAV ₹ 4,561.8889 (March 31, 2018: ₹ 4,239.9424 ) each		
<b>Total Quoted Investments</b>	1,569.42	199.35
<b>TOTAL CURRENT INVESTMENTS</b>	<b>1,803.42</b>	<b>433.35</b>

### Details of quoted / unquoted investments:

(₹ in Lakhs)

Particular	As at March 31, 2020	As at March 31, 2019
Aggregate amount of Quoted Investments and Market Value thereof	1,569.42	199.35
Aggregate amount of Unquoted Investments	234.00	234.00
Aggregate amount of Provision for expected credit loss on investments	-	-

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

## Notes forming part of Consolidated Financial Statements

## Note No. 6 : Loans

## A. Non Current Loans

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>a) Loans and Advances to Employees</b>		
- Unsecured, considered good	-	20.71
<b>b) Other Loans</b>		
- Unsecured, considered good	880.40	862.19
<b>Total</b>	<b>880.40</b>	<b>882.90</b>

## B. Current Loans

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>a) Loans and Advances to Employees</b>		
- Unsecured, considered good	340.96	539.02
<b>b) Loans to related parties (Refer Note 33)</b>		
- Unsecured, considered good	362.67	895.52
<b>c) Other Loans</b>		
- Unsecured, considered good	6,102.72	4,732.12
<b>TOTAL</b>	<b>6,806.35</b>	<b>6,166.66</b>

## Note No. 7 : Other Financial Assets

## A. Non - Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Financial assets at amortised cost</b>		
<b>a) Security Deposits</b>		
- Unsecured		
Considered good	915.29	901.17
Considered doubtful	25.00	25.00
Less: Allowance for Credit Losses	(25.00)	(25.00)
	915.29	901.17
<b>b) Bank deposits with more than 12 months maturity</b>	277.34	83.44
<b>c) Project Advances</b>	8,931.65	8,976.34
<b>d) Interest accrued on deposits</b>	8.20	34.51
<b>TOTAL</b>	<b>10,132.48</b>	<b>9,995.46</b>

## B. Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Financial assets at amortised cost</b>		
<b>a) Security Deposits - Unsecured</b>	601.60	430.36
<b>b) Interest accrued on deposits</b>	165.81	116.93
<b>c) Project Advances</b>	2,544.93	1,524.96
<b>d) Other Recoverable</b>	514.39	376.94
<b>e) Amounts due from customers under construction contracts</b>		
- Gross amount due from customer	15,762.62	12,763.15
- Less : Related Advance Payments received	(2,725.90)	(2,483.13)
	13,036.72	10,280.02
<b>TOTAL</b>	<b>16,863.45</b>	<b>12,729.21</b>

# VASCON ENGINEERS LIMITED

## 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, 2020	As at March 31, 2019
a) Balances with government authorities (other than income taxes)	1,893.47	1,607.26
b) Prepaid Rent	-	99.88
<b>TOTAL</b>	<b>1,893.47</b>	<b>1,707.14</b>

#### B. Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Advances to suppliers	1,976.62	1,451.85
b) Other Receivable	200.73	-
b) Prepaid Expenses	794.29	339.02
c) Travel Advance	5.92	12.57
<b>TOTAL</b>	<b>2,977.56</b>	<b>1,803.44</b>

### Note No. 9 : Inventories

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Building materials / Tools	4,530.62	4,900.92
b) Projects under Development	31,721.48	31,355.85
c) W.I.P/ Finished Goods	429.27	454.08
d) Completed Projects	11,404.44	13,311.75
<b>Total Inventories at the lower of cost or net realisable value</b>	<b>48,085.81</b>	<b>50,022.60</b>

### Note No. 10 : Trade Receivables

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Outstanding for a period exceeding six months from the date they are due</b>		
(a) Unsecured, considered good	10,914.63	10,315.61
(b) Doubtful	2,584.46	2,552.56
Less: Allowance for Credit Losses	(2,584.46)	(2,552.56)
	10,914.63	10,315.61
<b>Others</b>		
(a) Unsecured, considered good	4,291.65	7,696.96
(b) Doubtful	-	-
Less: Allowance for Credit Losses	-	-
	4,291.65	7,696.96
<b>Retention (Accrued but not due)</b>		
(a) Unsecured, considered good	4,431.44	4,117.82
(b) Doubtful	-	388.81
Less: Allowance for Credit Losses	-	(388.81)
	4,431.44	4,117.82
(Less) : Related Unearned Receivables	(1,540.39)	(1,963.25)
<b>Total</b>	<b>18,097.33</b>	<b>20,167.14</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.

## Notes forming part of Consolidated Financial Statements

3. Trade receivables includes receivables from related parties and amount due from directors or other officers of the Group either severally or jointly with any other person or any trade or other receivables due from firm or private companies in which any director is a partner, a director or member (Refer Note 33).
4. The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
5. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit losses experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
EPC:		
Less than 1 year	2,936.10	3,956.02
1-2 year	1,907.46	1,609.97
2-3 year	597.77	379.03
More than 3 year	4,605.63	4,224.72
Less :- Expected Credit Loss	(1,273.00)	(1,235.20)
Total	8,773.96	8,934.54
Development Sales Receivables	2,624.07	3,770.64
	-	-
Receivables from Related Parties	971.16	2,110.09
Clean Room & BMS (GMP) Sales Receivables	7,039.59	7,056.30
Less :- Expected Credit Loss *	(1,311.45)	(1,704.43)
Total	5,728.14	5,351.87
<b>TOTAL</b>	<b>18,097.33</b>	<b>20,167.14</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, 2020	As at March 31, 2019
Balance at the beginning of the period / year	2,939.64	3,102.29
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	39.80	600.33
Utilization / Reversals	(394.98)	(762.99)
Balance at end of the year - March 31, 2020 / 2019	2,584.46	2,939.63

## Note No. 11 : Cash and Bank Balances

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>A) Current Cash and bank balances</b>		
a) Unrestricted Balances with banks #	2,011.16	3,833.18
b) Cash on hand	217.35	149.79
c) Balances with banks in deposit accounts with original maturity of less than 3 months	238.54	728.60
<b>Cash and cash equivalent as per balance sheet</b>	<b>2,467.05</b>	<b>4,711.57</b>
Bank Overdraft	167.12	8.87
<b>Total Cash and cash equivalent as per statement of cash flows</b>	<b>2,299.93</b>	<b>4,702.70</b>
<b>B) Other bank balances</b>		
a) Balances with banks in deposit accounts with original maturity more than 3 months	153.60	146.03
b) In earmarked accounts		
- Balances held as margin money or security against borrowing, guarantee and other commitments*	4,258.91	2,353.61
<b>Total Other Bank Balances</b>	<b>4,412.51</b>	<b>2,499.64</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.

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>a) Capital Redemption Reserve</b>		
Opening Balance	1,377.50	1,377.50
	1,377.50	1,377.50
<b>b) Securities Premium Reserve</b>		
Opening Balance	55,493.35	54,167.75
Premium on Shares Issued during the year	-	720.00
Transferred on account on exercise of share based payment	-	605.60
	55,493.35	55,493.35
<b>c) Equity-settled employee benefits reserve</b>		
Opening Balance	1,074.87	801.94
Amount recorded on grants during the year	462.77	878.53
Transferred to securities premium account on exercise	-	(605.60)
	1,537.64	1,074.87
<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	(8,275.55)	(8,494.82)
Transitional Adjustment on account of application of Ind AS 116 (Refer Note 44)	(134.60)	-
Transitional Adjustment on account of application of Ind AS 115 (Refer Note 43)	-	(413.33)
Profit for the year	3,966.48	685.75
Other Comprehensive income	111.68	(54.20)
Consolidation Adjustment*	(0.27)	1.05
	(4,332.26)	(8,275.55)
	<b>55,616.39</b>	<b>51,210.33</b>

\* Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Subsidiaries

### 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 - Equity Share Capital**

Equity share capital	As at March 31, 2020		As at March 31, 2019	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
<b>Authorised:</b>				
Equity shares of Rs 10 each with voting rights	264,130,000	26,413.00	264,130,000	26,413.00
Preference Share of Rs. 10 each without voting rights	5,000,000	500.00	5,000,000	500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of Rs 10 each with voting rights	178,136,716	17,813.67	178,136,716	17,813.67

## Notes forming part of Consolidated Financial Statements

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled for one vote per share held. In the event of liquidation of the company the holder of the equity share will be entitled to receive remaining asset after deducting all its liabilities in proportion to the number of equity shares held.

### Note No. 12.1 - Equity Share Capital (Contd.)

#### (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

(₹ in Lakhs)

Particulars	Number of Shares	Equity share capital
<b>Issued and Paid up Capital at April 1, 2018</b>	<b>174,136,716</b>	<b>17,413.67</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	4,000,000	400.00
<b>Balance at March 31, 2019</b>	<b>178,136,716</b>	<b>17,813.67</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	-	-
<b>Balance at March 31, 2020</b>	<b>178,136,716</b>	<b>17,813.67</b>

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	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>				
R. Vasudevan	42,428,701	23.82	41,897,701	23.52
Vatsalya Enterprises Private Limited	9,078,947	5.10	9,078,947	5.10
Lalitha Vasudevan	8,919,538	5.01	8,109,538	4.55
Shamyak Investment Pvt Ltd (formerly - Amrit Petroleum Private Limited)			8,783,273	4.93

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

##### Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share held.

#### (iii) As at 31 March, 2020, 1,20,00,000 shares (As at 31 March, 2019, 1,20,00,000 shares ) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2020	As at March 31, 2019
Outstanding employee stock options granted / available for grant	12,000,000	12,000,000

### Note No. 12.2 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Capital Redemption Reserve</b>		
Opening Balance	1,377.50	1,377.50
	1,377.50	1,377.50
<b>b) Securities Premium Reserve</b>		
Opening Balance	55,493.35	54,167.75
Premium on Shares Issued during the year	-	720.00
Transferred on account on exercise of share based payment	-	605.60
	55,493.35	55,493.35
<b>c) Equity-settled employee benefits reserve</b>		
Opening Balance	1,074.87	801.94
Amount recorded on grants during the year	462.77	878.53
Transferred to securities premium account on exercise	-	(605.60)
	1,537.64	1,074.87

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<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	(8,275.55)	(8,494.82)
Transitional Adjustment on account of application of Ind AS 116 (Refer Note 44)	(134.60)	-
Transitional Adjustment on account of application of Ind AS 115 (Refer Note 43)	-	(413.33)
Profit for the year	3,966.48	685.75
Other Comprehensive income	111.68	(54.20)
Consolidation Adjustment*	(0.27)	1.05
	(4,332.26)	(8,275.55)
* Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Subsidiaries		
	<b>55,616.39</b>	<b>51,210.33</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, 2020	As at March 31, 2019
Opening Balance	935.48	1,093.48
Transitional Adjustment on account of application of Ind AS 116 (Refer Note 44)	(5.99)	
Profit / (Loss) for the year	15.06	(154.61)
Other Comprehensive Income	(7.71)	(3.39)
	<b>936.84</b>	<b>935.48</b>

### Note No. 13 : Borrowings

#### A. Non Current Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Measured at amortised cost</b>		
<b>A. Secured Borrowings:</b>		
a) Fully Redeemable Debentures	7,293.70	10,945.00
b) Term Loans		
From Financial Institution	1,835.42	1,666.02
c) Long term maturities of finance lease obligations	35.77	41.66
<b>Total Secured Borrowings</b>	<b>9,164.89</b>	<b>12,652.68</b>



Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>B. Unsecured Borrowings - at amortised Cost</b>		
a) Public Deposits	-	2.00
b) Inter corporate deposits	3.73	3.73
<b>Total Unsecured Borrowings</b>	3.73	5.73
<b>Total Borrowings carried at Amortised Cost [A] + [B]</b>	9,168.62	12,658.41
<b>Measured at FVTPL</b>		
2114 (March 31,2018: 6861) Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 5864 of ₹ 1 lakhs each (Refer Note 42)	664.00	1,364.00
<b>Total Borrowings carried at FVTPL</b>	664.00	1,364.00
<b>Total Borrowings</b>	<b>9,832.62</b>	<b>14,022.41</b>

**B. Current Borrowings**

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>A. Secured Borrowings</b>		
a) Cash Credit From Banks	8,416.52	7,765.92
	8,416.52	7,765.92
<b>B. Unsecured Borrowings</b>		
a) From Banks (Bank overdraft )	167.12	8.87
b) Loans from related parties	558.63	110.00
c) Loans from other parties	1,022.53	1,391.42
	1,748.28	1,510.29
<b>Total Borrowings</b>	<b>10,164.80</b>	<b>9,276.21</b>
Cash Credit from State Bank of India and Union Bank of India @ 9 % to 15.40 % is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.	6,647.51	6,452.96
Cash credit from Axis Bank @ 13%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) factory land and building (Unit I & Unit II) situated at Baddi and Corporate Guarantee of Holding Company.	508.38	-
Cash credit from Bank of Baroda @ 15.15%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) office at Ghatkopar and Corporate Guarantee of Holding Company.	1,260.63	1,312.95

# VASCON ENGINEERS LIMITED

## 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	
<b>I. Secured Loan</b>									
a) Kotak India Real Estate Fund	10,383.44	3,089.74	3,646.85	3,646.85	-	-	7,293.70	15.50%	<ol style="list-style-type: none"> <li>1. Sole &amp; Exclusive mortgage on the identified unsold units with 1.40 lacs sq.ft. Of Saleable area, including 2 villas of the project &amp; Personal Guarantee of the Promoter</li> <li>2. Sole &amp; Exclusive first charge on the Project development rights both Vascon and Land Owners under Development Agreement</li> <li>3. Hypothecation on 100% receivable from the Project, which includes both vascon's and Land Owner's shares.</li> <li>4. Escrow account on cash flow from the sales collected from the project</li> <li>5. Post dated cheques from for the repayment amount of principle and interest</li> </ol>
b) JM Financial Credit Soution Limited	1,673.35	768.79	777.60	126.96	-	-	904.56	15.05%	Secured by way of registered mortgage on the land admesuring approximately 9.9 acres along with approx saleable are of 0.61 MMSFT in Project Good Life located at Talegaon Pune and also escrow of receivable generated from Project Goodlife and secured by way of personal guarantee of Promoter
c) Zero Coupon, Rupee denominated, Unrated, unlisted, secured, Non Convertible Debentures of Rs.1,00,000/- each (Refer Note 42)	1,364.00	700.00	664.00	-	-	-	664.00	0.00%	Pledge of shares of GMP Technical Solution Pvt Ltd (Subsidiary)
d) ICICI Home Finance	950.60	99.75	112.84	127.66	144.42	465.94	850.86	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.
<b>From Financial Institutions</b>									
Daimler Financial Services India Pvt Ltd	41.66	5.89	35.77	-	-	-	35.77	10.65%	Hypothecation of Vehicle financed by lender
<b>II. Unsecured Loan</b>									
<b>A. Public deposits (accepted for a period of 400 days)</b>	160.50	160.50	-	-	-	-	-	12.50%	Not Applicable
<b>B. Inter corporate loans</b>									
Yester Investment Pvt Ltd	500.00	500.00	-	-	-	-	-	12.00%	Not Applicable
Flora Facilities Pvt Ltd	3.73	-	3.73	-	-	-	3.73	16.50%	Not Applicable
	<b>15,077.29</b>	<b>5,324.66</b>	<b>5,240.80</b>	<b>3,901.47</b>	<b>144.42</b>	<b>465.94</b>	<b>9,752.62</b>		

## Notes forming part of Consolidated Financial Statements

## Note No. 14 : Other Financial Liabilities

## A. Non Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
Commitment and other deposits	1,695.24	1,896.73
Lease Liability	129.55	-
<b>Other Non-Current Financial Liabilities</b>	<b>1,824.79</b>	<b>1,896.73</b>

## B. Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Current maturities of long term debt (Refer Note 13.1)	5,238.78	1,947.00
b) Current maturities of lease obligations (Refer Note 13.1)	296.20	5.89
c) Interest accrued but not due on borrowings	43.54	11.61
d) Interest accrued but due on borrowings	865.58	1,069.55
e) Creditors for capital supplies/services	17.50	25.61
f) Others	87.47	72.54
<b>Total other financial liabilities</b>	<b>6,549.07</b>	<b>3,132.20</b>

## Note No. 15 : Trade and other payables

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of Micro, Small and Medium Enterprises	1.90	2.69
Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	20,157.06	20,164.08
<b>Total trade payables</b>	<b>20,158.96</b>	<b>20,166.77</b>

## Note No. 16 : Provisions

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>a) Provision for employee benefits</b>		
1) Compensated absences	812.16	793.86
2) Gratuity (Refer Note 31)	1,064.38	958.46
	1,876.54	1,752.32
<b>b) Others</b>		
Taxation (Net of Advance Tax)	104.28	107.34
	104.28	107.34
<b>TOTAL</b>	<b>1,980.82</b>	<b>1,859.66</b>

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

## (a) Income Tax Expense

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current Tax:</b>		
Current Income Tax Charge	8.03	3.15
Adjustments in respect of prior years	1.95	(103.22)
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences	(1.47)	(2.05)
<b>Total Tax Expense recognised in profit and loss account</b>	<b>8.51</b>	<b>(102.12)</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

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

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Profit before Tax</b>	<b>3,982.34</b>	<b>425.63</b>
Income Tax using the Company's domestic Tax rate @ 34.61%	1,378.29	147.31
<b>Effect of :</b>		
Income that are exempt from taxation	(1,243.88)	24.47
Expenses that are non deductible in determining taxable profit	21.48	364.77
Unused tax losses and tax offsets not recognised as deferred tax assets	-	(534.60)
Different tax rate of subsidiaries	(9.36)	-
Adjustments recognised in the current year in relation to the current tax of prior years	(136.55)	(102.02)
Deferred tax assets recognised on temporary differences	(1.47)	(2.05)
Other		
<b>Income Tax recognised in P&amp;L</b>	<b>8.51</b>	<b>(102.12)</b>

### c) Deferred Tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of Fixed Assets	178.76	427.96
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	1.34	1.34
Tax effect of items constituting deferred tax liability	180.10	429.30
<u>Tax effect of items constituting deferred tax asset</u>		
Provision for compensated absences and gratuity	234.62	463.63
Disallowance u/s 40a / Provision for Doubtful debts & Advances	605.31	603.75
MAT Credit Entitlement	6.41	9.18
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	48.98	48.98
Unabsorbed depreciation carried forward and brought forward business losses	0.40	20.49
Tax effect of items constituting deferred tax asset	895.72	1,146.03
<b>Net Deferred Tax Asset / (Liability)</b>	<b>715.62</b>	<b>716.73</b>

Note : A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company has decided to continue with the existing tax structure for the year ended March 31, 2020.

### Note No. 18 : Other Liabilities

#### A. Non Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>a. Deferred Revenue</b>		
- Deferred Government grant related to assets	7.17	11.17
<b>Total</b>	<b>7.17</b>	<b>11.17</b>

## Notes forming part of Consolidated Financial Statements

## B. Current

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>a. Advances received from customers</b>		
- Gross amount due to customers	9,293.90	10,807.40
- Less : Related Unbilled Revenues	(2,725.90)	(2,483.13)
	6,568.00	8,324.27
<b>b. Amount due to customers under construction contracts</b>		
- Gross amount due to customers	3,964.68	3,456.50
- Less : Related Debtors	(1,540.39)	(1,963.25)
	2,424.29	1,493.25
<b>c. Statutory dues</b>		
- taxes payable (other than income taxes)	1,685.19	2,903.38
<b>e. Deferred Revenue</b>		
- Deferred Government grant related to assets	4.00	4.00
<b>Total Other Current Liabilities</b>	<b>10,681.48</b>	<b>12,724.90</b>

## Note No. 19 : Revenue from operations

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue recognised / sales (gross)</b>		
- Contract Revenue	25,405.53	28,059.27
- Sale of Unit/Land	7,241.25	7,935.46
- Trading Sales & Other Sales	0.15	2.60
- Manufacturing Sales	15,282.38	15,878.80
- Other sales ( Includes maintenance charges of soceity,Hire charges,Scrap Sales)	358.08	272.31
<b>Other Operating Income</b>		
- Rent / Compensation / Maintenance	210.20	200.69
- Share of profit / (loss) from Joint Venture	3,593.99	62.35
<b>Total Revenue from Operations</b>	<b>52,091.58</b>	<b>52,411.48</b>

## Note No. 20 : Other Income

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest income on Financial Assets at Amortised Cost	533.83	1,072.47
b) Dividend received on investments carried at fair value through profit or loss in Liquid Mutual fund units	81.21	42.09
c) Gain / (loss) on investments carried at fair value through profit or loss	732.05	-
d) Dividend income Other	0.04	-
e) Profit on sale on Investment	169.37	-
f) Provision / Creditors no longer required written back	92.12	1,924.97
g) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	3.37	-
h) Bad Debts Recovered	54.12	363.55
i) Foreign exchange gain	76.31	-
j) Miscellaneous income	254.44	286.60
<b>Total Other Income</b>	<b>1,996.86</b>	<b>3,689.68</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

### Note No. 21.a : Cost of materials consumed

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Contract	19,188.23	20,750.46
Development	3,832.19	6,994.76
Cost of Material Consumed	9,489.85	11,153.90
Incidental borrowing cost incurred attributable to qualifying assets	815.51	1,278.53
<b>Total cost of materials consumed</b>	<b>33,325.78</b>	<b>40,177.65</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, 2020	For the year ended March 31, 2019
Segment wise Revenue and Results		
<u>Closing balance of projects under development :</u>		
Completed Units / Finished goods	429.27	454.08
Work-in-progress	43,125.91	44,667.60
	43,555.18	45,121.68
<u>Opening balance of projects under development:</u>		
Completed Units / Finished goods	454.08	578.67
Work-in-progress	44,667.60	41,647.83
Add- Transitional Adjustment on account of application of Ind AS 115 ( refer Note 43)	-	1,041.29
	45,121.68	43,267.79
<b>Net (increase) / decrease</b>	<b>1,566.50</b>	<b>(1,853.89)</b>

### Note No. 22 : Employee benefit expense

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Salaries and wages, including bonus	6,195.89	5,816.69
b) Contribution to provident and other funds	335.83	306.47
c) Share based payment transactions expenses	462.77	878.53
d) Staff Welfare & Other Expenses	184.97	223.99
<b>Total Employee Benefit Expense</b>	<b>7,179.46</b>	<b>7,225.68</b>

### Note No. 23 : Finance costs

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest expense	2,573.40	3,635.82
b) Other borrowing costs	147.47	274.22
	2,720.87	3,910.04
Less : Amounts included in the cost of qualifying assets	815.51	1,278.53
<b>Total Finance Costs</b>	<b>1,905.36</b>	<b>2,631.51</b>

## Notes forming part of Consolidated Financial Statements

## Note No. 24 : Other expenses

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Stores and spares consumed	280.70	296.09
b) Power & Fuel oil consumed	322.80	306.52
c) Rent including lease rentals	193.53	622.98
d) Repairs to buildings	43.02	107.47
e) Repairs to Plant & Machinery	84.85	62.75
f) Repairs and maintenance - Others	115.14	113.84
g) Rates & Taxes	222.33	95.06
h) Insurance charges	72.73	76.59
i) Bad debts and other receivables, loans and advances written off	668.06	1,009.00
j) Provision For Doubtful Debt And Advances	(236.15)	30.29
k) Loss on Sale of Fixed Assets	0.50	55.93
l) Auditors remuneration and out-of-pocket expenses		
1) As Auditors	71.80	107.50
2) For Taxation matters	-	-
3) Other services	-	1.04
m) Other Expenses		
1) Legal and other professional costs	1,023.29	1,142.98
2) Advertisement, Promotion & Selling Expenses	582.47	854.58
3) Travelling and Conveyance Expenses	447.88	437.35
4) Postage and telephone	98.29	113.65
5) Printing and stationery	76.82	112.36
6) Brokerage / commission	80.09	120.36
7) Donations	55.64	18.96
8) Bank charges	137.75	84.43
9) Hire Charges Paid	17.54	12.01
10) Foreign exchange gain / loss (net)	-	7.57
11) Miscellaneous Expenses	270.34	358.50
n) Net gain/(loss) arising on financial assets designated as at FVTPL	0.19	-
<b>Total Other Expenses</b>	<b>4,629.61</b>	<b>6,147.81</b>

## Note 25: Disclosures under Ind AS 33

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Basic Earnings per share (Amount In Rupees)	2.22	0.39
Diluted Earnings per share (Amount In Rupees)	2.21	0.39

## 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, 2020	For the year ended 31 March, 2019
Profit for the year	3,973.84	527.75
Add: Loss attributable to Non - Controlling Interest	15.06	(154.61)
Profit for the year attributable to owners of the Company (A)	3,958.78	682.36
Weighted average number of equity shares (B)	178,136,716	176,690,141
Earnings per share from continuing operations - Basic (Amount In Rupees) (A / B)	2.22	0.39

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

### Diluted earnings per share

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

Particulars	(₹ in Lakhs)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Profit / (loss) for the year used in the calculation of basic earnings per share	3,958.77	682.36
Weighted average number of equity shares used in the calculation of Basic EPS	178,136,716	176,690,141
Employee Stock Option Plans	629,442	705,320
Weighted average number of equity shares used in the calculation of Diluted EPS	178,766,158	177,395,460
Earnings per share from continuing operations - Dilutive (Amount In Rupees)	2.21	0.39

### 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	(₹ in Lakhs)			
	Carrying amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>FINANCIAL ASSETS</b>				
<b>Financial assets measured at amortised cost</b>				
<b>Non - Current Assets</b>				
(i) Investments	5,215.14	5,065.56	5,215.14	5,065.56
(ii) Loans	880.40	882.90	880.40	882.90
(iii) Others Financial Assets	10,132.48	9,995.46	10,132.48	9,995.46
<b>Current Assets</b>				
(i) Trade receivables	18,097.33	20,167.14	18,097.33	20,167.14
(ii) Cash and cash equivalents	2,467.05	4,711.57	2,467.05	4,711.57
(iii) Bank balances other than (ii) above	4,412.51	2,499.63	4,412.51	2,499.63
(iv) Loans	6,806.35	6,166.66	6,806.35	6,166.66
(v) Others Financial Assets	16,863.44	12,729.21	16,863.44	12,729.21
<b>Financial assets measured at fair value through Statement of Profit &amp; Loss</b>				
(a) Current investments	1,803.42	433.35	1,803.42	433.35
(b) Non Current investments quoted	0.09	0.29	0.09	0.29
(c) Non Current investments unquoted	2,750.25	2,775.25	2,750.25	2,775.25
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities measured at amortised cost</b>				
<b>Non - Current Liabilities</b>				
(i) Borrowings	9,168.62	12,658.41	9,168.62	12,658.41
(ii) Other financial liabilities	1,824.79	1,896.73	1,824.79	1,896.73
<b>Current Liabilities</b>				
(i) Borrowings	10,164.80	9,276.20	10,164.80	9,276.20
(ii) Trade and other payables	20,158.98	20,166.77	20,158.98	20,166.77
(iii) Other financial liabilities	6,549.06	3,132.20	6,549.06	3,132.20
<b>Financial liabilities measured at fair value through Statement of Profit &amp; Loss</b>				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	664.00	1,364.00	664.00	1,364.00

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short - term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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



## Notes forming part of Consolidated Financial Statements

### Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Group and in case of financial assets is the average market rate of similar credit rated instrument.

The Group maintain policies and procedure to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

(a) Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.

(b) Security deposit paid are evaluated by the Group based on parameters such as interest rate non performance risk of the customer. The fair value of the Group's security deposit paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowing taken by similar credit rate companies where the risk of non performance risk is more than significant.

(c) Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.

(d) The fair value of the Group's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.

### Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed , either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents the assets and liabilities measured at fair value on recurring basis at March 31, 2020 and March 31, 2019.

	(₹ in Lakhs)		
Particulars	Level 1	Level 2	Level 3
<b>March 31, 2020</b>			
Investment in mutual funds	1,569.42	-	-
Equity	0.09	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	664.00
<b>March 31, 2019</b>			
Investment in mutual funds	199.35	-	-
Equity	0.29	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	1,364.00

During the year ended March 31, 2020, 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 45%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

**Notes forming part of Consolidated Financial Statements**

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Borrowings	25,532.39	25,251.50
Trade Payables	20,158.98	20,166.79
Less : Cash and Cash Equivalents	6,879.56	7,211.20
<b>Net Debt</b>	<b>38,811.81</b>	<b>38,207.09</b>
Equity	73,430.06	69,024.00
<b>Total Capital</b>	<b>73,430.06</b>	<b>69,024.00</b>
<b>Capital and Net Debt</b>	<b>112,241.87</b>	<b>107,231.09</b>
<b>Gearing Ratio</b>	<b>35%</b>	<b>36%</b>

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, 2020 and March 31, 2019.

**Financial Risk Management Framework**

Vascon Engineers Limited is exposed primarily to credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

**i) Credit Risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables. None of the financial instruments of the Group result in material concentration of credit risk.

**Exposure to credit risk**

The carrying amount of financial asset represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 52,328.65 lakhs and ₹ 49,706.49 lakhs as of March 31, 2020 and March 31, 2019 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, 2020 and March 31, 2019, 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.

## Notes forming part of Consolidated Financial Statements

Movement in the expected credit loss allowance:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period year	2,939.63	3,102.29
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	39.81	600.33
Utilization / Reversals	(394.98)	(762.99)
Balance at the end of the year	2,584.46	2,939.63

### ii) Liquidity Risk

#### a) Liquidity risk management

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### b) Maturities of financial liabilities

The following tables detail the remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

Particulars	(₹ in Lakhs)		
	31-Mar-20		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	20,158.95	-	-
Other Financial Liabilities	6,549.06	1,824.79	-
Working capital demand loans / Term loans	10,164.79	9,168.62	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	700.00	664.00	-

Particulars	(₹ in Lakhs)		
	31-Mar-19		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	20,166.79	-	-
Other Financial Liabilities	3,132.20	1,896.73	-
Working capital demand loans / Term loans	9,276.20	12,658.41	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	1,364.00	-

#### 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

**Notes forming part of Consolidated Financial Statements**

than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Singapore Dollar, Great Britain Pound, Japanese Yen against the respective functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

**1) Foreign currency exposures hedged by derivatives - Rs. Nil (Previous Year - Rs. Nil)**
**2) Details of Foreign currency exposures that are not hedged by derivative instrument or otherwise :**

Particulars	Currency	Amount in foreign currency (in Lakhs)		Equivalent amount (₹ in Lakhs)	
		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Trade Receivables	EURO	-	0.09	-	6.98
	GBP	-	-	-	-
	USD	0.47	0.42	35.56	29.32
	EURO	0.81	1.10	66.87	85.46
	USD	13.73	8.51	1,034.82	589.92

**Foreign Currency Sensitivity**

The following table demonstrates the sensitivity to a reasonable possible change in USD, EUR and JPY exchange rates, with all other variables held constant, the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)			
For the year ended	Currency	Change in Rate	Effect on Pre Tax Profit
March 31, 2020	USD	+10%	99.93
	USD	-10%	(99.93)
	EURO	+10%	6.69
March 31, 2019	EURO	-10%	(6.69)
	USD	+10%	54.64
	USD	-10%	(54.64)
	EURO	+10%	9.24
	EURO	-10%	(9.24)

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.

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

Particulars	FY 2019-20	FY 2018-19
Options granted, beginning of the year	12,000,000	16,000,000
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	12,000,000	-
Weighted Average remaining life	2.42	2.42

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

## 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 Ministry of Corporate Affairs (MCA) through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind As 116 Lease (Ind As 116) which replace the existing Lease standard, Ind As 17 Leases, Ind As 116 set out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

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 applied modified retrospective approach in adopting the new standard as a lessee (for all leases other than those end within a period of 12 months) and accordingly has given an cumulative debit effect of Rs. 134.6 lakhs by applying this standard, on the opening balance of retained earnings as at April 01, 2019 (refer Note No. 44).
- The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 13%.

#### (A) Leases as lessee

##### (i) The movement in Lease liabilities during the year

Particulars	(₹ in Lakhs)
	As at 31st March, 2020
<b>Opening Balance</b>	47.55
Balance as at 1st April, 2019 (on adoption of Ind AS 116 - Leases)	685.81
Additions during FY 2019-20	100.91
Finance costs incurred during the year	79.05
Payments of Lease Liabilities	451.80
<b>Balance as at 31st March, 2020</b>	<b>461.53</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".

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

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

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Expenses related to Short Term Lease & Long Term Lease		
- Finance Cost	79.05	
- Depreciation	320.00	
(ii) Expenses related to Short Term Lease & Low Asset Value Lease	211.07	-
(iii) Lease Expenses	-	360.65
<b>Total Expenses</b>	<b>610.11</b>	<b>360.65</b>

### (iv) Maturity analysis of lease liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2020	
<b>Maturity Analysis of contractual undiscounted cash flows</b>		
Less than one year		343.40
One to five years		190.69
More than five years		
<b>Total undiscounted Lease Liability</b>		<b>534.09</b>
<b>Balances of Lease Liabilities</b>		
Non Current Lease Liability		165.33
Current Lease Liability		296.20
<b>Total Lease Liability</b>		<b>461.53</b>

### Note - 30: Contingent liabilities and commitments

#### Contingent liabilities (to the extent not provided for)

	(₹ in Lakhs)	
	As at 31 March, 2020	As at 31 March, 2019
<b>Contingent liabilities</b>		
(a) Disputed demands for Income Tax	260.63	44.36
(b) Disputed demands for Service Tax / Excise Duty	288.72	153.97
(c) Disputed demands for Value Added Tax / GST	1,085.48	2,323.40
(d) Performance and financial guarantees given by the Banks on behalf of the Group	21,045.83	12,149.07
(e) Corporate guarantees given for other companies / entities and mobilization	14,077.19	7,677.50
(f) Custom Duty on Export obligation	-	4.93
The Company has imported Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, at the concessional rates of duty with an obligation to fulfill the specified exports. Failure to meet this export obligation within the stipulated timeframe as per Foreign trade policy would result in payment of the aggregate differential duty saved as mentioned below along with interest there on. The company is confident of meeting the obligation.		
(g) Claims against the Group not acknowledged as debt	3,782.29	3,701.41
(i) The Creditors of the Company have filed a civil suit claiming of ₹ 891.20 lakhs (Previous year ₹ 783.81 lakhs) as amount due to them, which claims the Company is disputing.		
(ii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to ₹ 20.14 lakh (Previous year ₹ 46.66 lakh) with Joint District Registrar & Collector of Stamps, Pune.		
(iii) One of the labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for ₹ 3.95 lakhs ( Previous year - ₹ 3.95 lakhs).		
(iv) One of the customer has filed arbitration proceeding against the Company for loss on account of wastage i.e. excess consumption of cement and steel, loss on account of escalation of cement and steel, additional cost incurred for completing the balance work, loss for rectifying defective work, refund of amount in VAT and excess duty, loss of reputation and liquidated damages and interest, amounting to ₹ 2,867.00 lakhs (Previous year ₹ 2,867.00 lakhs).		

## Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	As at 31 March, 2020	As at 31 March, 2019
<p>(v) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 5,016.95 sq mtrs for a consideration of ₹ 376.27 Lacs.</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 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 ₹ 87.80 Lacs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 3.00 Lacs per month from the date of breach till the date of curing the breach.</p>		
<p>(vi) In earlier years Vascon Dwelling Private Limited (Merged Company) has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of ₹ 295.50 Lacs .</p> <p>In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.</p> <p>As per the conditional sale the company has to obtain clear enforceable title and to obtain certain permission/clearance within 18 months of the execution of the agreement.</p> <p>In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 68,95,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 2,35,000/- per month from the date of breach till the date of curing the breach.</p>		
<p>(vii) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of ₹ 853 lakhs.</p> <p>The company is under obligation to obtain tentative layout approval from corporation, which is subject to new Development Plan to be issued by the corporation.</p> <p>In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 100 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages.</p> <p>In respect of the above three agreement to sale of plots the company has recognised the sales amounting to ₹ 153 lakhs and profit of ₹ 660 lakhs. As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.</p>		
<b>Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	442.85	283.57

**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.286.03 Lakhs for Provident Fund contributions (March 31, 2019 : Rs.246.07 Lakhs) and Rs 43.28 Lakhs towards ESIC (March 31, 2019 : Rs.50.47 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.



**Notes forming part of Consolidated Financial Statements**
**(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, 2020**

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2020	2019
<b>Service Cost</b>		
Current Service Cost	148.52	112.09
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	64.64	55.91
Components of defined benefit costs reconised in profit or loss	213.16	168.00
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amunt included in net interest expense)	1.24	6.22
Actuarial gains and loss arising form changes in financial assumptions	67.20	44.29
Actuarial gains and loss arising form experience adjustments	126.57	9.36
Actuarial gains and loss arising from demographic adjustments	36.58	3.03
Componentes of defined benefit costs recognised in other comprehensive income	231.59	62.90
<b>Total</b>	<b>444.75</b>	<b>230.90</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	1,312.14	1,001.39
2. Fair value of plan assets as at 31st March	249.01	42.94
3. Surplus/(Deficit)	(1,063.13)	(958.46)
4. Current portion of the above	1,063.13	958.46
5. Non current portion of the above	249.01	42.94
<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	(1,001.39)	(777.37)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Current Service Cost	(148.52)	(112.09)
- Past Service Cost	-	-
- Interest Expense (Income)	(71.40)	(59.82)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(36.58)	(3.03)
ii. Financial Assumptions	(67.20)	(44.29)
iii. Experience Adjustments	(126.57)	(9.36)
5. Benefit payments	139.53	4.57
6. Others (Specify)	-	-
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>(1,312.13)</b>	<b>(1,001.39)</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	42.94	51.02
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Expected return on plan assets	5.47	1.88
- Mortality Charges and Taxes	(6.51)	(1.21)
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actual Return on plan assets in excess of the expected return	0.05	(4.18)
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	346.60	-
6. Benefit payments	(139.53)	(4.57)
<b>7. Fair value of plan assets at the end of the year</b>	<b>249.02</b>	<b>42.94</b>
IV. The Major categories of plan assets		
Funds Managed By Insurer	100%	100%



## Notes forming part of Consolidated Financial Statements

## Maturity Profile of Defined Benefit Obligation:

Year Ending March 31	Expected Benefit Payment Rounded to the nearest thousand (in Rs.)
2021	423.38
2022	109.72
2023	96.08
2024	110.99
2025	118.25
2026-2030	1,091.53

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

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	1257.06	1,373.48	1213.88	1313.53

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

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	1372.26	1,256.49	1,313.61	1,212.81

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

	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Obligation	1289.97	1,354.45	1,259.34	1,265.67

## V. Experience Adjustments :

	Period Ended	
	2020	2019
	Gratuity	
1. Defined Benefit Obligation	1,312.14	1,001.39
2. Fair value of plan assets	249.01	42.94
3. Surplus/(Deficit)	(1,063.13)	(958.46)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	126.57	9.36
5. Experience adjustment on plan assets [Gain/(Loss)]	20.22	40.18

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 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 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.

**Notes forming part of Consolidated Financial Statements**

(₹ in Lakhs)

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 31.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Group has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee group, fair value of share price of the investee group on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

**Note 33 : Related Party Transactions****I Names of related parties**

1. Joint Ventures
  - Phoenix Ventures
  - Cosmos Premises Private Limited
  - Ajanta Enterprises
  - Vascon Saga Constructions LLP
  - Vascon Qatar WLL
3. Associates
  - Mumbai Estate Private Limited
4. Key Management Personnel
  - Mr. R. Vasudevan
  - Mr. Siddarth Vasudevan
  - Dr Santosh Sundararajan
  - Mr. Somnath Biswas (*appointed w.e.f. 01.09.2019*)
  - Mr. D.Santhanam (*Retired w.e.f 31.08.2019*)
  - Mr.M.Krishnamurthi (*Retired w.e.f. 30.09.2018*)
  - Ms.Vibhuti Dani (*appointed w.e.f 1.10.2018*)
  - Mr. Rajesh Mhatre

Other Directors

  - Mr. V Mohan
  - Mr. K G Krishnamurthy
  - Mr.Mukesh Malhotra
  - Ms. Sowmya Aditya Iyer
5. Relatives of Key Management Personnel
  - Mrs. Lalitha Vasudevan
  - Mrs. Lalitha Sundararajan
  - Mrs. Sailaxmi Santhanam Mudaliar (*upto 31.08.2019*)
  - Ms Aishwarya Santhanam (*upto 31.08.2019*)
6. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence
  - Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
  - Vastech Consultants Private Limited
  - Vastech consultants and engineers LLP
  - Vatsalya Enterprises Private Limited
  - Bellflower Premises Private Limited
  - Cherry Construction Private Limited
  - Stresstech Engineers Pvt Ltd.
  - Syringa Engineers Private Limited ( Formerly known as Syringa Properties Private Limited)
  - Vascon Infrastructure Limited
  - Venus Ventures
  - Seraphic Design Private Limited
  - Sira Assets LLP
  - D. Santanam (HUF) - *Upto 31.08.2019*

## Notes forming part of Consolidated Financial Statements

## II Related party transactions

	As at March 31, 2020	As at March 31, 2019
<b>(a) Sales and work</b>	<b>2,968.56</b>	<b>1,963.93</b>
<b>Joint Ventures</b>		
Phoenix Ventures	337.07	183.08
Ajanta Enterprises	2,086.04	1,402.30
<b>Total</b>	<b>2,423.11</b>	<b>1,585.38</b>
<b>Key management Personnel</b>		
Mr. R. Vasudevan	-	312.00
Dr Santosh Sundararajan	-	17.75
<b>Total</b>	<b>-</b>	<b>329.75</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Cherry Constructions Private Limited.	545.45	48.80
<b>Total</b>	<b>545.45</b>	<b>48.80</b>
<b>(b) Interest Income/commission Received</b>	<b>124.23</b>	<b>310.21</b>
<b>Joint Venture</b>		
Ajanta Enterprises	124.23	177.16
Cosmos Premises Private Limited - Dividend Received	-	133.05
	<b>124.23</b>	<b>310.21</b>
<b>(c) Interest Expense /commission Paid</b>	<b>111.27</b>	<b>150.16</b>
<b>Joint Venture</b>		
Ajanta Enterprises	13.03	25.89
<b>Total</b>	<b>13.03</b>	<b>25.89</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
D Santhanam- HUF	0.31	1.25
Flora Facilities Private Limited	71.58	106.59
Sira Assets LLP	24.15	10.81
<b>Total</b>	<b>96.05</b>	<b>118.65</b>
<b>Relatives of Key Management Personnel</b>		
Mr. Siddarth Vasudevan	1.03	1.38
Ms. Sailaxmi Santhanam Mudaliar	0.28	0.74
Ms. Aishwarya Santhanam Mudaliar	0.25	1.00
<b>Total</b>	<b>1.56</b>	<b>3.11</b>
<b>Key Management Personnel</b>		
D Santhanam	0.62	2.50
<b>Total</b>	<b>0.62</b>	<b>2.50</b>
<b>(d) Purchase of Goods / Work/Rent</b>	<b>345.47</b>	<b>342.08</b>
<b>Joint Venture</b>		
Ajanta Enterprises	-	1.39
<b>Total</b>	<b>-</b>	<b>1.39</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
<b>Rent</b>		
Flora Facilities Private Limited	235.56	231.84
<b>Works</b>		
Stresstech Engineers Private Limited	54.69	80.37
Vastech Consultants & Engineers LLP	55.23	28.48
<b>Total</b>	<b>345.47</b>	<b>340.68</b>

**Notes forming part of Consolidated Financial Statements**

	As at March 31, 2020	As at March 31, 2019
<b>(e) Receiving of Services</b>	<b>1,069.81</b>	<b>1,032.07</b>
<b>Key Management Personnel</b>		
Mr R Vasudevan		
a) Short term benefits	10.00	10.00
b) Post Employment benefits*	-	-
Dr Santosh Sundararajan		
a) Short term benefits	405.83	405.83
b) Post Employment benefits*	0.22	0.22
c) Share based payments	-	-
Mr. D.Santhanam		
a) Short term benefits	28.44	68.25
b) Post Employment benefits*	0.09	0.22
c) Share based payments	-	-
Mr. Somnath Biswas		
a) Short term benefits	45.78	-
b) Post Employment benefits*	0.11	-
c) Share based payments	-	-
Mr. Siddharth Vasudevan		
a) Short term benefits	369.56	314.56
b) Post Employment benefits*	0.22	0.22
Mr. Rajesh Dilip Mhatre		
a) Short term benefits	147.15	147.15
b) Post Employment benefits*	0.22	0.22
c) Share based payments	-	-
Ms. Vibhuti Darshin Dani		
a) Short term benefits	16.80	4.92
b) Post Employment benefits*	0.22	0.11
Mr.M.Krishnamurthi		
a) Short term benefits	-	29.22
b) Post Employment benefits*	-	0.11
c) Share based payments	-	-
<b>Total</b>	<b>1,024.61</b>	<b>981.01</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		
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	15.87	17.16
Vastech Consultants Private Limited	28.95	33.60
Aiswarya Santhanam Mudaliar	0.38	0.30
<b>Total</b>	<b>45.20</b>	<b>51.07</b>
<b>(f) Share of Profit from AOP/Firm</b>	<b>3,476.50</b>	<b>-</b>
<b>Joint Ventures</b>		
Phoenix Ventures	7.02	-
Ajanta Enterprises	3,469.48	-
<b>Total</b>	<b>3,476.50</b>	<b>-</b>
<b>(g) Share of Loss from AOP/Firm</b>	<b>-</b>	<b>125.17</b>
<b>Joint Ventures</b>		
Ajanta Enterprises	-	68.61
Phoenix Ventures	-	56.56
<b>Total</b>	<b>-</b>	<b>125.17</b>

## Notes forming part of Consolidated Financial Statements

	As at March 31, 2020	As at March 31, 2019
<b>(h) Reimbursement of expenses</b>	<b>5.61</b>	<b>53.56</b>
<b>Joint Ventures</b>		
Ajanta Enterprises	-	52.06
Phoenix Ventures	0.04	0.90
<b>Total</b>	<b>0.04</b>	<b>52.96</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	5.57	0.60
	<b>5.57</b>	<b>0.60</b>
<b>Key Management Personnel</b>		
Dr Santosh Sundararajan	-	-
M. Krishnamurthi	-	-
D Santhanam	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>(i) Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit</b>	<b>827.69</b>	<b>999.04</b>
<b>Joint Ventures</b>		
Phoenix Ventures	7.10	47.39
Ajanta Enterprises	300.00	551.65
<b>Total</b>	<b>307.10</b>	<b>599.04</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Stresstech Engineers Private Limited		
Sira Assets LLP	110.00	-
Flora Facilities Private Limited	410.59	400.00
<b>Total</b>	<b>520.59</b>	<b>400.00</b>
<b>(j) Finance availed /Received back(including equity contributions in cash or in kind)</b>	<b>5,404.19</b>	<b>2,514.74</b>
<b>Joint Ventures</b>		
Phoenix Venture	2.94	210.57
Ajanta Enterprises	4,803.26	1,799.16
<b>Total</b>	<b>4,806.19</b>	<b>2,009.74</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	150.00	50.00
Sira Assets LLP	200.00	110.00
Cherry Constructions Private Limited.	98.00	-
<b>Total</b>	<b>448.00</b>	<b>160.00</b>
<b>Relatives of Key Management Personnel (Through Fixed Deposit)</b>		
Sailaxmi Santhanam Mudaliar(Through Fixed Deposit)	-	5.00
<b>Total</b>	<b>-</b>	<b>5.00</b>
<b>Key Management Personnel</b>		
D Santhanam	-	-
Mr. R. Vasudevan	150.00	340.00
<b>Total</b>	<b>150.00</b>	<b>340.00</b>
<b>(k) Outstanding as on</b>		
<b>A) Receivable to Vascon Engineers Limited</b>	<b>4,933.48</b>	<b>6,978.11</b>
<b>Joint Ventures</b>	<b>1,389.19</b>	<b>3,467.18</b>
<b>a) Trade Receivable</b>		
Phoenix Ventures	708.57	1,078.52
Ajanta Enterprises	318.95	1,493.14
<b>Total</b>	<b>1,027.52</b>	<b>2,571.66</b>
<b>b) Loans &amp; Advances</b>		
Phoenix Ventures	7.01	3.01
<b>Total</b>	<b>7.01</b>	<b>3.01</b>
<b>c) Balance in current accounts</b>		
Phoenix Ventures	354.67	347.65
Ajanta Enterprises	-	544.86
<b>Total</b>	<b>354.67</b>	<b>892.50</b>

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

	As at March 31, 2020	As at March 31, 2019
<b>Associates</b>	<b>2,563.00</b>	<b>2,563.00</b>
<b>a) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Mumbai Estate Private Limited	2,563.00	2,563.00
<b>Total</b>	<b>2,563.00</b>	<b>2,563.00</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>953.89</b>	<b>919.15</b>
<b>a) Trade Receivable</b>		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	62.06	97.30
Cherry Constructions Private Limited.	382.33	312.34
<b>Total</b>	<b>444.39</b>	<b>409.65</b>
<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Vastech Consultants Private Limited		-
Flora Facilities Private Limited	125.00	125.00
Venus Ventures	384.50	384.50
<b>Total</b>	<b>509.50</b>	<b>509.50</b>
<b>Key Management Personnel</b>	<b>27.40</b>	<b>28.79</b>
<b>a) Trade Receivable</b>		
Mr. R. Vasudevan	3.34	4.73
Mr.Santosh Sundararajan	24.06	24.06
<b>Total</b>	<b>27.40</b>	<b>28.79</b>
<b>B) Receivable from Vascon Engineers Limited</b>	<b>1,107.44</b>	<b>1,035.62</b>
<b>Joint Venture</b>	<b>94.21</b>	<b>78.58</b>
<b>a) Trade Payable</b>		
Ajanta Enterprises	5.28	5.28
<b>Total</b>	<b>5.28</b>	<b>5.28</b>
<b>b) Loans &amp; Advances</b>		
Ajanta Enterprises	-	23.30
Cosmos Premises Private Limited	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>73.30</b>
<b>c) Balance in current accounts</b>		
Ajanta Enterprises	38.93	-
<b>Total</b>	<b>38.93</b>	<b>-</b>
<b>Key Management Personnel</b>	<b>334.00</b>	<b>165.00</b>
<b>c) For Deposit Received</b>		
Mr. R Vasudevan	295.00	145.00
D Santhanam	39.00	20.00
<b>Total</b>	<b>334.00</b>	<b>165.00</b>
<b>d) Expenses reimbursement</b>		
D Santhanam	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>651.23</b>	<b>764.04</b>
<b>a) Trade Payable</b>		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	57.14	23.65
Stresstech Engineers Private Limited	31.55	36.53
Vastech Consultants & Engineers LLP	27.47	49.00
Vastech Consultants Private Limited	57.81	33.02
D. Santhanam HUF	0.13	0.13
Aiswarya Santhanam Mudaliar	-	-
<b>Total</b>	<b>174.10</b>	<b>142.33</b>

## Notes forming part of Consolidated Financial Statements

	As at March 31, 2020	As at March 31, 2019
<b>b) Loans/(Advances)</b>		
Flora Facilities Private Limited	249.52	491.97
Sira Assets LLP	217.61	119.73
<b>Total</b>	<b>467.13</b>	<b>611.71</b>
<b>c) Deposit Received</b>		
D. Santhanam HUF	10.00	10.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>
<b>Relatives of Key Management Personnel</b>	<b>28.00</b>	<b>28.00</b>
<b>a) Deposits Recd.</b>		
Mr. Siddarth Vasudevan	11.00	11.00
Mrs. Sailaxmi Santhanam Mudaliar	9.00	9.00
Ms. Aishwarya Santhanam	8.00	8.00
<b>Total</b>	<b>28.00</b>	<b>28.00</b>

**Notes:-**

- Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.
- No provision have been made in respect of receivable from related party as at March 31, 2020

**Note 34 : Disclosure of additional information as required by the Schedule III****a) As at and for the year ended March 31, 2020 :**

(₹ in Lakhs)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
<b>Parent</b>								
Vascon Engineers Limited	89%	66,522.67	96%	3,813.68	146%	162.88	97%	3,976.55
<b>Subsidiaries</b>								
Vascon Value Homes Private Limited	0%	(0.16)	0%	(0.30)	0%	-	0%	(0.30)
Vascon EPC Limited	0%	0.99	0%	(0.01)	0%	-	0%	(0.01)
Marvel Housing Private Limited	0%	(13.65)	0%	(3.29)	0%	0.22	0%	(3.07)
GMP Technical Solutions Private Limited	7%	5,307.48	2%	85.37	-39%	(43.71)	1%	41.65
Almet Corporation Limited	0%	331.18	0%	(7.88)	0%	-	0%	(7.88)
Marathwada Realtors Private Limited	1%	539.55	-3%	(109.27)	0%	-	-3%	(109.27)
<b>Joint Ventures</b>								
Cosmos Premises Private Limited	1%	740.48	5%	180.49	0%	-	4%	180.49
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
<b>Non Controlling Interest</b>	1%	936.84	0%	15.06	-7%	(7.71)	0%	7.35
<b>Total</b>	100%	74,366.90	100%	3,973.85	100%	111.68	100%	4,085.51

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

b) As at and for the year ended March 31, 2019 :

(₹ in Lakhs)								
Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
<b>Parent</b>								
Vascon Engineers Limited	89%	62,153.05	288%	1,521.08	58%	(31.61)	315%	1,489.47
<b>Subsidiaries</b>								
Vascon Value Homes Private Limited	0%	0.14	0%	(0.30)	0%	-	0%	(0.30)
Vascon EPC Limited	0%	1.00	0%	-	0%	-	0%	-
Marvel Housing Private Limited	0%	(10.30)	1%	3.47	0%	-	1%	3.47
GMP Technical Solutions Private Limited	8%	5,299.81	-166%	(876.10)	35%	(19.19)	-189%	(895.31)
Almet Corporation Limited	0%	339.06	-2%	(8.35)	0%	-	-2%	(8.35)
Marathawada Realtors Private Limited	1%	648.82	-2%	(11.91)	0%	-	-3%	(11.91)
<b>Joint Ventures</b>								
Cosmos Premises Private Limited	1%	590.89	10%	54.48	0%	-	12%	54.48
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
<b>Non Controlling Interest</b>	1%	935.49	-29%	(154.61)	6%	(3.39)	-33%	(157.99)
<b>Total</b>	100%	69,959.48	100%	527.76	100%	(54.19)	100%	473.56

### Note No. 35 - Investment in Joint Arrangements

#### (a) Details of Material Joint Ventures

Details of each of the Company's joint ventures at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company (%)		Quoted (Y/N)
			31-Mar-20	31-Mar-19	
Ajanta Enterprises	Real Estate	Pune	50%	50%	N
Phoenix Ventures	Real Estate	Pune	50%	50%	N
Cosmos Premises Private Limited	Hospitality	Goa	44%	44%	N
Vascon Construction Saga LLP	EPC	Bangalore	76%	76%	N

All of the above Joint Ventures are accounted for using the equity method in these financial statements.

Summarised financial information in respect of Ajanta Enterprise is set out below.

(₹ in Lakhs)		
Particulars	31-Mar-20	31-Mar-19
Current assets	10,445.11	7,262.78
Non-current assets	267.37	1,877.84
Current liabilities	9,794.32	6,382.73
Non-current liabilities	585.89	472.72
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	888.66	178.13
Current financial liabilities (excluding trade and other payables and provisions)	-	3,805.90
Non-current financial liabilities (excluding trade and other payables and provisions)	585.89	472.72
Revenue	17,154.23	575.84
Profit (loss) for the year	6,897.45	(216.84)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	6,897.45	(216.84)
Dividends received from the joint venture during the year	-	-
<b>The above profit (loss) for the year includes the following:</b>		
Depreciation and amortisation	31.74	34.05
Interest income	95.21	-
Interest expense	3.63	11.86
Income tax expense (income)	3,924.04	15.31



## 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-20	31-Mar-19
Net assets of Ajanta Enterprise	332.27	2,285.17
Proportion of the Company's ownership interest in Ajanta Enterprise	50%	50%
Receivables / (Payable) from / to Partners	(205)	(255)
Goodwill	3,953.24	3,953.24
<b>Carrying amount of the Company's interest in Ajanta Enterprise *</b>	<b>3,914.32</b>	<b>4,841.10</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-20	31-Mar-19
Current assets	314.08	740.31
Non-current assets	833.37	833.37
Current liabilities	1,083.55	1,527.82
Non-current liabilities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	97.37	191.76
Current financial liabilities (excluding trade and other payables and provisions)	-	347.51
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	42.62	184.25
Profit (loss) for the year	14.04	(113.15)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	14.04	(113.15)
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	1.01	-
Interest expense	9.87	2.86
Income tax expense (income)	6.28	-

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

(₹ in Lakhs)		
Particulars	31-Mar-20	31-Mar-19
Net assets of Phoenix Venture	63.90	45.87
Proportion of the Company's ownership interest in Phoenix Venture	50%	50%
Receivables from Partners	522.72	524.71
<b>Carrying amount of the Company's interest in Phoenix Venture *</b>	<b>554.67</b>	<b>547.65</b>

Summarised financial information in respect of Cosmos Premises Private Limited is set out below.

(₹ in Lakhs)		
Particulars	31-Mar-20	31-Mar-19
Current assets	1,308.58	1,279.04
Non-current assets	1,177.86	1,207.17
Current liabilities	525.54	428.84
Non-current liabilities	49.97	29.90
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	674.14	997.68
Current financial liabilities (excluding trade and other payables and provisions)	105.92	133.09
Non-current financial liabilities (excluding trade and other payables and provisions)	-	11.18

# VASCON ENGINEERS LIMITED

## Notes forming part of Consolidated Financial Statements

	(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19
Revenue	2,124.56	2,121.88
Profit (loss) for the year	415.48	483.17
Other comprehensive income for the year	-	-
Total comprehensive income for the year	415.48	483.17
Dividends received from the joint venture during the year	-	170.30
<b>The above profit (loss) for the year includes the following:</b>		
Depreciation and amortisation	86.42	124.42
Interest income	27.50	-
Interest expense	4.03	(0.14)
Income tax expense (income)	144.12	182.61

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-20	31-Mar-19
Net assets of the Cosmos Premises Private Limited	1,910.94	2,027.47
Proportion of the Company's ownership interest in Cosmos Premises Private Limited	44%	44%
Capital Reserve	97.09	297.75
<b>Carrying amount of the Company's interest in Cosmos Premises Private Limited</b>	<b>740.48</b>	<b>590.89</b>

Summarised financial information in respect of Vascon Construction Saga LLP is set out below.

	(₹ in Lakhs)	
Particulars	31-Mar-20	31-Mar-19
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	2.00	2.00
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	-	-
Profit (loss) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Dividends received from the joint venture during the year	-	-
<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-20	31-Mar-19
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>

## Notes forming part of Consolidated Financial Statements

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

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
(i) Principal amount remaining unpaid to MSME suppliers as on	225.21	2.69
(ii) Interest due on unpaid principal amount to MSME suppliers as on	13.06	9.69
(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)	3.37	1.16
(v) The amount of interest accrued and remaining unpaid as on	13.06	9.69
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	3.37	1.16

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

- 37 The group enters into “domestic transactions” with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (‘regulation’). The pricing of such domestic transactions will need to comply with Arm’s length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.

The group has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm’s length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 38 Segment information has been presented in the Annexed Statements as permitted by Indian Accounting Standard (Ind AS) 108 on operating segment as notified under the Companies (Indian Accounting Standards) Rules, 2015.

## 39 Disclosure of particulars of contract revenue

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Contract Revenue Recognized during the year	25,376.41	28,059.27
Contract costs incurred during the year	19,207.79	20,770.33
Recognized Profit	6,168.62	7,288.94
Advances received for contracts in progress	(3,596.64)	(3,055.75)
Retention money for contracts in progress	3,038.28	3,513.47
Gross amount due from customer for contract work ( assets )	12,092.15	9,387.00
Gross amount due to customer for contract work ( liability )	1,226.31	1,465.57

- 40 As per Section 135 of the Companies Act, 2013 (the Act), a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) Activity. A CSR Committee has been formed by the company to undertake CSR activities on 09/11/2016 pursuant to the requirement of the Act.

- a. Gross amount required to be spent by the Company during the year - ₹ 20.54 lakhs  
b. Amount spent during the year on:

(₹ in Lakhs)

CSR Activities	In Cash	Yet to be paid in cash	Total
	₹	₹	₹
i) Construction/acquisition of any asset	0	0	0
ii) Purpose other than (i) above	25.02	0	25.02

- 41 The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting dates as of the company.

Following Subsidiaries along with Joint Ventures and Associates have not been audited for the year ended March 31, 2020 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.

Phonex Ventures

Mumbai Estate Private Limited (Associate)

GMP Technical Solutions Middle East (FZE)

Cosmos Premises Private Limited

Vascon EPC Limited

Vascon Construction Saga LLP

Vascon Qatar WLL

**Notes forming part of Consolidated Financial Statements**

(₹ in Lakhs)

- 42 The Company renegotiated the terms with debenture holders of Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures and agreed for payment of ₹ 700 lakhs and ₹ 664 lakhs on Dec 2020 and June 2021 respectively. During the Financial Year, the company has made payment of ₹ 750 lakhs on June 2019.

In the previous year the Company renegotiated the terms with debenture holders and agreed for full and final payment of ₹ 3,865 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures of ₹ 4,865 lakhs. The terms of debenture deed were earlier negotiated on March 30, 2018 wherein the settlement was agreed at ₹ 5,865 lakhs. Accordingly, the Company paid an instalment of ₹ 1,000 lakhs on April 30, 2018 as per the initially negotiated terms. Subsequent to September 30, 2018, the Company further paid an instalment of ₹ 500 lakhs on October 30, 2018, ₹ 500 lakhs on November 30, 2018 and ₹ 750 lakhs on January 2019 as per the renegotiated terms and balance outstanding as on March 31, 2019 is ₹ 2,114 lakhs

- 43 During the previous year the Group has applied the modified retrospective approach to its real estate residential contracts that were not completed as of April 1, 2018 and has given impact of adoption of Ind AS 115 by debit to retained earnings as at the said date by Rs. 413 lakhs.

Due to the application of Ind AS 115 for the Year ended March 31, 2019 Revenue from Operations is higher by Rs. 1,011 lakhs (including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach), Construction Expenses / Cost of materials consumed including cost of land is higher by Rs. 1,024 lakhs and net profit after tax is lower by Rs. 13 Lakhs (Including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach). These changes are due to recognition of revenue based on satisfaction of performance obligation (at a point in time), as opposed to the previously permitted percentage of completion method.

- 44 Effective from April 1, 2019, Group has adopted Ind AS 116 "Leases", and applied the same to all applicable lease contracts existing on April 1, 2019 using the retrospective cumulative method allowed under the standard. Under this method, the cumulative adjustment, on the date of initial application is taken to retained earnings and accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standards, in the consolidated accounts, resulted in recognition of a Right of Use (ROU) of Rs. 545.22 Lakhs and a Lease Liability of Rs.685.81 Lakhs, the difference being a cumulative debit to retained earnings of Rs. 134.60 lakhs. In the statement of Profit & Loss for the current period, the nature of expense for operating lease has changed from lease rent in the previous year to depreciation cost for the ROU assets and the finance cost for interest accrued on lease liabilities. The net effect of this adoption is that the consolidated profit after tax for the period are higher by 46.86 lakhs.

- 45 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

In terms of our report attached.

**For Sharp & Tannan Associates**

Chartered Accountants  
(Firm Regn. No. 109983W)

sd/-  
**Tirtharaj Khot**  
Partner

Membership No: (F) - 037457

Date: June 12, 2020  
Place: Pune

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

sd/-  
**Mukesh Malhotra**  
Director  
(DIN-000129504)

sd/-  
**Vibhuti Dani**  
Company Secretary & Compliance Officer

Date: June 12, 2020  
Place: Pune

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

sd/-  
**Dr Santosh Sundararajan**  
Chief Executive Officer

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

## Notes forming part of Consolidated Financial Statements

## Annexure referred to in Note 38 of the notes forming part of consolidated financial statements

Disclosure of particulars of segment reporting as required by Indian Accounting Standard (Ind AS) 108 Information about primary business segments

Information about primary business segments

(₹ in Lakhs)

Particulars	EPC		Real Estate Development		Manufacturing & BMS		Unallocable		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue										
Total Sales including eliminations	25,554.24	28,225.31	7,450.77	8,044.32	15,284.32	16,178.85	-	-	48,289.33	52,448.48
External sales	25,554.24	28,225.31	7,450.77	8,044.32	15,282.38	15,878.80	-	-	48,287.39	52,148.44
Less: Eliminations	-	-	-	-	(1.94)	(300.05)	-	-	(1.94)	(300.05)
Other operating income	-	-	3,623.70	75.51	-	-	180.49	187.54	3,804.19	263.05
Total Revenue	25,554.24	28,225.31	11,074.47	8,119.83	15,284.32	16,178.85	180.49	187.54	52,093.52	52,711.53
Result										
Segment result	3,975.97	5,730.31	4,003.71	576.76	584.80	(527.12)	-	-	8,564.48	5,779.95
Unallocated expenditure net of unallocated income							(3,210.65)	(3,795.28)	(3,210.65)	(3,795.28)
Operating profit							(3,210.65)	(3,795.28)	5,353.82	1,984.67
Interest expenses							(1,905.36)	(2,631.52)	(1,905.35)	(2,631.52)
Interest and dividend income							533.87	1,072.47	533.87	1,072.47
Income taxes							(8.50)	102.13	(8.50)	102.13
Profit after tax							(4,590.65)	(5,252.20)	3,973.84	527.76
Other information										
Segment assets	37,641.67	33,518.07	72,286.66	73,405.23	13,351.81	13,963.49	12,286.47	12,187.08	135,566.61	133,073.87
Segment liabilities	17,841.68	17,434.42	28,302.19	26,718.85	5,636.92	6,763.38	10,355.75	13,133.22	62,136.54	64,049.87
Capital expenditure	96.01	692.75	-	-	178.41	498.85	-	-	274.41	1,191.60
Depreciation and amortization	397.69	477.54	19.33	43.47	614.76	524.80	466.86	295.91	1,498.63	1,341.72

## Notes :

The business group/Segment comprise of the following

EPC	Construction of Residential, Commercial, Industrial and other constructions
Real Estate Development	Development of Residential, Hotel premises, Industrial park etc
Manufacturing&BMS	Manufacturing of clean room partition & Building Management System (BMS)

Revenue and expenses have been identified to segment on the basis of nature of operations of segment. Revenue and expenses which relates to enterprises as whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and liabilities represents assets and liabilities in respective segments. Investments, Tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable"

The Subsidiaries ,Jointventures and Associates have been included in segment classified as follows

EPC	Vascon Engineers Limited, Vascon EPC Limited, Vascon Saga Constructions LLP
Real Estate Development	Vascon Engineers Limited, Marvel Housing Private Limited, Vascon Value Homes Private Limited
	Almet Corporation Limited, Marathwada Realtors Private Limited
	Ajanta Enterprises, Phoenix Ventures, Mumbai Estate Private Limited, Cosmos Premises Private Limited
Manufacturing & BMS	GMP Technical Solutions Private limited, GMP Technical Servicers (FZE)



## VASCON

**Registered and Corporate Office:** Vascon Weikfield Chambers, Behind Hotel Novotel,  
Opposite Hyatt Hotel, Nagar Road, Pune-411014.

**Tel No.:** +91 20 3056 2200, **Fax No.:** +91 20 30562600.

**Contact Person:** Mrs. Vibhuti Dani, Company Secretary and Compliance Officer

**E-mail:** [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com), **Website:** [www.vascon.com](http://www.vascon.com)

**Corporate Identity Number:** L70100PN1986PLC175750

### NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 35<sup>th</sup> (Thirty Fifth) Annual General Meeting of Members of Vascon Engineers Limited (the Company') will be held on Tuesday, September 29, 2020 at 11:30 hours through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 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 financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members be and is hereby considered and adopted".
  - b. **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon, as circulated to the members be and is hereby considered and adopted".
2. To reappoint Ms. Sowmya Iyer (DIN: 06470039), 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, Ms. Sowmya Aditya Iyer (DIN: 06470039), who retires by rotation at this meeting, be and is hereby appointed as Director of the Company."

#### SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditor for Financial Year ending March 31, 2021 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** 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, 2021, be and is hereby ratified."

#### Registered and Corporate Office

Vascon Weikfield Chambers  
Behind Hotel Novotel, Opposite Hyatt Hotel,  
Nagar Road, Pune-411014.

Tel: +91 (20) 30562 100/ 200

Fax: +91 +91 20 30562600.

Place: Pune

Date: August 18, 2020

**By order of the board of Directors**

Sd/-  
**Vibhuti Darshin Dani**  
Company Secretary and Compliance Officer

**NOTES:**

1. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read together with General Circular Nos. 14/2020 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, (collectively referred to as "MCA Circulars"), permitted the holding of this Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the MCA Circulars, the AGM of the Company is being held through VC/OAVM, without the physical presence of the Members at a common venue.
2. KFin Technologies Private Limited, Registrar & Transfer Agents of the Company, (earlier known as Karvy Fintech Private Limited) ("KFintech") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No.20 below. The deemed venue for the AGM shall be the Registered Office of the Company. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
3. The Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice, is annexed hereto. All documents referred to in the Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com)
4. M/s Sharp & Tannan Associates, 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.

5. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.
6. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy of the Board Resolution/Authority Letter, etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or during the AGM.  
  
The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to [savitajyoti@yahoo.com](mailto:savitajyoti@yahoo.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Company at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com)  
  
Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/ OAVM and vote thereat.
7. In view of the massive outbreak of the COVID19 pandemic, social distancing has to be a pre-requisite.  
  
Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. KFin Technologies Private Limited having their office at Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, SerilingampallyMandal, Hyderabad – 500 032.

**9. ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:**

In line with the MCA Circulars and SEBI Circular dated 12th May, 2020, the Notice of the AGM alongwith the Annual Report for the Financial Year 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/KFintech/ Depositories. A copy of the Notice of this AGM alongwith the Annual Report is available on the website of the Company at [www.vascon.com](http://www.vascon.com), websites of the Stock Exchanges where the Equity Shares of the Company

## VASCON ENGINEERS LIMITED

---

are listed, viz. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of KFintech at <https://evoting.kfintech.com>. For any communication, the Members may also send a request to the Company's investor email id: [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com). The Company will not be dispatching physical copies of the Annual Report for the Financial Year 2019-2020 and the Notice of AGM to any Member.

### 10. INVESTOR EDUCATION AND PROTECTION FUND (IEPF) RELATED INFORMATION

The Company has transferred the unclaimed/unpaid dividend to the Investor Education and Protection Fund ("IEPF") established by Central Government. Details of Dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in)

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2020 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 may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.**

### 11. TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY

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, except in case of request received for transmission or transposition of securities. In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFintech to seek guidance with respect to the demat procedure. Members may also visit the website of depositories viz. National Securities Depository Limited: <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited: <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.

### 12. NOMINATION:

Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFintech having their office at Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 or send an email at: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

### 13. MEMBERS ARE REQUESTED TO:

- 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.

### 14. UPDATION OF MEMBERS DETAILS:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. A form for compiling additional details is available on the Company's website at the web-link: <https://www.vascon.com/investors/services> as also attached to this Annual Report.



Members holding shares in physical form are requested to submit the form duly completed to the Company at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com) or its Registrar and Transfer Agents in physical mode, after normalcy is restored, or in electronic mode at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants

**15. UPDATION OF PERMANENT ACCOUNT NUMBER (PAN)/BANK ACCOUNT DETAILS OF MEMBERS:**

SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to the Registrar and Share Transfer Agents along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant(s).

16. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, September 22, 2020, through email on [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com). The same will be replied by the Company suitably. Please note that members queries/questions will be responded to only, if the shareholder continuous to hold shares as on cut-off date.

**17. PROCEDURE FOR INSPECTION OF DOCUMENTS:**

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM and Explanatory Statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 29, 2020. Members seeking to inspect such documents can send an email to Company's investor email id: [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com)

18. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with KFinTech (in case of Shares held in physical form).

**19. PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES TO RECEIVE THIS NOTICE ELECTRONICALLY AND CAST VOTES ELECTRONICALLY:**

- i. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
  - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
  - b. Members holding shares in physical form may register their email address and mobile number with the Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at the email ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.
- ii. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with Kfintech for temporary registration of email addresses of the Members in terms of the MCA Circulars.

**Process to be followed for temporary Registration of Email Address:**

- a. The process for registration of email address with KFinTech for receiving the Notice of AGM and login ID and password for e-voting is as under:
  - i. Visit the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/)
  - ii. Select the name of the Company viz. Vascon Engineers Limited and follow the steps for registration of email address.
- b. Those Members who have already registered their email addresses are requested to keep their email addresses validated/ updated with their DPs/KFinTech to enable servicing of notices/documents/Annual Reports and other communications electronically to their email address in future.

**20. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:**

ATTENDING THE AGM: Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFinTech. Members are requested to login at <https://emeetings.kfintech.com> and click on the "Video Conference" tab to join the Meeting by using the remote e-voting credentials.

- i. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 21.

- ii. Members may join the Meeting through Laptops, Smartphones, Tablets and Pads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
- iii. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned at Note No. 20 (i) above in the Notice, and this mode will be available throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars.

In case of any query and/or help, in respect of attending the AGM through VC/OAVM mode, Members may refer the Help & Frequently Asked Questions (“FAQs”) and “AGM VC/OAVM” user manual available at the download Section of <https://evoting.kfintech.com> or contact at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com), or Mr. S V Raju, Deputy General Manager, KFin Technologies Private Limited at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032 or at the email ID: [evoting@kfintech.com](mailto:evoting@kfintech.com) or [raju.sv@kfintech.com](mailto:raju.sv@kfintech.com) on Phone No.: 040-6716 2222 or call Toll Free No.: 1800-345-4001 for any further clarifications.

### 21. PROCEDURE FOR REMOTE E-VOTING

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, 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. The remote e-voting facility will be available during the following period:

Day, date and time of Commencement of remote e-voting	From: Thursday, September 24, 2020 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 28, 2020 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.

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 Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

#### Instructions:

- a. Member will receive an e-mail from KFintech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number (“EVEN”), USER ID and password:
  - i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (e-voting Event Number) xxx 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 KFintech for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on “LOGIN”.
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (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.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the EVEN for Vascon Engineers Limited
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. Tuesday, September 22, 2020 under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as on the cut-off date.

Pursuant to Clause 16.5.3(e) of Secretarial Standard on General Meetings (“SS-2”) issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, in case a Member abstains from voting on a Resolution i.e., the Member neither assents nor dissents to the Resolution, then his/her/ its vote will be treated as an invalid vote with respect to that Resolution.

- viii. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
- ix. 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.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, 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).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [savitajyoti@yahoo.com](mailto:savitajyoti@yahoo.com) with a copy to: [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Company at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming Format “Corporate Name:\_ Event No”

It should reach the Scrutiniser and the Company by email not later than Monday, September 28, 2020 (11:30 a.m. IST). In case if the authorized representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of AGM.

- b. In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/ update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and inform KFintech at the email ID: [evoting@kfintech.com](mailto:evoting@kfintech.com) (in case of Shares held in physical form):
  - i. Upon registration, Member will receive an e-mail from KFintech which includes details of E-Voting Event Number (EVEN), USER ID and password.
  - ii. Please follow all steps from Note. No. 21 (a) (i) to (xii) above to cast your vote by electronic means.

## 22. VOTING DURING THE AGM:

- i) The procedure for remote e-voting during the AGM is same as the instructions mentioned for remote e-voting since the Meeting is being held through VC/OAVM.
- ii) The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- iii) E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.
- iv) Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- v) Members who have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again.

## 23. GENERAL INSTRUCTIONS/INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS:

- a. A Member can opt for only a single mode of voting i.e. through remote e-voting or e-voting at the AGM.
- b. The voting rights of Members shall be in proportion to the paid-up value of their shares in the Equity Share capital of the Company as on the cut-off date i.e. Tuesday, September 22, 2020. Members are eligible to cast their vote either through remote e-voting or in the AGM only if they are holding Shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this Notice for information purposes only.
- c. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e. Tuesday, September 22, 2020, he/she/it may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD e-voting  
Event Number + Folio No. or DP ID Client ID to +91-9212993399  
Example for NSDL: MYEPWD<SPACE>IN12345612345678  
Example for CDSL: MYEPWD<SPACE>1402345612345678  
Example for Physical: MYEPWD<SPACE>XXXX1234567890
  - ii. 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.
  - iii. Member may call KFintech’s Toll free number 1800-345-4001.
  - iv. 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.
- d. In case of any query pertaining to e-voting, please visit Help & FAQs section and E-voting User Manual available at the download section of KFintech’s website <https://evoting.kfintech.com> or contact at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com) or at [evoting@kfintech.com](mailto:evoting@kfintech.com) or on Phone No. +91 40 6716 2222 or call KFintech’s Toll Free No. 1800-345-4001, for any further clarifications.

#### 24. Scrutinizer for E-Voting and Declaration of Results:

Mrs. Savita Jyoti (Membership No.3738, COP - 1796) of M/s Savita Jyoti Associates, Company Secretaries have been appointed as Scrutinizer to scrutinize the e-voting process as well as e-voting during the AGM, in a fair and transparent manner.

The Scrutinizer will, after the conclusion of the e-voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer’s Report and submit the same to the Chairman of the Company or any other person of the Company authorised by the Chairman, who shall countersign the same. The Results shall be declared not later than forty-eight hours from conclusion of the Meeting.

The Results declared along with the consolidated Scrutinizer’s Report shall be hosted on the website of the Company at [www.vascon.com](http://www.vascon.com) and on the website of KFintech at <https://evoting.kfintech.com> immediately after the Results are declared and will simultaneously be forwarded to BSE Limited and the National Stock Exchange of India Limited, where Equity Shares of the Company are listed. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, September 29, 2020, subject to receipt of the requisite number of votes in favour of the Resolutions.

#### 25. SUBMISSION OF QUESTIONS / QUERIES PRIOR TO AGM:

- a. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write from their registered e-mail address, mentioning their name, DP ID and Client ID number/ folio number and mobile number to the Company’s investor email-id i.e. [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com) between Thursday, September 24, 2020 (9.00 a.m.) to Saturday, September 26, 2020 (5.00 p.m.) so as to enable the Management to keep the information ready. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
- b. Alternatively, Members holding shares as on the cut-off date may also visit <https://evoting.kfintech.com> and click on the tab “Post Your Queries Here” to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be activated between Thursday, September 24, 2020 (9.00 a.m.) to Saturday, September 26, 2020 (5.00 p.m.).
- c. Members can also post their questions during AGM through the “Ask A Question” tab, which is available in the VC/OAVM Facility.

The Company will, at the AGM, endeavour to address the queries received till 5.00 p.m. (IST) on September 26, 2020, from those Members who have sent queries from their registered email IDs. Please note that Members’ questions will be answered only if they continue to hold shares as on the cut-off date.

**26. SPEAKER REGISTRATION BEFORE AGM:**

Members of the Company, holding shares as on the cut-off date i.e., Tuesday, September 22, 2020 and who would like to speak or express their views or ask questions during the AGM may register as speakers by visiting <https://emeetings.kfintech.com>, and clicking on "Speaker Registration" during the period from Thursday, September 24, 2020 (9:00 a.m. IST) upto Saturday, September 26, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM.

The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

By Order of the Board

**Sd/-  
Vibhuti Dani  
Company Secretary and Compliance Officer**

Place: Pune  
Date: August 18, 2020

**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>Sowmya Aditya Iyer</b>	
DIN	06470039
Age	31 years
Date of Birth	November 11, 1989
Qualifications	BBA, Diploma in Interior Design
Experience(including expertise in specific functional areas)/ Brief Resume	Ms. Sowmya Iyer holds bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education, Singapore. She has more than 5 years of experience in the interior design industry. She has been appointed as a Director on the Board of our Company since March 31, 2015.
Terms and Conditions of appointment/re-appointment	Liable to retire by Rotation
Remuneration last drawn	Not applicable
Remuneration sought to be paid	Not applicable
Date of first appointment on the Board	March 31, 2015
Relationship with other Directors/Key Managerial Personnel	Sowmya Iyer is the daughter of Mr. R. Vasudevan and sister of Mr. Siddharth Vasudevan Moorthy.
No. of Board Meetings attended during the financial year 2019-20	2 out of 7 meetings held*
Board Membership of other listed companies as on March 31, 2020	Nil
Membership/Chairmanship of Committees of other Boards as on March 31, 2020**	
Audit Committee	Nil
Stakeholders Relationship Committee	Nil
Nomination and Remuneration Committee	Vascon Engineers Limited Any other Company: NIL
Corporate Social Responsibility Committee	Vascon Engineers Limited Any other Company: NIL
No. of Equity Shares held as on March 31, 2020	700294 shares

\*Meetings include a separate meeting of Independent directors

\*\*The Directorship, Committee Memberships and Chairmanships do not include position in foreign companies, unlisted companies, private companies, position as an advisory board member, and position in companies under Section 8 of Companies Act, 2013.

**EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 3 of the accompanying Notice.

**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. 2020-21 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.

**Registered and Corporate Office**

Vascon Weikfield Chambers  
Behind Hotel Novotel, Opposite Hyatt Hotel,  
Nagar Road, Pune-411014.

Tel: +91 (20) 30562 100/ 200

Fax: +91 +91 20 30562600.

Place: Pune

Date: August 18, 2020

**By order of the board of Directors**

Sd/-

**Vibhuti Darshin Dani**  
**Company Secretary and Compliance Officer**

# VASCON ENGINEERS LIMITED

---

To,  
KFin Technologies Private Limited  
Unit: Vascon Engineers Limited  
Selenium Building, Tower B, Plot No. 31-32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad – 500 032.

## Updation of Shareholder Information FOR PHYSICAL HOLDINGS

I/ We request you to record the following information against my/our Folio No.: General Information: Folio No.

Name of the sole/first Shareholder	
Father's/Mother's/Spouse's Name	
Address (Registered Office address in case Member is a Body Corporate)	
E-mail ID	
PAN*	
CIN/Registration No.* (applicable to Corporate Shareholders)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Tel No. with STD Code	
Mobile No	

*\*Self attested copy of the document(s) enclosed*

### Bank Details

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type	
Bank A/c No**	
Name of the Bank	
Bank Branch address	

**\*\*A blank cancelled cheque is enclosed to enable verification of bank details**

I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of the Sole/First Holder

Encl:

Notes:

Scanned copy of the above form, duly completed along with the necessary documents, can also be sent to us on the following e-mail IDs : [raju.sv@kfintech.com](mailto:raju.sv@kfintech.com) or [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com)

- a. Members holding Shares in demat form are requested to submit the Updation Form to their respective Depository Participant.



**BAS  
10 takka!  
APNA  
ghar pakka!**



Artist's Impression

**1BHK ₹24.05 L 2BHK ₹31.05 L**

**PLETHORA OF 25+ AMENITIES FOR ALL AGE GROUPS**

Video Door Phone, Wifi Campus, Basic Home Automation, Library, Computer Room, Study Room, Sports with coaching, Temple, Yoga Centre, Meditation Zone, Jogging Track, Open Gym and More

**NO GST | NO STAMP DUTY | NO REGISTRATION CHARGES**

**Call: +91 84489 80479**

MahaRERA No.: • PHASE A: P52100016242 • PHASE B: P52100016237  
• PHASE C: P52100016295 • [www.maharera.mahaonline.gov.in](http://www.maharera.mahaonline.gov.in)

Project is funded by  
**JM FINANCIAL**

**VASCON**

Disclaimer: All art renderings, illustrations, photographs and pictures contained in this advertisement are an artist's impression only and the same should not be construed to be the final image / view of the final project. Since the project is under evolution there is a possibility that there may be certain changes in the project as represented in this advertisement. \*Terms and conditions apply.

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](http://www.vascon.com) | CIN: L70100PN1986PLC175750

**VASCON**