



Date: September 21, 2018

To,  
**Bombay Stock Exchange of India**  
The Department of Corporate Services,  
25th Floor, P J Towers,  
Dalal Street , Mumbai 400 001

To,  
**National Stock Exchange of India Limited,**  
Listing Department, Exchange Plaza,  
5<sup>th</sup> Floor, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051

Ref: **Scrip Code: 533156**

Ref: Symbol: **VASCONEQ**

**Subject: Submission of Annual Report of Vascon Engineers Limited for Financial Year 2017-18**

**Reference: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Annual Report for the financial year 2017-18 being approved and adopted in the 33<sup>rd</sup> Annual General Meeting of the Company held on 17th September, 2018.

You are requested to take the same on record.

Thanking you,  
For **Vascon Engineers Limited**

**M. Krishnamurthi**  
Company Secretary & 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

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*This document is signed electronically*

## FORM-A

(For Audit Report with unmodified opinion)

1	Name of the Company	Vascon Engineers Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2018
3	Type of Audit Observation	Unmodified
4	Frequency of Observation	Not Applicable
5	To be signed by: <ul style="list-style-type: none"><li>➤ Mr. Siddharth Vasudevan, Managing Director</li><li>➤ Mr. V. Mohan, Chairman of Audit Committee</li><li>➤ Mr. D. Santhanam, Chief Financial Officer</li><li>➤ Mr. Hemant Joshi, Partner at Deloitte Haskins and Sells LLP, Statutory Auditor</li></ul>	



VASCON



**33<sup>RD</sup> ANNUAL  
REPORT 2017-18**

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## CORPORATE INFORMATION

### Board of Directors

R. Vasudevan  
Chairman

Siddharth Vasudevan Moorthy  
Managing Director

V. Mohan  
Independent Director

Sowmya Vasudevan Moorthy  
Non. Executive Director

K.G. Krishnamurthy  
Independent Director

Mukesh Malhotra  
Independent Director

### Key Managerial Personal

Dr. Santosh Sundararajan  
Chief Executive Officer

M. Krishnamurthi  
Company Secretary and Compliance Officer

D. Santhanam  
Chief Financial Officer

### Committees of Board of Directors

#### Audit Committee

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

#### Nomination and Remuneration Committee

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

#### Stakeholders' Grievance Committee

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

#### Corporate Social Responsibility Committee

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

#### Assets Sales Committee

Dr. Santosh Sundararajan  
Rajesh Dilip Mhatre

#### Governing Council

Dr. Santosh Sundararajan  
Rajesh Dilip Mhatre

#### Office Address

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.

## CORPORATE INFORMATION

### Major Branch Locations

#### Bangalore

C/o. Godrej E-City, Doddethogar  
Village - Bettdaspura Main Road,  
Electronic City, Phase-1, Pincode 560100

#### Uttar Pradesh

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

#### Chennai

No. 91, 3rd Floor, Opposite to "Pothys"  
G. N. Chetty Road, Chennai - 17

#### Ludhiana

Old Dayanand Medical College & Hospital  
Hambran Road, Civil Lines, Near Fountain Chowk,  
Opp. Lovely Street, Ludhiana 141001

#### Mumbai

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

#### Goa

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

#### Andhara Pradesh

Rajeev Nagar, Siruguppa Cross,  
Adoni, 518301, Kurnnol District

### Registrar & Share Transfer Agents

#### Karvy Computershare Private Limited

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

### Listed on

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

### Bankers & Lenders

State Bank of India  
ICICI Bank Limited  
HDFC Bank Limited  
Hongkong and Shanghai Banking Corporation Limited

### Legal Advisors

M/s. Hariani & Company

### Auditors

Deloitte Haskins & Sells LLP  
(Firm Regn. No. 117366W/W-100018  
706, B-Wing, 7th floor, ICC Trade Tower  
Senapati Bapat Road, Pune 411016

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

CIN : L70100PN1986PLC175750

### CHAIRMAN'S MESSAGE

Dear Members,

From a journey that began with humble beginnings in the year 1986, we sure have come a long way. During the course of these three decades your Company has come across many milestones that has helped shaped it to become what it is today.

Your Company has made sincere efforts to reinvent itself and is geared up to scale newer growth trajectory. Your Company has shifted its focus to its core business that is Engineering, Procurement & Construction (EPC) and Real Estate Development business primarily in affordable housing space.

Your Company had targeted a third party EPC order intake of Rs 500 crores during the Financial Year 2017-18. It feels great to mention that as a Company, we were able to deliver a much better performance and garnered a third party EPC order book of around Rs 660 crores. Your Company is currently operating at 40% utilization and has significant room for growth with the current capacity it has. We expect that with the execution of new orders, there will be improvement in capacity utilization and growth in revenue, leading to better operating margins going forward.

We had always highlighted about our focus on affordable housing opportunities going forward. There has been a huge rise in the demand for affordable housing projects in recent times. The increased urban migration as well as the various initiatives by the Government of India has fuelled the growth in housing needs. Our project Vascon Good life is a first ever value homes project that will focus on nurturing, learning and growth. By utilizing technology and expertise, the project offers a unique value addition for each and every member of the family.

Prior to this, during the Financial Year 2017-18, your Company also successfully launched and sold Phase 2 of Platinum Square (an ultramodern luxury boutique offices) and Forest Edge (a residential project of 80 units) along with the re-launch of its prestigious luxury residential project Windermere in March 2018. The launch success reiterates our belief and we would make sustained efforts for new launches going forward. With a legacy of over three decades your Company is known for commitment to excellence and delivering value for money for its customers.

Your Company will continue to focus on improving operational efficiencies and strengthening of Balance Sheet. It is committed towards cash flow generation to improve liquidity in business and achieve higher growth.

I thank all employees, management team and Board of Directors who have worked hard to see the current transformation. I thank our Bankers and our shareholders, who have been our greatest strength, for their unflinching support to all our initiatives.

Thank you

**R. VASUDEVAN**

## REPORT OF BOARD OF DIRECTORS

### Dear Members,

The Board of Directors are pleased to present the Company's 33<sup>rd</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, 2018.

### 1. Financial Highlights

**Table 1** gives the financial highlights of the Company for FY2018 as compared to the previous financial year, on consolidated and standalone basis.

(As per IND-AS)

(Rs. in lakhs)

Particulars	Consolidated		Standalone	
	FY 2018	FY 2017	FY 2018	FY 2017
Net Sales /Income from Business Operations	54058.06	49634.51	33535.48	23971.73
Other Income	3793.34	5801.34	2406.01	4429.21
<b>Total Income</b>	<b>57851.40</b>	<b>55435.85</b>	<b>35941.49</b>	<b>28400.94</b>
Profit /(loss)before Interest and Depreciation	4460.23	5109.47	3829.59	4250.28
Less Interest	2528.17	3273.77	1936.37	2716.12
Profit /(loss)before Depreciation	1932.06	1835.70	1893.22	<b>1534.16</b>
Less Depreciation and amortisation	1431.64	1564.40	751.77	733.53
<b>Profit / (loss) after depreciation and Interest</b>	<b>500.42</b>	<b>270.30</b>	<b>1141.45</b>	<b>800.63</b>
Exceptional Item				
Less Current Income Tax	8.54	85.80		74.10
Less Previous year adjustment of Income Tax	-55.43	364.71	-55.43	166.42
Less Deferred Tax	82.24	-301.20	57.45	-52.61
<b>Net Profit after Tax</b>	<b>465.07</b>	<b>120.99</b>	<b>1139.43</b>	<b>612.72</b>
Remeasurement of Benefit liabilities/(Assets)	75.16	61.24	-23.73	58.34
Income Tax relating to items that will not be reclassified to profit & loss account	-17.17	-0.96		
Total Comprehensive Income	523.06	181.27	1163.16	671.06
Less Minority share of profits / losses	-97.56	-79.83	NA	
Dividend (including Interim if any and final )		-	-	
<b>Net Profit after dividend and Tax</b>	<b>620.62</b>	<b>261.10</b>	<b>1163.16</b>	<b>671.06</b>
Earnings per share (Basic)	0.34	0.12	0.67	0.38
Earnings per Share(Diluted)	0.33	0.12	0.66	0.38

Notes: FY2018 represents fiscal year 2017–18, from 1 April 2017 to 31 March 2018, and analogously for FY2017 and other such labeled years.

### 2. Business Performance

The total standalone sales for FY 2018 are Rs 33535.48 lakhs as compared to Rs. 23971.73 lakhs for FY 2017. The Company made a PAT of Rs1139.43 lakhs in FY 2018 compared to Rs. 612.72 lakhs in FY 2017.

### 3. Consolidated Results

The turnover of the Company was Rs 54058.06 lakhs in Financial Year 2018 against Rs 49634.51 lakhs in FY 2017. Profit after tax before Minority Interest for Financial Year 2018 was Rs. 465.07 lakhs as compared to Rs 120.99 lakhs in FY 2017.

### 4. Business Operations & Future Outlook

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

## VASCON ENGINEERS LIMITED

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.

Your Company has received various EPC Contracts (Third Party Contracts) during the year under consideration exceeding a sum of over Rs. 600 crores.

Company has launched both residential and commercial projects namely: Forest Edge and Platinum Square respectively. Company's Project Forest Edge has got an overwhelming response on its launch. Company had also launched affordable housing schemes under the Brand name of Vascon Good Life at Katvi, Talegaon which has got a positive response.

### 5. Credit Rating

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

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

### 6. Transfer to Reserves

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

### 7. Dividend

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

### 8. Share Capital

The Company has allotted 64,00,000 equity shares of Rs. 20/- each fully paid on 08/01/2018 (including premium of Rs. 10 each) under Employee Stock Option Scheme, 2016 ('ESOS, 2016'). The Company has further allotted balance 76,530 equity shares of Rs. 20/- each fully paid on February 13, 2018 (including premium of Rs. 10 each) under Employee Stock Option Scheme, 2015 ('ESOS, 2015'), All the allotted equity shares rank pari passu in all respects with the existing Equity Shares of the Company.

The total paid-up share of the Company has increased to Rs.174,13,67,160 consisting of 17,41,36,716 equity shares of Rs. 10 each fully paid up on the date of this Report.

#### Qualified Institutional Placement:

Your Company in its Extra-Ordinary General Meeting held on 29th March, 2018 had passed enabling resolution for issuance of shares to Qualified Institutional Buyers for an amount not exceeding Rs. 100 crores. The resolution passed is only an enabling resolution and the detailed

terms and conditions for the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the Securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later.

### 8A. Amendment in Terms and Condition of Non-Convertible Debentures

There has been amendment in existing terms and conditions of Debenture Trust Deed executed for Unlisted, Unquoted, Unrated Non-Convertible Debentures by making amendment in the Repayment Schedule including partial waiver in the Principal Amount payable.

### 9. Utilization of Right Issue Proceeds

The proceeds of Rights Issue were used for Repayment/pre-payment, in full or part, of certain identified loans availed by our Company, Finance the construction of our Ongoing Projects and General corporate purposes. The summaries of utilization of Net Right Issue Proceeds are as follows:

(Rs in Lakhs)

Sr. No	Particulars	Amount to be utilized	Actual Utilizations as on 31/03/2018
1	Repayment/ pre-payment, in full or part, of certain identified loans availed by our Company	6200	6200
2	Finance the construction of our Ongoing Projects	2800	2800
3	General corporate purposes	1000	1000

### 10. Fixed Deposits

The details of deposits accepted during the year FY 2018 under review are as below:

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

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

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

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

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2018 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, following changes took place with respect to Subsidiaries and Associates:

- a. On 11st August, 2017, Vascon Values Homes Private Limited was incorporated as Wholly Owned Subsidiary of Vascon Engineers Limited
- b. 11 Subsidiaries namely Angelica Properties Private Limited, Floriana Properties Private Limited, Greystone Premises Private Limited, It-Citi Infopark Private Limited, Vascon Dwellings Private Limited, Vascon Pricol Infrastructures limited, Wind Flower Properties Private Limited, Just homes india Private Limited, Shreyas Strategists Private Limited, Sansara Developers India Private Limited, Sunflower Real Estate Developers Private Limited were merged with Vascon Engineers Limited w.e.f. 21st June, 2017.
- c. During the year under review, slump sale of Mumbai Division of M/s GMP Technical Solutions was approved and accordingly, Business Transfer Agreement was executed between GMP Technical Solutions Pvt. Limited and M/s Innovative Core Solutions Private Limited for a consideration of Rs. 18 crores on 16th November, 2017.

The list of subsidiaries and associates of your Company as on March 31, 2018 forms a part of MGT-9 (extract of Annual Return) which is annexed as **Annexure-VII** to the Board's Report.

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

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

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

A detailed report on the corporate governance systems and practices of the Company is given separately in this annual report.

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

**17. Awards and Recognitions:**

During F.Y. 2017-18, your Company received following awards:

1. Iconic Project of the Year Award for Windermere Project
2. CSR Excellence Award
3. Life Time Achievement of the Year Award to Mr. R. Vasudevan

**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

The Board of Directors appointed Mr. Siddharth Vasudevan Moorthy as Additional Director of the Company w.e.f. 29th March, 2018 to hold office upto the date of ensuing Annual General Meeting of the Company.

Based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company at their meetings held on March 29, 2018, Mr. Siddharth Vasudevan Moorthy was appointed as Managing Director of the Company w.e.f. 1st April, 2018 for a period of 5 years subject to approval of Shareholders and categorized as Executive and Non-Independent Director.

Further ahead, based on the approval of Nomination and Remuneration Committee and Board of Directors of the Company at their meetings held on March 29, 2018, Mr. R. Vasudevan has been elevated as Executive Chairman of the Company from Managing Director w.e.f. 1st April, 2018.

As per Section 152 of the Companies Act, 2013, Ms. Sowmya Moorthy, Non Executive Director of the Company who retires by rotation at the forthcoming 33<sup>rd</sup> AGM and being eligible, seeks re-appointment.

The brief profile of Mr. Siddharth Moorthy and Ms. Sowmya Moorthy is covered under Report of Corporate Governance which forms a part of this report.

All the Independent Directors namely Mr. V. Mohan, Mr. K. G. Krishnamurthy and Mr. Mukesh Malhotra have submitted declarations that each of them meets the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI(LODR), Regulations, 2015 and there has been no change in the circumstances which affects their status as an Independent Director.

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 with effect from 1 April 2014:

Dr. Santosh Sundararajan, Chief Executive Officer; Mr. D. Santhanam, Chief Financial Officer; and Mr. M. Krishnamurthi, Company Secretary & Compliance Officer.

These officers are in the service of the Company for more than a decade.

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

### 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 9 times during the Financial Year 2017-18 (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 March 29, 2018, 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 to the Corporate Governance report.

### 23. Audit Committee

The Audit Committee of the Board of Directors consists of three Independent Directors and one Whole Time Director. Presently, the Committee comprises of Mr. V. Mohan, Chairman of the Committee and Independent Director, Mr. K. G. Krishnamurthy, Independent Director and Mr. Mukesh Malhotra, Independent Director and Mr. R. Vasudevan, Chairman of the Board.

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

### 24. Business Risk Management

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

### 25. Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
2. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2018 and of the profit and loss of the company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The directors had prepared the annual accounts on a going concern basis; and
5. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 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

In accordance with Section 134(3) (h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as "Annexure II".

The details of related party disclosures form part of the notes to the financial statements provided in this annual report.

### 28. Vigil Mechanism / Whistle Blower Policy

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

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

### 29. Auditors

#### Statutory Auditors

The Members of the Company at their 29th Annual General Meeting (AGM) held on September 15, 2014, approved the appointment of M/s. Deloitte Haskins & Sells LLP, (Firm Registration no. 117366W/W-100018) Chartered Accountants, as Statutory Auditors of the Company, to hold office for five years, from the conclusion of the 29<sup>th</sup> AGM.

They have confirmed that they are not disqualified from continuing as Statutory Auditors. The notes on Financial Statements referred to in the auditors report are self-explanatory and don't call for further committee.

## Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Kulbhushan D. Rane, of K.D. Rane & Associates, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for FY 2018. The secretarial audit report for FY 2018 is attached as “Annexure III”.

For FY 2019, 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 2019.

## 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 2019 at a remuneration of Rs. 2, 50,000/- (Rupees Two Lacs Fifty Thousand Only) plus service tax 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 or by the Practicing Company Secretary in the secretarial audit report.

#### Auditors Observation in the Report

- 1) Auditor's comment on delay in payment of Statutory Dues in their Annexure to the Report :-

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

### 31. Reporting of Frauds

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

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

During FY 2018, 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 except Registered Office of the Company was shifted from jurisdiction of ROC Mumbai to ROC Pune vide order dated 2<sup>nd</sup> April, 2018.

### 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 Vasudevan Moorthy, Member.

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

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

### 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.

During the Fiscal 2018, the Company has not received any complaint on sexual harassments.

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

Pursuant to the provisions of the Companies Act, the declared dividends, which remained unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

### 36. Employees Stock Option Schemes

During the year, there has been no material change in the Employees Stock Option Scheme,2015, the Employees Stock Option Scheme,2016 and Employees Stock Option Scheme,2017 (all collectively referred as 'the Schemes').

The Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the details as required under the said Regulations are available on website of the Company [www.vascon.com/investor.asp](http://www.vascon.com/investor.asp).

The applicable disclosures as stipulated under SEBI guidelines with regard are attached as “Annexure V”.

**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 VI”.

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

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

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

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the

Companies (Accounts) Rules, 2014 our Company is not covered by the Schedule of Industries which are required to furnish the information in Form-A.

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.

**39. Foreign Exchange Earnings and Outgo:**

(Rs. In lakhs)

Particulars	FY 2018	FY 2017
Foreign Exchange Earning	NIL	1505.93
Expenditure in Foreign Exchange	25.84	493.09

**40. Extract of the Annual Return**

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

**41. Acknowledgement**

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

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

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

**R. Vasudevan**  
Chairman

**Place:** Pune  
**Date:** May 28, 2018

**ANNEXURE - I AOC - 1**

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

(₹ in Lakhs)

**PART-A Subsidiary**

Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreignsubsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
Almet Corporation Limited	No	NA	58.82	288.58	398.65	51.25	-	7.53	(12.89)	0.63	(13.52)	-	100%
Marathwada Realtors Private Limited	No	NA	39.22	621.51	741.84	81.11	-	1.18	(14.48)	-	(14.48)	-	100%
Marvel Housing Private Limited	No	NA	1.00	(15.97)	282.95	267.97	-	267.82	38.22	(1.75)	39.97	-	100%
Vascon Value Homes Private Limited	No	NA	1.00	-	1.00	-	-	-	-	-	-	-	100%
GMP Technical Solutions Private Limited	No	NA	1.49	7,249.74	18,687.08	11,435.84	24.51	22,030.77	(541.65)	34.45	( 576.10)	-	85%
GMP Technical Solutions Middle East (FZE),	No	17.72	24.51	(181.44)	100.36	257.29	-	-	(249.27)	-	(249.27)	-	85%

<b>PART-B Associates and Joint Ventures</b>									
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	31.03.2017	99,999	10	44.44%	Significant influence due to % of Share of Capital	Value of Investment Nil as per Equity Method of Accounting for Investments in Associates.	(50.99)	-	
<b>Jointly Controlled Entities</b>									
Phoenix Ventures	31.03.2018	Not Applicable	200.00	50%	Joint Control over economic activity of the entity	-	782.04	(17.71)	
Cosmos Premises Private Limited	31.03.2018	1,77,401	367.91	43.83%	Joint Control over economic activity of the entity		837.40	1.75	
Ajanta Enterprise	31.03.2018	Not Applicable	4,272.94	50%	Joint Control over economic activity of the entity		1,937.04	810.77	

# VASCON ENGINEERS LIMITED

## ANNEXURE-II FORM AOC-2

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

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

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

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

### 2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARMS LENGTH BASIS:

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms / Nature of Transaction	Amount in Rupees
AISWARYA SANTHANAM MUDALIAR	Enterprise where KMP & Relatives of KMP significant influence	FY 2017-18	Receiving of Services	4,000
Ajanta Enterprises	Joint Ventures	FY 2017-18	Sales and work Income	15,700,220
			Commission Income	22,773,676
			Share of Profit from AOP/Firm	80,555,597
Almet Corporation Limited	Subsidiaries	FY 2017-18	Interest Expense	752,574
			Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	358,000
Cosmos Premises Private Limited	Joint Venture	FY 2017-18	Dividend Received	17,030,495
D Santhanam	Key Management Personnel	FY 2017-18	Interest Expense	250,001
			Reimbursement of expenses	45,800
D Santhanam- HUF	Enterprise where KMP & Relatives of KMP significant influence	FY 2017-18	Interest Expense	125,000
Dr Santosh Sundararajan	Key management Personnel	FY 2017-18	Sales and work Income	11,005,000
			Receiving of Services	156,500,895
			Reimbursement of expenses	45,800
Flora Facilities Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2017-18	Interest Expense	8,068,919
			Rent Expenses	20,546,623
			Receiving of Services	1,460,500
			Reimbursement of expenses	293,870
			Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	40,000,000
			Finance availed /Received back (including equity contributions in cash or in kind)	68,890,000
GMP Technical Solution Private Limited	Subsidiaries	FY 2017-18	Outstanding corporate / bank guarantees given	415,000,000
			Purchase of Goods / Work/Rent	6,629,148
			Interest Income	9,527,600
			Commission Income	1882104

M. Krishnamurthi	Key Management Personnel	FY 2017-18	Reimbursement of expenses	45,800
Marathawada Realtors Private Limited	Subsidiaries	FY 2017-18	Interest Expense	117,156
			Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	253,278
Marvel Housing Private Limited	Subsidiaries	FY 2017-18	Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	7,000,000
			Finance availed /Received back (including equity contributions in cash or in kind)	7,000,000
			Purchase of Goods / Work/Rent	20,585,947
R Vasudevan	Key Management Personnel	FY 2017-18	Receiving of Services	12,021,600
D.Santhanam	Key Management Personnel	FY 2017-18	Receiving of Services	15,545,989
R. Vasudevan	Key management Personnel	FY 2017-18	Sales and work Income	4,680,000
			Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	35,298,134
			Finance availed /Received back(including equity contributions in cash or in kind)	35,000,000
Mr. Siddarth Vasudevan	Relatives of Key Management Personnel	FY 2017-18	Interest Expense	137,501
			Receiving of Services	20,416,440
Mr.M.Krishnamurthi	Key Management Personnel	FY 2017-18	Receiving of Services	14,566,213
Ms. Aishwarya Santhanam Mudaliar	Relatives of Key Management Personnel	FY 2017-18	Interest Expense	100,000
Ms. Sailaxmi Santhanam Mudaliar	Relatives of Key Management Personnel	FY 2017-18	Interest Expense	50,000
Phoenix Venture	Joint Ventures	FY 2017-18	Finance availed /Received back (including equity contributions in cash or in kind)	11,230,562
			Sales and work Income	65,519,820
			Share of Profit from AOP/Firm	723,579
			Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	2,280,040
Stresstech Engineers Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2017-18	Purchase of Goods / Work/Rent	8,007,837
			Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	2,214,230
Vastech Consultants & Engineers LLP	Enterprise where KMP & Relatives of KMP significant influence	FY 2017-18	Purchase of Goods / Work/Rent	5,115,498
			Receiving of Services	1,905,000
Venus Ventures	Enterprise where KMP & Relatives of KMP significant influence	FY 2017-18	Finance availed /Received back (including equity contributions in cash or in kind)	149,000

## ANNEXURE III

### FORM NO. MR.3

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

### SECRETARIAL AUDIT REPORT

*[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 2018 ('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 2018 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;
  - (d) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.
- (vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Real Estate (Regulation and Development) Act, 2016;
- (b) Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosure on Websites) Rules, 2017; and
- (c) Maharashtra Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963.

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

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

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

**I further report that**

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

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

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

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

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

- (i) Approval of the scheme of amalgamation for merger of Vascon Pricol Infrastructures Limited, Vascon Dwellings Private Limited, Wind Flower Properties Private Limited, Floriana Properties Private Limited, IT-Citi Infopark Private Limited, Greystone Premises Private Limited, Just Homes (India) Private Limited, Shreyas Strategists Private Limited, Sansara Developers India Private Limited, Sunflower Real Estate Developers Private Limited and Angelica Properties Private Limited with the Company, by the National Company Law Tribunal (Mumbai Bench) through its order dated 21 June 2017;
- (ii) Passing of special resolution at the extra ordinary general meeting held on 24 May 2017, for issue and allotment of compulsorily convertible debentures and equity shares arising on conversion of compulsorily convertible debentures;
- (iii) Passing of special resolutions at the extra ordinary general meeting held on 24 May 2017 for issuing stock options to the employees under the Employee Stock Option Scheme 2017, and grant of employee stock options equal to or more than 1% of the issued capital of the Company at the time of grant of options;
- (iv) Passing of special resolution at the 32nd annual general meeting held on 28 September 2017 to divest/sale/slump sale/ demerger of non-core assets of the Company and of GMP Technical Solution Private Ltd (material subsidiary of the Company);
- (v) Passing of special resolution at the 32nd annual general meeting held on 28 September 2017, under section 62(3) of the Act, for converting of a certain loan into equity shares of the Company;
- (vi) Passing of special resolution at the 32nd annual general meeting held on 28 September 2017, for shifting of registered office of the Company from Mumbai to Pune; and
- (vii) Passing of special resolution at the extra ordinary general meeting held on 29 March 2018 to authorise the Board of Directors to issue securities, for an aggregate amount of up to Rs. 100 Crores (One Hundred Crores only) by way of Equity Shares and/or Non-Convertible Debentures and/or Preference Shares and/or Bonds and/or any other securities as may be permitted, by way of public or private offering, including through a Qualified Institutional Placement (QIP) or any combination thereof, or any other method as may be permitted under applicable laws.

**Kulbhushan D Rane**  
**ACS No . 30644, CP No 11195**

**Place: Pune**  
**Date: May 28, 2018**

## 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 <http://www.vascon.com/csr>  
The Report on CSR activities of the Company is mentioned below in Exhibit 1.
2. The Composition of the CSR Committee:  
The CSR Committee was constituted by the Board of Directors at its meeting held on October 20, 2014 and it has been reconstituted by the Board on November 7, 2015 as below:
  - Mr. R. Vasudevan, Whole time Director,
  - Mr. V. Mohan, Member
  - Ms. Sowmya Vasudevan Moorthy, Member
3. Average net profit of the company for last three financial years: Negative and thus N.A.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): N.A
5. Details of CSR spent during the financial year:
  - i. Total amount to be spent for the financial year: N.A.
  - ii. Amount unspent, if any; N.A.
  - iii. Manner in which the amount spent during the financial year: N.A.
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: N.A.
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.

**R. Vasudevan,**  
**Chairman and**  
**Chairman of CSR Committee**

## EXHIBIT 1: CSR ACTIVITIES REPORT

Vascon Moorthy Foundation ('VMF') has successfully completed 10 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 take care of better hygiene, safe drinking water facility, healthy environment and better living condition to improve the labours quality of life.

Activities undertaken by VMF during the year are as follows:

### Eye checkup Camp:

Construction industries are hazardous mainly because of dust from cement and other materials used on site. These dust particles may be harmful to eyes and due to poor financial condition of the workers their negligence regarding the same; they avoid getting their regular eye checkups.

VMF has been focusing on it and organized eye checkup camps at Windermere, Koregaon Park and Platinum Square, Viman Nagar on 11<sup>th</sup> August 2017 in association with H. V. Desai Eye Hospital, Mohamadwadi, Hadapsar. Total 109 workers took benefit of eye check up camp. Six workers received spectacles at a concessional rate. Doctors of H.V. Desai Eye Care Hospital also explained to the laborers about the care to be taken during welding and construction work. We are grateful to Dr. Priyanka Chalak Dr. Swapnil Gaikwad & Senior social worker Mr. Jitesh Kharat of H.V. Desai Eye Care Hospital for their valuable time spent with our laborers.

### Immunization:

Immunization is important component to prevent the disease.

Preventive Health Care is one of the major

Components of the extensive Health Care

Program implemented by VMF at all the construction sites. Due to continuous migration, laborers and their children are deprived of preventive health care program. 97 children from construction sites have been immunized in the year 2017-2018, against Polio, Triple vaccine, Jaundice, BCG, Measles, Penta vaccine (5 in 1(diphtheria, tetanus, whooping cough (pertussis), polio and Hib disease (Haemophilus influenzae type b) etc.) It has been possible with the help of Niramay NGO, PMC and PCMC health department. Parents of these children are convinced for immunization camps. The response to these camps was overwhelming. Doctors and the nursing staff built excellent rapport with the parents and gained their confidence.

### HIV & AIDS Awareness Programme:

Construction sites Labour's continuously keep wandering in the urban centers in search of work. This is considered to be a high risk population, as far as, HIV & AIDS is concerned. They have very little awareness about it and have many misconceptions about the illness. VMF staff covered almost all Sites in Pune city for the scientific HIV/AIDS awareness programme. We got very

good response at Tech point site Kharadi pune 82 workers were covered. It was very good that many people asked for the referral services available in city. They were given the address of voluntarily counseling and testing (VCTC) center. They were also provided the address of the Anti Retroviral Treatment (ART) centers. After the HIV & AIDS Awareness programme, condom demonstration shown to male workers and condom distributed.

**Deworming awareness program:**

Mass Deworming campaigns for children have been used both as a preventive as well as a treatment method for helminthiasis which includes soil transmitted helminthiasis children. Worm infections interfere with nutrient uptake; can lead to anemia, malnourishment and impaired mental and physical development and pose a serious threat to children's health, education, and productivity. Infected children are often too sick or tired. As a part of prevention worm growth in children, A Deworming awareness program conducted by VMF staff for the parents at Forest County site labour camp and Deworming tablets distributed to both parents and children's. Total 32 children's and 38 parents received Deworming tablets.

**Tetanus Toxicity awareness program:**

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. During the health camp some of the workers avoid the T.T. injections. VMF staff decided and conduct the awareness regarding T.T in workers. VMF staff conducted separate T.T awareness program at Windermere site.

Total 155 workers including female attend the awareness program and 100 workers covered for T.T vaccinations in this program.

**Preventive and Curative Health Camps:**

In the year 2017-18, VMF focused on the preventive and curative health care of the construction workers, with the help of existing Government health services.

A total of 23 health checkup camps were held on all the sites in Pune. Total 1618 Workers benefited from these camps. In addition to that 3 Health check up camps conducted at Tower of Adyar, Chennai and APTIDCO, Adoni site, Andhra Pradesh. Curative aspect of the programme enthused the workers. Getting medicines, vitamins as well as iron supplements free of cost was rewarding for them. Construction industry is a hazardous industry, cuts and wounds are very common while working on sites. Total 542 workers were given T. T. vaccine. This will be an ongoing programme for every month.

35 children received Vitamin 'A' doses. Teams of PMC and PCMC Health department from various hospitals come to site on regular basis.

Anemia is one of the sever problem in women, During the health camp most of the female workers received iron and folic acid supplements.

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

Since construction industry is hazardous, safety of children on construction sites is very important. Both the husband and wife work on the site and there is nobody to look after the children at home. If women stay at home they will lose out on opportunities to earn wages, which is important for them to earn their living. Vascon Moorthy Foundation runs 1 Day care Centers at Windermere labour camp, and 1 with the help of Tara Mobile Crèches at Forest County 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.

**Child Right's:**

The child is one of the most important assets of the Nation. All conducted "Child right's awareness session" with children of Forest county site.

**Education:**

Education has been always VMF first priority. In order to get continuous education to children of ever- migrating construction site workers, VMF enrolled seven student from 1<sup>st</sup> std to 6<sup>th</sup> std in local ZP, PMC and PCMC school during the academic year 2017-2018.

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

VMF conducting Star site competition at all India level every year. The purpose of this competition is to motivate the site staff to provide the better hygiene, safe drinking water facility, healthy environment and better living condition to improve the labours quality of life. VMF staff done the periodic visit to all the sites to guide the site regarding maintaining of labor camp.

**Ramya Siddharth Moorthy**  
**Trustee**



## ANNEXURE – VI :REMUNERATION OF MANAGERIAL PERSONNEL

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

- a) 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 FY2018 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 2018	Comparison of Remuneration KMPs' Against Performance of the Company
V. Mohan	Chairman and Independent Director	**Not Applicable	-	-
R. Vasudevan	Managing Director	33		Revenue: 0.36% Net Profit: 10.54%
K. G. Krishnamurthy	Independent Director	**Not Applicable	-	-
Sowmya Moorthy	Non Executive Director	**Not Applicable	-	-
Mukesh Malhotra	Director	**Not Applicable	-	-
Siddharth Vasudevan Moorthy*	Additional Director	51	24.46%	Revenue: 0.56% Net Profit: 16.39%
Santosh Sundararajan	CEO	116	-	Revenue: 1.26% Net Profit: 37.17%
M. Krishnamurthi	CS	16	-	Revenue: 0.18% Net Profit: 5.29%
D. Santhanam	CFO	19	-	Revenue: 0.21% Net Profit: 6.17%

\*Mr. Siddharth Vasudevan Moorthy has been appointed as Additional Director of the company w.e.f. 29<sup>th</sup> March, 2018

\*\* No remuneration is paid to Non executive directors, except sitting fees for attending board meetings. KMPs includes our CEO, CFO and CS.

Remuneration does not include perquisite value of ESOS

The percentage increase in the median remuneration of employees in the financial year is 5.76%. Company has total 605 permanent employees at the end of Financial Year. There is an upward trend in remuneration paid to employees by Rs. 1661 for F.Y. 2018 as compared to F.Y. 2017. The revenue in FY 2018 increased by Rs.9563 lakhs and EBIDITA decreased by of Rs. 422 lakhs.

The remuneration philosophy of the Company is to provide market competitive compensation which drives a high performance culture. Every year, the salary increments are based on benchmarking with similar profiled organisations and market competitiveness. The variable component is paid out to an employee on the basis of performance of the Company, the corresponding business unit or function and his/her own performance.

The total remuneration of KMPs increased by Rs.3.80 lacs alongwith the revenue in FY 2018 increased by Rs 9563 lakhs and EBIDITA decreased by Rs. 422 lakhs.

- b) There is an increase in the salaries of employees other than KMPs for FY2018 by 5.76% as compared to FY2017.
- c) The median remuneration of employees increased by Rs.1661/- per annum in FY2018.
- d) Mr. Santosh Sundararajan, CEO, Mr. Rajesh Mhatre, CEO-Real Estate, Mr. Siddharth Moorthy, Mr. M. Krishnamurthy, Company Secretary and Mr. D. Santhanam, Chief Financial Officer receives remuneration in excess of the remuneration paid to the Managing Director.
- e) It is hereby affirmed that the remuneration paid during FY2018 is as per the remuneration policy of the Company.

## VASCON ENGINEERS LIMITED

### 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
Mr. R. Vasudevan	66	Chairman	120 lakhs	Permanent	BE(Civill	35	01.01.1986	Cipla Limited	9.26%	Promoter
Dr. Santosh Sundararajan	41	Chief Executive Officer	1265.94 lakhs	Permanent	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	23	01.10.2007	Buro Engineers Singapore Pte Ltd.	4.09%	-
Siddharth Vasudevan	33	Managing Director	204 lakhs	Permanent	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	12	01.04.2011	Vascon Infra Ltd.	0.43%	Son of Mr. R. Vasudevan and brother of Ms. Sowmya Moorthy
Rajesh Dilip Mhatre	41	Chief Executive Officer- Real Estate	184.37 lakhs	Permanent	BE (Mechanical), MMS	17	01.02.2017	Lodha Ventures	0.08%	-
D. Santhanam	56	Chief Financial Officer	132.44 lakhs	Permanent	Graduate (Commerce), ACA	32	16.01.1989	Life Insurance Corporation of India	0.43%	-
M. Krishnamurthi	58	Chief Corporate Affairs	124.07 lakhs	Permanent	Graduate (Commerce), BGL, ACA, ACS, ACMA	34	19.7.2005	Apollo Hospitals Colombo	0.35%	-

#### Details of Employees who were employed for part of the Financial Year

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
Nitinkumar Gupta	38	Vice-President Sales	52.19 lakhs	Permanent	PGDBM (Marketing & Finance), Bachelor of Tourism Administration.	14	12.6.2017	Four Clover Realty Private Limited	-	-

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

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
Mr. R. Vasudevan	66	Chairman	120 Lakhs	Permanent	BE(Civil)	35	01.01.1986	Cipla Limited	24.06%	Promoter
Dr. Santosh Sundararajan	41	Chief Executive Officer	1265.94 Lakhs	Permanent	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	23	01.10.2007	Buro Engineers Singapore Pte Ltd.	4.09%	-
Siddharth Vasudevan	33	Managing Director	204.00 Lakhs	Permanent	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	12	01.04.2011	Vascon Infra Ltd.	0.40%	Son of Mr. R. Vasudevan and brother of Ms. Sowmya Moorthy
Rajesh Dilip Mhatre	41	Chief Executive Officer- Real Estate	184.37 Lakhs	Permanent	BE (Mechanical), MMS	17	01.02.2017	Lodha Ventures	0.08%	-
D. Santhanam	56	Chief Financial Officer	132.44 Lakhs	Permanent	Graduate (Commerce), ACA	32	16.01.1989	Life Insurance Corporation of India	0.43%	-
M. Krishnamurthi	58	Chief Corporate Affairs	124.07 Lakhs	Permanent	Graduate (Commerce), BGL, ACA, ACS, ACMA	34	19.7.2005	Apollo Hospitals Colombo	0.35%	-
Somnath Biswas	51	President - Finance & Accounts	75.87 Lakhs	Permanent	Graduate (Science), ICWA	26	15.7.2011	Amby Valley Limited	0.13%	-
S. Padmanabhan	56	Vice President - Projects	70.66 Lakhs	Permanent	BE (Civil)	34	24.09.2009	Rakindo Kovai Township Ltd	-	-
Sanjay Muttepawar	48	Vice President - Projects	68.44 Lakhs	Permanent	Diploma (Civil), BE (Civil), MBA	25	01.03.2002	K. Raheja Engg. Services	0.11%	-
Tanaji Atole	48	Vice President - Projects	65.78 Lakhs	Permanent	Diploma (Civil)	27	01.03.1996	Advance Construction Co. Pvt, Ltd.	0.14%	-

\*Remuneration includes perquisite value of ESOS.

# VASCON ENGINEERS LIMITED

## Annexure VII FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2018  
Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014

### I. Registration & other details:

CIN	L70100PN1986PLC175750
Registration Date	1.1.1986
Name of the Company	Vascon Engineers Limited
Category of the Company	Company Limited by Shares
Sub-category of the Company	Indian Non-Government Company
Address of the Registered office & contact details	Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hotel Hyatt, Pune-Nagar Road, Pune-411014
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Karvy Computershare Private Limited</b> Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Telephone: +91 40 6716 2222 Facsimile: +91 40 2343 1551 E-mail: einward.ris@karvy.com Investor grievance id: einward.ris@karvy.com Website: www.karvy.com Contact Person: Mr. S V Raju, SEBI Registration No.: INR000000221

### II. Principal business activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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	46%
2	Real Estate Development	4100 - Construction of buildings	17%
3	Manufacturing & BMS	25111	37%

### 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>GMP Technical Services (LLC)</b> Dubai (Ceased to exist from July 12, 2017)	Foreign LLC	Step Subsidiary	85.00	2(87)(ii)
5	<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
6	<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)
7	<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)
8	<b>Mumbai Estate Private Limited</b> 401, Rajendra Chambers, 19, Nanabhai Lane, Fort, Mumbai	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>Zenith Ventures</b> 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	AOP	Joint Venture	Based upon specific allocation of assets and liabilities	2(6)
12	<b>Zircon Ventures</b> 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	AOP	Joint Venture		2(6)
13	<b>Cosmos Premises Private Limited</b> 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	U70100PN1997PTC133546	Joint Venture		43.83

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

**(i) Category wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2017				No. of Shares held at the end of the year as on 31-March-2018				% 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	51196712	-	51196712	31.74	51407827	-	51407827	29.52	(2.22)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9810390	-	9810390	6.08	9599275	-	9599275	5.51	(0.57)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>61007102</b>	<b>-</b>	<b>61007102</b>	<b>37.82</b>	<b>61007102</b>	<b>-</b>	<b>61007102</b>	<b>35.03</b>	<b>(2.79)</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
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>37.82</b>	<b>61007102</b>	<b>-</b>	<b>61007102</b>	<b>35.03</b>	<b>(2.79)</b>

## VASCON ENGINEERS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year as on 31st March, 2017				No. of Shares held at the end of the year as on 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
<b>(1) Indian</b>									
a) Mutual Funds	4030130	-	4030130	2.50	0	-	0	-	(2.50)
b) Banks / FI (NBFC)	15000	-	15000	0.01	731774	-	731774	0.42	0.41
c) Central Govt	-	-	-	-					
d) State Govt(s)	-	-	-	-					
e) Venture Capital Funds	-	-	-	-					
f) Insurance Companies	-	-	-	-					
g) FIs	805976	-	805976	0.50	818324	-	818324	0.47	(0.03)
h) Foreign Venture Capital Funds	-	-	-	-					
i) Others (FPIs)	-	-	-	-	135000	-	135000	0.08	0.08
<b>Sub Total (B)(1):-</b>	<b>4851106</b>	<b>-</b>	<b>4851106</b>	<b>3.00</b>	<b>1685098</b>	<b>-</b>	<b>1685098</b>	<b>0.96</b>	<b>(2.04)</b>
a) Bodies Corp.	44075499	100	44075599	27.32	37157093	100	37157193	21.34	(5.98)
i) Indian	-	-	-	-					
ii) Overseas	-	-	-	-					
b) Individuals	-	-	-	-					
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	15736162	2	15736164	9.75	30925778	2	30925780	17.76	8.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	34638302	-	34638302	21.47	41514557	-	41514557	23.84	2.37
c) Others (specify)									
HUF	-	-	-	-	-	-	-	-	-
Non Resident Indians	504953	-	504953	0.31	1222178	-	1222178	0.70	0.39
Overseas Corporate Bodies	-	-	-	-					
Foreign Nationals	-	-	-	-					
Clearing Members	523490		523490	0.32	624808	-	624808	0.36	0.04
Trusts	-	-	-	-					
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):-</b>	<b>95478406</b>	<b>102</b>	<b>95478508</b>	<b>59.18</b>	<b>111444414</b>	<b>102</b>	<b>111444516</b>	<b>64.00</b>	<b>4.82</b>
<b>Total Public (B)t</b>	<b>100329512</b>	<b>102</b>	<b>100329614</b>	<b>62.18</b>	<b>113129512</b>	<b>102</b>	<b>113129614</b>	<b>64.97</b>	<b>2.82</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>161336614</b>	<b>102</b>	<b>161336716</b>	<b>100.00</b>	<b>174136614</b>	<b>102</b>	<b>174136716</b>	<b>100</b>	

## (II) Shareholding of Promoter as on March 31, 2018

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered	No. of Shares	% of total shares of the Company	% Of Shares pledged/encumbered	
	Indian							
	Individuals/Hindu undivided Family							
1.	Vasudevan Ramamoorthy**	41686586	25.84	8982308	41897701	24.06	9.62% (16130673)	1.78
2.	Lalitha Vasudevan	8109538	5.03	Nil	8109538	4.66	Nil	0.37
3.	Sowmya Vasudevan Moorthy	700294	0.43	Nil	700294	0.40	Nil	0.03
4.	Siddharth Vasudevan Moorthy	700294	0.43	Nil	700294	0.40	Nil	0.03
5.	Any Other	-	-	-	-	-	-	-
6.	Vatsalya Enterprises Private Limited	9078947	5.63	0	9078947	5.21	0	0.42
7.	Bellflower Premises Private Limited	520328	0.32	0	520328	0.30	0	0.02
8.	Vasumangal Constructions LLP**	211115	0.13	-	0	0	0	0.13

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

\*\*Vasudevan Ramamoorthy had acquired shares of Vasumangal Constructions LLP on 23<sup>rd</sup> March, 2018.

## IV) Change in Promoters Share holding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative shareholding due to the year (14.	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	61007102	37.82		
Increase/Decrease in Promoters Holding			Note - 1	
At the end of the year	61007102	35.03		

Note:

1. There is no change in Promoters Share Holding. The total percentage change from 37.82% to 35.03% is on account of increasing in Share Capital pursuant to allotment of shares under Employee Stock Option Scheme (ESOP).
2. There is no change in Promoters Share Holding except Mr. Vasudevan Ramamoorthy acquired shares from M/s. Vasumangal Constructions LLP. However, Vasumangal Constructions LLP still remains part of Promoter Group.

# VASCON ENGINEERS LIMITED

## Shareholding Pattern of top ten Shareholders as on March 31, 2018

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Slno	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	AMRIT PETROLEUMS PVT LIMITED	8783273	5.44	31/03/2017			8783273	5.44
	Closing Balance				31/03/2018			8783273	5.04
2	Opening Balance	GOLDEN TEMPLE PHARMA PRIVATE LIMITED	7783273	4.82	31/03/2017			7783273	4.82
	Sale				19/05/2017	-7783273	Transfer	0	0.00
	Closing Balance				31/03/2018			0	0.00
3	Opening Balance	SANTOSH SUNDARARAJAN	1352818	0.84	31/03/2017			1352818	0.84
	Sale				14/04/2017	-100000	Transfer	1252818	0.78
	Sale				21/04/2017	-100000	Transfer	1152818	0.71
	Purchase (ESOS)				05/05/2017	3344825	Transfer	4497643	2.68
	Sale				02/06/2017	-100000	Transfer	4397643	2.62
	Sale				09/06/2017	-100000	Transfer	4297643	2.56
	Sale				23/06/2017	-200000	Transfer	4097643	2.44
	Sale				17/11/2017	-100000	Transfer	3997643	2.38
	Sale				01/12/2017	-8695	Transfer	3988948	2.38
	Sale				22/12/2017	-191305	Transfer	3797643	2.27
	Purchase (ESOS)				19/01/2018	3330500	Transfer	7128143	3.95
	Closing Balance				31/03/2018			7128143	4.09
4	Opening Balance	AKASH BHANSHALI	7123211	4.42	31/03/2017			7123211	4.42
	Closing Balance				31/03/2018			7123211	4.09
5	Opening Balance	PREMRATAN EXPORTS PVT LTD	6667637	4.13	31/03/2017			6667637	4.13
	Sale				26/01/2018	-6667637	Transfer	0	0.00
	Closing Balance				31/03/2018			0	0.00
6	Opening Balance	PREMRATAN EXPORTS LLP	0	0.00	31/03/2017			0	0.00
	Purchase				26/01/2018	6667637	Transfer	6667637	3.83
	Sale				02/02/2018	-608246	Transfer	6059391	3.48
	Sale				16/02/2018	-238688	Transfer	5820703	3.34
	Closing Balance				31/03/2018			5820703	3.34
7	Opening Balance	AADI FINANCIAL ADVISORS LLP	5613519	3.48	31/03/2017			5613519	3.48
	Closing Balance				31/03/2018			5613519	3.22
8	Opening Balance	UTI-MID CAP FUND	4030130	2.50	31/03/2017			4030130	2.50
	Sale				28/04/2017	-1813316	Transfer	2216814	1.37
	Sale				05/05/2017	-2216814	Transfer	0	0.00
	Closing Balance				31/03/2018			0	0.00
9	Opening Balance	SHAH DURGESH SUMATILAL	3120000	1.93	31/03/2017			3120000	1.93
	Sale				07/04/2017	-3120000	Transfer	0	0.00
	Closing Balance				31/03/2018			0	0.00
10	Opening Balance	TALMA CHEMICAL INDUSTRIES PVT LTD	2940389	1.82	31/03/2017			2940389	1.82
	Closing Balance				31/03/2018			2940389	1.69
12	Opening Balance	ASHOK MOTILAL KATARIYA	2789278	1.73	31/03/2017			2789278	1.73
	Purchase				14/04/2017	20995	Transfer	2810273	1.74
	Purchase				21/04/2017	29000	Transfer	2839273	1.76
	Purchase				05/05/2017	17869	Transfer	2857142	1.70

Slno	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
	Sale				16/06/2017	-2857141	Transfer	1	0.00
	Purchase				18/08/2017	383152	Transfer	383153	0.23
	Purchase				25/08/2017	591209	Transfer	974362	0.58
	Purchase				01/09/2017	61412	Transfer	1035774	0.62
	Purchase				08/09/2017	95000	Transfer	1130774	0.67
	Purchase				15/09/2017	27222	Transfer	1157996	0.69
	Purchase				22/09/2017	23903	Transfer	1181899	0.70
	Purchase				29/09/2017	422204	Transfer	1604103	0.96
	Purchase				17/11/2017	60485	Transfer	1664588	0.99
	Purchase				09/02/2018	54434	Transfer	1719022	0.99
	Closing Balance				31/03/2018			1719022	0.99
13	Opening Balance	VALLABH ROOPCHAND BHANSHALI	2358789	1.46	31/03/2017			2358789	1.46
	Closing Balance				31/03/2018			2358789	1.35
14	Opening Balance	TARUN JAIN	2081324	1.29	31/03/2017			2081324	1.29
	Purchase				06/10/2017	7000	Transfer	2088324	1.25
	Purchase				13/10/2017	11676	Transfer	2100000	1.25
	Closing Balance				31/03/2018			2100000	1.21
15	Opening Balance	ANVIL FINTRADE PVT LTD	750000	0.46	31/03/2017			750000	0.46
	Closing Balance				31/03/2018			750000	0.43

V) Shareholding Directors and Key Managerial Personnel as on March 31, 2018

Sr. No.	Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2017		Cumulative Shareholding During The Year March 31, 2018	
				No. of Shares	% of total Share	No. of Shares	% of total Shares
<b>1.</b>	<b>Name: V. Mohan, Independent Director</b>						
	At the beginning of the year	1.4.2017	-	-	-	-	-
	Changes during the year		-	-	-	-	-
	At the end of the year	31.3.2018	-	-	-	-	-
<b>2.</b>	<b>Name: R. Vasudevan, Managing Director</b>						
	At the beginning of the year	1.4.2017	-	41686586	25.84	41686586	23.94
	Changes during the year	23.3.2018		211115		41897701	24.06
	At the end of the year	31.3.2018	-			41897701	24.06
<b>3.</b>	<b>Name: K G Krishnamurthy, Independent Director</b>						
	At the beginning of the year	1.4.2017	-	-	-	-	-
	Changes during the year		-	-	-	-	-
	At the end of the year	31.3.2018	-	-	-	-	-
<b>4.</b>	<b>Name: Sowmya Vasudevan Moorthy, Non Executive Director</b>						
	At the beginning of the year	1.4.2017	-	700294	0.43	700294	0.40
	Changes during the year			-	-	-	-
	At the end of the year	31.3.2018	-	700294	0.43	700294	0.40
<b>5.</b>	<b>Name: Mukesh Malhotra, Independent Director</b>						
	At the beginning of the year	1.4.2017	-	5525	0.00	-	0.00
	Changes during the year		-	-	0.00	-	0.00
	At the end of the year	31.3.2018		5525	0.00	5525	0.00

## VASCON ENGINEERS LIMITED

Sr. No.	Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2017		Cumulative Shareholding During The Year March 31, 2018	
				No. of Shares	% of total Share	No. of Shares	% of total Shares
<b>6.</b>	<b>Name: Siddharth Vasudevan Moorthy, Additional Director</b>						
	At the beginning of the year	1.4.2017		700294	0.43	700294	0.40
	Changes during the year						
	At the end of the year	31.3.2018		700294	0.43	700294	0.40
<b>7.</b>	<b>Name: Santosh Sundararajan, CEO</b>						
	At the beginning of the year	1.4.2017	-	1352818	0.84	1352818	0.84
	Changes during the year	14.4.2017	Sale	100000		1252818	
		21.4.2017	Sale	100000		1152818	
		05.05.2017	Purchase (ESOP)	3344825		4497643	
		02.06.2017	Sale	100000		4397643	
		09.06.2017	Sale	100000		4297643	
		23.06.2017	Sale	200000		4097643	
		17.11.2017	Sale	100000		3997643	
		01.12.2017	Sale	8695		3988948	
		22.12.2017	Sale	191305		3797643	
		19.01.2018	Purchase (ESOP)	3330500		7128143	
	At the end of the year	31.3.2018	-	7128143	4.09	7128143	4.09
<b>8.</b>	<b>Name: M. Krishnamurthi, Company Secretary &amp; Compliance Officer</b>						
	At the beginning of the year	1.4.2017	-	250000	0.15	250000	0.15
	Changes during the year	07.04.2017	Sale	2000		248000	
		14.4.2017	Sale	21000		227000	
		21.4.2017	Sale	37000		190000	
		05.05.2017	Purchase (ESOP)	250000		440000	
		19.05.2017	Sale	2000		438000	
		09.06.2017	Sale	4000		434000	
		16.06.2017	Sale	3000		431000	
		22.09.2017	Sale	2000		429000	
		17.11.2017	Sale	7000		422000	
		01.12.2017	Sale	16000		406000	
		22.12.2017	Sale	31000		375000	
		29.12.2017	Sale	7000		368000	
		12.01.2018	Sale	5000		363000	
		19.01.2018	Purchase (ESOP)	250000		613000	
	At the end of the year	31.3.2018	-	613000	0.35	613000	0.35
<b>9.</b>	<b>Name: D. Santhanam, CFO</b>						
	At the beginning of the year	1.4.2017	-	330692	0.20	330692	0.20
	Changes during the year	05.05.2017	Purchase (ESOP)	250000		580692	
		16.06.2017	Sale	20000		560692	
		27.10.2017	Sale	10000		550692	
		17.11.2017	Sale	10000		540692	
		15.12.2017	Sale	10000		530692	

Sr. No.	Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2017		Cumulative Shareholding During The Year March 31, 2018	
				No. of Shares	% of total Share	No. of Shares	% of total Shares
		22.12.2017	Sale	20000		510692	
		29.12.2017	Sale	10000		500692	
		12.01.2018	Sale	5000		495692	
		19.1.2018	Purchase (ESOP)	250000		745692	
	At the end of the year	31.3.2018		745692	0.43	745692	0.43

**INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.-**  
(Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	20700.94	1447.98	4282.54	26431.47
ii) Interest accrued but not due on borrowings	0.00	15.44	0.00	15.44
iii) Interest accrued due on borrowings		739.50		739.50
<b>Total (i+ii+iii)</b>	<b>20700.94</b>	<b>2202.92</b>	<b>4282.54</b>	<b>27186.40</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0.00	661.44	0.00	661.44
* Reduction	6730.91	0.00	825.48	7556.39
<b>Net Change</b>	<b>-6730.91</b>	<b>661.44</b>	<b>-825.48</b>	<b>-6894.95</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13970.03	2004.61	3457.06	19431.71
ii) Interest accrued but not due on borrowings	0.00	25.33	0.00	25.33
iii) Interest accrued due on borrowings	0.00	834.41	0.00	834.41
<b>Total (i+ii+iii)</b>	<b>13970.03</b>	<b>2864.35</b>	<b>3457.06</b>	<b>20291.45</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sn	Particulars Of Remuneration	R. Vasudevan (Rs. In Lakhs)	Total Amount Siddharth Vasudevan (Rs. In lakhs)
1.	Gross salary	120.00	204.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option		-
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify		
6.	Total (A)	120.00	204.00
	Ceiling as per the Act		*

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

# VASCON ENGINEERS LIMITED

## B. Remuneration to other Directors

(Rs. in lakhs)

SN	Particulars of Remuneration	Name of Directors			
		V. Mohan	K.G. Krishnamurthy	Mukesh Malhotra	Sowmya Moorthy
1	Independent Directors				
	Fee for attending board committee meetings	1.25	0.75	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	1.5	1.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>1.25</b>	<b>0.75</b>	<b>1.5</b>	<b>1.00</b>
	Total (B)=(1+2)	<b>1.25</b>	<b>0.75</b>	<b>1.5</b>	<b>1.00</b>
	Total Managerial Remuneration to Non executive Directors including Independent Directors	<b>1.25</b>	<b>0.75</b>	<b>1.5</b>	<b>1.00</b>
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Santosh Sundararajan	D. Santhanam	M. Krishnamurthi
	Name	CEO	CFO	Company Secretary
	Designation			
1	Gross salary	1265.94 lakhs	132.44 lakhs	124.07 lakhs
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	405.82 lakhs	68.24 lakhs	58.44 lakhs
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	860.11 lakhs	64.19 lakhs	65.62 lakhs
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	-others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>1265.94 lakhs</b>	<b>132.44 lakhs</b>	<b>124.07 lakhs</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OFFENCES:

N.A.

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

### 1. 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:

### 2. Board Of Directors

#### A. Composition

Board of Vascon Engineers Ltd has an ideal composition of Executive and Non-Executive Directors and is in conformity with provisions of Companies Act, 2013 and also Regulation of SEBI (Listing Obligations and Disclosure Requirements), 2015. Composition of Board of Directors of Vascon Engineers Limited as on March 31, 2018 is as mentioned in Table A. As on 31<sup>st</sup> March, 2018, Company has 6 Directors including a Non-Executive Chairman. There are 3 Independent Directors on the Board of the Company.

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

**Table A**

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

**Table B** gives the composition of Vascon’s Board, their positions, relationship with other Directors, date of joining the Board, other Directorships and memberships of Committees held by each of them as on March 31, 2018

**Table B**

Name	Position	Date of Joining	Relationship with other Directors	Directorships U/S. 165 of the Companies Act, 2013		Committees membership	Committees Chairmanship
				Public Co’s	Private Co’s		
V. Mohan	Chairman & Independent Director	6.3.2007	None	3	3	2	2
R. Vasudevan	Managing Director	1.1.1986	Related to Sowmya Moorthy and Siddharth Moorthy	1	2	2	0
K. G. Krishnamurthy	Independent Director	21.6.2006	None	5	1	4	2
Sowmya Vasudevan Moorthy	Director	31.3.2015	Related to R. Vasudevan and Siddharth Vasudevan	1	-	3	-
Mukesh S. Malhotra	Independent Director	17.5.2006	None	3	9	3	-
Siddharth Vasudevan Moorthy	Additional Director	29.3.2018	Related to R. Vasudevan and Sowmya Moorthy	1	11	-	-

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

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

### **B. Term Of Board Membership**

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

However, the Independent Directors shall not retire by rotation.

Accordingly, all the Independent Directors of the Company were appointed as Independent Directors under Section 149 of the Companies Act, 2013, for a period of 5 years.

Section 152 of the Companies Act, 2013, states that one-third of the Board members other than Independent Directors who are subject to retire by rotation, shall retire every year and shall be eligible for re-appointment, if approved by the shareholders at their meeting.

In view of the above, Ms. Sowmya Moorthy, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

The Board of Directors at its meeting held on 29<sup>th</sup> March, 2018 had appointed Mr. Siddharth Vasudevan Moorthy as Additional Director of the Company.

Further ahead, the Board of Directors also approved appointment of Mr. Siddharth Vasudevan Moorthy as Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2018 subject to approval of Shareholders.

The Board of Directors also approved elevation of Mr. R. Vasudevan as Executive Chairman of the Company w.e.f. 1<sup>st</sup> April, 2018.

### **C. DIRECTORS' PROFILE**

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

#### **1. Brief Biography of Directors**

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

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

With his meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of the business, he has spearheaded the organizational growth. His steady work conviction & vision continues to drive the organization into a leadership position in the real estate and construction business. He has been appointed on the Board of our Company since March 29, 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 has been appointed as the Chairman of our Company by our Board since January 21, 2008.

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

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

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

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

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

Mukesh 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. He has been appointed as Independent Director since May 17, 2016.

**2. Nature of relationship between Directors**

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

**3. Directorships in companies suspended/ delisted**

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

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

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

There is no arrangement or understanding between our Company and major shareholders, customers,

suppliers or others, pursuant to which any of our Directors was appointed as a Director or member of senior management of our Company.

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

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

**D. Selection and Appointment of New Directors**

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

**E. Familiarization Process for Independent Directors**

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

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

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

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2017-18, the Independent Directors have been updated on the developments in the Company and the Company's performance. The details of the familiarisation program for Independent Directors are available on the Company's website at [www.vascon.com/investors/services](http://www.vascon.com/investors/services)

**F. Letter of Appointment**

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

**G. Board Evaluation**

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

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

**H. Appointment of Directors and Remuneration Policy**

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

In accordance with Section 178(3) of the Companies Act, 2013, Regulation 9(4) of the Listing Regulations and on recommendations of the Nomination & Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management.

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

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

**Remuneration Paid or Payable to the Directors for F.Y. 2017-18:**

Sr. No.	Name of the Director	Salary Paid	Sitting Fees Paid (in Rs.)	Shareholding in the Company
1	V. Mohan	-	1.25 Lakhs	-
2	R. Vasudevan	120 Lakhs	-	4,16,86,586

3	K. G. Krishnamurthy	-	0.75 Lakhs	-
4	Sowmya Vasudevan Moorthy	-	1.00 Lakhs	7,00,294
5	Mukesh S. Malhotra	-	1.50 Lakhs	5525
6	Siddharth Vasudevan Moorthy	204 Lakhs	-	7,00,294

**Additional Information in Terms of Regulation 36(3) of The Listing Regulations, on Directors Seeking Re-ApPOINTment and Appointment of Directors at the Ensuing Annual General Meeting Meetings**

**Ms. Sowmya Moorthy**

Ms. Sowmya Vasudevan Moorthy holds a holds degree of bachelor's degree in business administration from Symbiosis International University, Pune and an Advanced Diploma in Interior Design from Raffles College of Higher Education. She has over 5 years of experience in the interior design industry.

Ms. Sowmya Vasudevan Moorthy is also a partner in Seraphic Design LLP.

She has attended four meetings of the Board held during the financial year 2017-18. She holds the membership of following Committees:

Sr. No	Name of the Company	Name of the Committee
1	Vascon Engineers Limited	1. Nomination Remuneration Committee 2. Corporate Social Responsibility Committee

Ms. Sowmya Vasudevan Moorthy holds 7,00,294 equity shares in the Company.

None of the Directors or Key Managerial Personnel or their relatives except Mr. R. Vasudevan, Mr. Siddharth Vasudevan Moorthy and Ms. Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution set out in item no.2 of the Notice. Ms. Sowmya Vasudevan Moorthy is a daughter of Mr. R. Vasudevan and sister of Mr. Siddharth Vasudevan Moorthy.

**I. Board Meetings:**

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

Under Indian law, the Board of Directors must meet at least four times a year, with a maximum gap of four months between two Board meetings. Board of Vascon Engineers Limited met nine times during the financial year under review including a separate meeting of Independent

Directors: on April 27, 2017, May 24, 2017, May 29, 2017, August 10, 2017, October 11, 2017, November 9, 2017, February 13, 2018, March 29, 2018, March 29, 2018 (ID Meeting)

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

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

**Directors Attendance for FY 2018**

Sr. No.	Name of the Director	Meetings held during year*	Number of Board Meetings Attended	Attendance in Last AGM held on September 28, 2017
	V. Mohan	9	6	Absent
	R. Vasudevan	9	9	Present
	K. G. Krishnamurthy	9	3	Present
	Sowmya Vasudevan Moorthy	9	4	Present
	Mukesh Satpal Malhotra	9	7	Absent

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

**J. Meeting Of Independent Directors**

During FY2018, the Independent Directors of Vascon Engineers Limited met once in executive sessions without the presence of Executive Directors and other members of management.

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

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

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

**LAST THREE ANNUAL GENERAL MEETINGS:**

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

Date and Time	Venue	Special Resolutions Passed
September 29 2015 at 4.00 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>Amendment of incidental or ancillary objects clause of the memorandum of association</li> <li>Deletion of the other objects clause of the memorandum of association</li> <li>Amendment of the liability clause of the memorandum of association</li> <li>Adoption of new set of articles of association</li> <li>Borrowing powers of the company</li> <li>Mortgaging/charging of the properties of the company</li> <li>Issue of non-convertible debentures on a private placement basis</li> <li>Employees stock options scheme 2015 ('ESOS, 2015')</li> <li>Grant of employees stock options to the employees equal to or more than 1%.</li> <li>Shifting of registered office of the company</li> </ol>
September 15, 2016 at 4.00 P.M.	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	<ol style="list-style-type: none"> <li>Re-appointment of Mr. R. Vasudevan (DIN: 00013519) as Managing Director of the Company</li> <li>To approve Re-classification of Promoters</li> <li>Employees Stock Option Scheme, 2016 ('ESOS, 2016')</li> <li>Grant of Employees stock options to the Employees equal to or more than 1%</li> </ol>
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>

## EXTRA-ORDINARY GENERAL MEETINGS/POSTAL BALLOTS:

### Special Resolution passed in Extra-Ordinary General Meeting

Company conducted an extra-ordinary general meeting on 24<sup>th</sup> May, 2017 and 29<sup>th</sup> March, 2018 for the following items:

March 29, 2018 10.30 am	Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Regency, Pune-Nagar Road, Pune- 411 014	To authorise the Board of Directors (The Board) to issue Securities, for an aggregate amount of upto Rs.100 Crores (One Hundred Crores Only) by way of equity shares and/ or Non-Convertible Debentures and/or Preference Shares and/or Bonds and/or any other securities as may be permitted, by way of public or private offering, including through a Qualified Institutional Placement (QIP) or any combination thereof, or any other method as may be permitted under applicable laws
May 24, 2017 3 pm	Babasaheb Dahanukar Hall, Orion House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	<ol style="list-style-type: none"> <li>1. To amend the Articles of Association of the Company</li> <li>2. Issue And Allotment Of Compulsorily Convertible Debentures And Equity Shares Arising On Conversion Of Compulsorily Convertible Debentures</li> <li>3. Employees Stock Option Scheme, 2017 ('ESOS, 2017')</li> <li>4. Grant of Employees stock options to the Employees equal to or more than 1%</li> </ol>

### L. Role of the Company Secretary in Overall Governance Process

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

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

The Institute of Company Secretaries of India (ICSI),

one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General Meetings etc.

### 6. Ethics/ Governance Policies

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

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

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

### 7. Code of Business Conduct and Ethics and Ombudsperson Procedure (Vigil Mechanism)

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

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

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

- a) describes the Ombudsperson framework
  - b) takes into account procedures for investigation and communication of any report on any violation or suspected violation of the Code
  - c) accepts appeal against any decision; and encourages the submission of complaint against any retaliation
- The Code of Business Conduct and Ethics and Ombudsperson procedure (whistle blower policy) is available on the Company's website: [www.vascon.com/investors/services](http://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 2017-2018, no personnel has been denied access to the Audit Committee.

**8. Related Party Transactions**

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

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

All related party transactions are periodically placed before the Audit Committee and the Board for review and approval, as appropriate. The details of related party transactions are discussed in Annexure II to the Report of Board of Directors.

The Company has formulated a policy on materiality of related party transactions and dealing with related party transactions and it is available on the Company's website [www.vascon.com/investors/services](http://www.vascon.com/investors/services)

**9. Subsidiary Companies**

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

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

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

**10. Disclosure on Accounting Treatment**

In the preparation of financial statements for FY 2018, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under the Companies (Accounts) Rules, 2014 prescribed under Section 133 of the Companies Act, 2013; guidelines issued by the Securities and Exchange Board of India; and other accounting principles generally accepted in India.

**11. Management Disclosures**

Senior management of the Company (Senior Director level and above, as well as certain identified key employees) make annual disclosures to the Board relating to all material financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company.

Transactions with key managerial personnel are listed in the financial section of this annual report under Related Party Transactions.

**12. Prohibition on Insider Trading**

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

**13. Committee Meetings**

**Following are Committees Company has formed:**

The Company has following Board Level Committees, namely:

- I. Audit Committee,
- II. Nomination and Remuneration Committee,
- III. Stakeholders Relationship Committee,
- IV. Corporate Social Responsibility Committee,
- V. Rights Issue Committee
- VI. Asset Sale Committee
- VII. Governing Council Committee

**I. Audit Committee:**

Audit Committee was constituted on February 17, 2007 and reconstituted on 9.2.2017. It now comprises of 4 directors. Mr. V. Mohan, Independent Director acts as Chairman of the Committee.

During the year the Audit committee met 6 times i.e. 27<sup>th</sup> April, 2017, 26<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 9<sup>th</sup> November, 2017, 13<sup>th</sup> February, 2018 and 29<sup>th</sup> March, 2018

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

Name	Designation	No. of Meetings Attended
Mr. V. Mohan	Chairman	5
Mr. R. Vasudevan	Member	6
Mr. K. G. Krishnamurthy	Member	2
Mr. Mukesh Malhotra	Member	5

The Company Secretary Mr. M. Krishnamurthi acts as Secretary of the Audit Committee.

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

## VASCON ENGINEERS LIMITED

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

1. Supervise the financial reporting process.
2. Review the quarterly and annual financial results before placing them to the Board along with the related disclosures and filing requirements.
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function.
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management.
5. Hold discussions with statutory auditors on the nature, scope and process of audits and any views that they have about the financial control and reporting processes.
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements.
7. Recommend the appointment and removal of external auditors and their remuneration.
8. Recommend the appointment of cost auditors.
9. Review the independence of auditors.
10. Ensure that adequate safeguards have been taken for legal compliance for both the Company and its other Indian as well as foreign subsidiaries.
11. Review the financial statements, in particular, investments made by all the subsidiary companies.
12. Review and approval of related party transactions.
13. Review the functioning of whistle-blower mechanism.
14. Review the implementation of applicable provisions of various acts.
15. Scrutiny of inter-corporate loans and investments.
16. Valuation of undertakings or assets of the Company, wherever it is necessary.
17. Evaluation of internal financial controls.
18. Review the suspected fraud as committed against the Company.

### II. Nomination and Remuneration Committee

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

During the year the Nomination and Remuneration Committee met 5 times i.e. 27<sup>th</sup> April, 2017, 10<sup>th</sup> August, 2017, 9<sup>th</sup> November, 2017. 13<sup>th</sup> February, 2018, 29<sup>th</sup> March, 2018.

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

Name	Designation	No. of Meetings Attended
Mr. K. G. Krishnamurthy	Chairman	1
Mr. V. Mohan	Member	5
Ms. Sowmya V .Moorthy	Member	2
Mr. Mukesh Malhotra	Member	5

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

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

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

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

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

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulations 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.

**III. Stakeholders Grievance Committee:**

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

During the year, the Stakeholders Grievance Committee met four times i.e. 29<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 9<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018

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

Name	Designation	No. of Meetings Attended
Mr. V. Mohan	Chairman	3
Mr. R. Vasudevan	Member	4
Mr. K. G. Krishnamurthy	Member	0
Mr. Mukesh Malhotra	Member	4

Mr. M. Krishnamurthi, Company Secretary & Compliance Officer of the Company acts as Secretary to the Shareholders Grievance Committee.

During the year Company received total 4 complaints from shareholders/investors and all the complaints were resolved. None of the complaints are pending as on date.

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

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

1. Investor complaints and their redressal.
2. Review of queries received from investors.
3. Review of work done by the share transfer agent.
4. Review of corporate actions related to security holders.

**IV. Corporate Social Responsibility Committee (CSR Committee)**

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

During the year the CSR Committee met 4 times i.e. 29<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 9<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018

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

1. Frame, review and recommend changes to the CSR Policy and / or associated activities of the Company.

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

**V. Asset Sale Committee**

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

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

During the year the Asset Sale Committee met once i.e. 10<sup>th</sup> August, 2017.

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

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

**VI. Governing Council Committee**

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

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

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

- to monitor and implement the business plan and propose, monitor and implement any amendment as may be required in the Business Plan from time to time;

- to entering into any new contract or alteration of existing contract; and
- to approve budget
- to accord approval as per FAD policy

#### 14. Other Disclosures:

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

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

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

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

e. The policy for determining material subsidiaries can be seen at [www.vascon.com/investors/services](http://www.vascon.com/investors/services)

f. The policy for determining related party transactions can be seen at [www.vascon.com/investors/services](http://www.vascon.com/investors/services)

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

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

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

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

#### e. Compliance Certificate of PCS:

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

#### 15. 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 Free Press Journal and the local vernacular daily, Navshakti.

These are made available on the Company's Website:

[http://vascon.com/investors/\\_quarterly-financials\\_and\\_presentation](http://vascon.com/investors/_quarterly-financials_and_presentation)

##### b) News Releases, Presentations, Etc.:

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

**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.

##### c) 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.

##### d) Reminder to Investors:

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

##### e) Compliances with Stock Exchanges:

The National Stock Exchange Ltd (NSE) and BSE Ltd. maintain separate online portals for electronic

submission of information by listed companies. Various communications such as notices, press releases and the regular quarterly, half-yearly and annual compliances and disclosures are filed electronically on these online portals.

**f) Designated Exclusive Email ID:**

In terms of 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)

**16. Disclosures to the Members:**

**a) Policy for Prevention of Insider Trading:**

The Securities and Exchange Board of India vide its Notification dated January 15, 2015 has notified 'The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015' (New Regulations). The New Regulations has come into effect from May 15, 2015.

In pursuance of this, the Board has approved a new "**Policy for Prevention of Insider Trading**". The objective of the policy is to prevent trading of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under the policy, insiders are prohibited from dealing in the Company's shares during the closure of trading window. To deal in the securities over a specific limit, permission of Compliance Officer is required.

Under the New Regulations, the requirements of initial disclosures are applicable to promoter, key managerial personnel and director of a company and requirements of continual disclosures are applicable to promoter, employee and director of a company.

All Directors/designated employees are required to disclose related information periodically as defined in the Code, which in turn is being forwarded to the Stock Exchanges. The Company Secretary has been designated as the Compliance Officer.

The Company code is available on the Company's website [www.vascon.com/investors/services](http://www.vascon.com/investors/services)

**b) Code of Conduct:**

The Code of Conduct (the '**Code**') as recommended by the Corporate Governance Committee and adopted by the Board is a comprehensive Code to ensure good governance and provide for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. The Code is applicable to all the Directors & the Senior Management Personnel of the Company. An annual affirmation of compliance with the Code has been obtained from all members of the Board & Senior Management Personnel as on March 31, 2018.

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 2017-18.  
 Sd/-  
 Managing Director  
 Pune  
 Date: May 28, 2018

**17. Shareholders Information:**

**a. Details of Annual General Meeting**

33<sup>rd</sup> Annual General Meeting of Vascon Engineers Limited

**Venue:** MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park,

Kalyaninagar, Pune – 411 014

**Date :** 17th September, 2018

**Time :** 1530 hours

**Compliance Officer of the Company**

Mr. M. Krishnamurthi

Company Secretary & Compliance Officer

T: +91-20-30562306

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 2017-18, the same isn't applicable.

**d. Financial Results on Company's website:**

The annual results of the Company are published in the newspapers in India, Free Press Journal and Navshakti 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.

**e. Listing on Stock Exchange:**

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

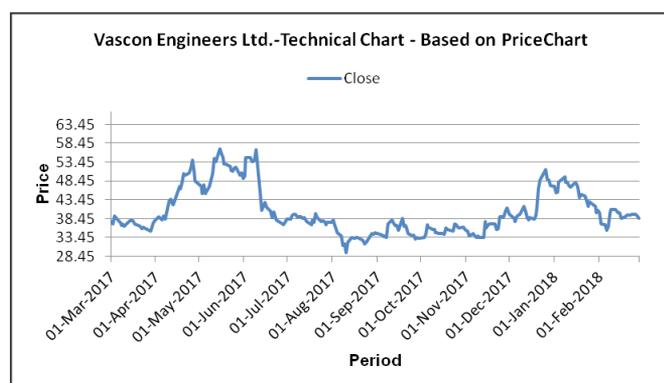
# VASCON ENGINEERS LIMITED

## f. Master Price Data:

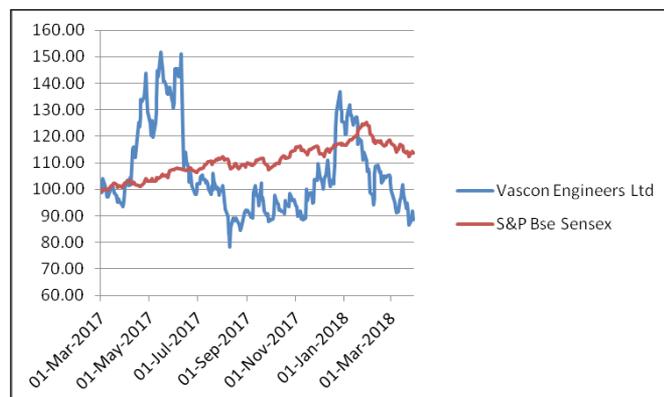
Month & Year	BSE		NSE	
	High	Low	High	Low
March/17	40.50	35.00	40.80	35.05
April/17	55.45	37.50	55.45	37.45
May/17	58.80	44.35	58.75	44.40
June/17	57.60	36.45	57.60	36.50
July/17	40.85	34.80	40.90	36.45
August/17	39.00	28.20	39.20	27.00
September/17	41.20	32.70	41.15	32.50
October/17	38.10	33.10	37.80	33.15
November/17	42.65	33.10	42.70	33.10
December/17	52.10	36.50	52.20	36.45
January/18	50.90	39.30	50.90	39.30
February/18	43.40	33.40	42.25	32.60
March/18	39.05	31.00	39.15	30.60

## g. Share Price Chart:

F.Y. 2017-18



## Comparison with Sensex



## h. Stock Code Symbol:

National Stock Exchange of India Ltd- **VASCONEQ**  
 BSE Ltd: **533156**  
 ISIN: **INE893I01013**

## i. Distribution of Shareholding of the Company as on 31<sup>st</sup> March, 2018:

No. of Equity shares held	Shareholders		Equity Shares held	
	No. of share holders	% to total	No. of share	% to Equity
1-5000	26,475	68.39	52,76,682	3.04
5001- 10000	5585	14.43	48,39,850	2.77
10001- 20000	2866	7.41	46,65,702	2.68
20001- 30000	1173	3.03	31,23,634	1.79
30001- 40000	490	1.27	18,11,069	1.04
40001- 50000	593	1.53	28,76,617	1.65
50001- 100000	768	1.98	58,90,371	3.38
100001& Above	759	1.96	14,56,52,791	83.65
<b>Total</b>	<b>38709</b>	<b>100</b>	<b>17,41,36,716</b>	<b>100.00</b>

## k. Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2018

Category	Total Shares	% To Equity
PROMOTERS	5,14,07,827	29.52
RESIDENT INDIVIDUALS	5,58,21,629	32.05
BODIES CORPORATES	3,71,57,193	21.34
PROMOTERS BODIES CORPORATE	95,99,275	5.51
FOREIGN PORTFOLIO INVESTORS	1,35,000	0.07
H U F	37,94,964	2.18
EMPLOYEES	1,28,23,744	7.36
BANKS	4,23,174	0.24
CLEARING MEMBERS	6,24,808	0.36
NON RESIDENT INDIANS	7,20,732	0.41
INDIAN FINANCIAL INSTITUTIONS	3,95,150	0.23
NON RESIDENT INDIAN NON REPATRIABLE	5,01,446	0.29
NBFC	7,31,774	0.43
<b>Total</b>	<b>17,41,36,716</b>	<b>100.00</b>

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

No instrument is outstanding for Conversion and/or allotment.

## n. Investor Complaint

During the year total 4 complaints were received from shareholders/investors and all were resolved.

**Investors' Complaint Status as on 31.3.2018**

Particulars	No. of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
April 1, 2017 to June 30, 2017	-	-	-
July 1, 2017 to September 30, 2017	1	1	-
October 1, 2017 to December 31, 2017	1	1	-
January 1, 2018 to March 31, 2018	2	2	-

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

Year	Dividend rate per share (Rs.)	Date of Declaration	Date of Payment of Dividend	Dividend Amount (Rs)			Due Date of transfer to IEPF
				Declared	Unclaimed as on March 31, 2018	%	
2011	Re.1	14-09-2011	07-10-2011	90106050	15702	0.00*	15 <sup>th</sup> November, 2018

\*Less than 0.01%

**o. 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.

**p. Registrar and Transfer Agents and Share Transfer System:****(a) Karvy Computershare Private Limited**

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

**Telephone:** +91 40 6716 2222**Facsimile:** +91 40 2343 1551**E-mail:** [einward.ris@karvy.com](mailto:einward.ris@karvy.com)**Investor grievance id:** [einward.ris@karvy.com](mailto:einward.ris@karvy.com)**Website:** [www.karvy.com](http://www.karvy.com)**Contact Person:** Mr. S V Raju,**SEBI Registration No.:** INR000000221

The company's shares are covered under the compulsory dematerialized list and are transferable through the depository system. Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of receipt of the document, provided the documents are valid and complete in all respects.

**(b) Debenture Trustees:**

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

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)**(c) Shareholders' Correspondence:**

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

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

**Karvy Computershare Private Limited**

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

**Telephone:** +91 40 6716 2222**Facsimile:** +91 40 2343 1551**Investor grievance id:** [einward.ris@karvy.com](mailto:einward.ris@karvy.com)**Website:** [www.karvy.com](http://www.karvy.com)**Contact Person:** Mr. S V Raju,**SEBI Registration No.:** INR000000221**OR****VASCON ENGINEERS LIMITED****Mr. M. Krishnamurthi****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

### Remuneration Policy:

#### 1. Purpose of this Policy:

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

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

- a. To evaluate the performance of the members of the Board.
- b. To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

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

#### 2. Definitions:

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

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

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

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

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

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

#### 3. Composition of the Committee:

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

#### 4. Role of the Committee:

The Committee shall:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c. Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d. Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e. To devise a Policy on Board diversity.

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

##### i. Appointment criteria and qualification:

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

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

##### ii. Term:

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

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

##### iii. Evaluation:

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and

independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Framework for performance evaluation of Independent Directors and the Board is as per Annexure A to this Policy.

iv. **Removal:**

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

**6. Board Diversity**

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

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

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

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

**8. Remuneration to Non-executive / Independent Director:**

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

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

**FRAMEWORK FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD:**

As per the provisions of SEBI LISTING Regulations,

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

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

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

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

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

**Annexure-B**

**Framework for Separate Meeting of Independent Directors**

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

The meeting shall:

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

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

**ANNEXURE-C**

**POLICY ON FAMILIARISATION PROGRAM OF INDEPENDENT DIRECTORS**

**OBJECTIVES:**

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

**INDUCTION, TRAINING AND FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:**

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

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

**ANNEXURE-D**

**PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

**Background:**

SEBI (LODR), 2015 entered into between the Company and

with BSE and NSE requires the Nomination and Remuneration Committee of the Board to lay down evaluation criteria for performance evaluation of Independent Directors.

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

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

**Board of Directors**

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

<b>Board Composition and Quality</b>	
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.
<b>Board Meetings and Procedures</b>	
1	The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time.
2	The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail.
3	The information is received by board members sufficiently in advance for proper consideration.
4	Adequacy of attendance and participation by the board members at the board meetings.
5	Frequency of Board Meetings is adequate.

6	The facility for video conferencing for conducting meetings is robust
7	Location of Board Meeting( As a good governance practice the Board meeting should be held at different places).
8	The Board meetings encourage a high quality of discussions and decision making
9	Openness to ideas and ability to challenge the practices and throwing up new ideas
10	The amount of time spent on discussions on strategic and general issues is sufficient
11	How effectively does the Board works collectively as a team in the best interest of the company
12	The minutes of Board meetings are clear, accurate, consistent, complete and timely
13	The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings
14	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).
15	Adequacy of the separate meetings of independent directors
16	Appropriateness of secretarial support made available to the Board
17	The Board members understand the terms and conditions of D & O insurance.
18	All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis
<b>Board Development</b>	
1	Appropriateness of the induction programme given to the new board members.
2	Timeliness and appropriateness of ongoing development programmes to enhance skills of its members
3	Appropriate development opportunities are encouraged and communicated well in time
<b>Board Strategy and Risk Management</b>	
1	The time spent on issues relating to the strategic direction and not day-today management responsibilities
2	Engaging with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve them.
3	The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company.
4	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.
5	The Board evaluates the strategic plan/ policies periodically to assess the Company's performance, considers new opportunities and responds to unanticipated external developments.
6	The Risk management framework is subject to review
7	Monitoring the implementation of the long term strategic goals.

8	Monitoring the company's internal controls and compliance with applicable laws and regulations
9	The adequacy of Board contingency plans for addressing and dealing with crisis situations.
10	Appropriateness of effective vigil mechanism
11	The Board focuses its attention on long-term policy issues rather than short term administrative matters
12	The Board discusses thoroughly the annual budget of the Company and its implications before approving it
13	The Board periodically reviews the actual result of the Company vis-à-vis the plan/ policies devised earlier and suggests corrective measures, if required.

**Board and Management Relations**

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

**Succession Planning**

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

**Non-Executive Director**

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

<b>General</b>	
1	Qualifications: Whether the Director is professionally qualified or not?
2	Experience: Details of prior experience of the member, especially the experience relevant to the entity
3	Knowledge and Competency:
	i. Director has ability to remain focused at a governance level in Board/ Committee meetings
	ii. Director's contributions at Board / Committee meetings are of high quality and innovative
4	Fulfillment of Functions: Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law
5	Ability to function as a team: Whether the Director is able to function as an effective team member?

6	Initiative: Whether Director is effective and successful in managing relationships with fellow Board members and senior management ?
7	Availability and Attendance: Whether the person is available for the meetings of the Board and attends the meeting timely and without delay?
8	Commitment: Whether the person is adequately committed to the Board and the entity?
<b>Contribution:</b>	
9	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee
10	Director actively and successfully refreshes his/ her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.
11	Director is able to present his/ her views convincingly yet diplomatically
12	Director listens and takes on Board the views of other members of Board
<b>Personal Attributes</b>	
13	Director has maintained high standard of ethics and Integrity

**Independent Directors**

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

1	Director upholds ethical standards of integrity and probity
2	Director exercises objective independent judgment in the best interest of Company
3	Director has effectively assisted the Company in implementing best corporate governance practice and then monitors the same

4	Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc
5	Director keeps himself/ herself well informed about the Company and external environment in which it operates
6	Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholder and employees
7	Director maintains high level of confidentiality

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

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

**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 2017-18.

**Siddharth Vasudevan Moorthy**  
Managing Director

Place Pune  
Date: May 28, 2018

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

Date: May 28, 2018

To

**The Board of Directors  
Vascon Engineers Limited**

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of Vascon Engineers Limited pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting. : **N.A.**

Dr. Santosh Sundararajan  
**Chief Executive Officer**

D. Santhanam  
**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 2018.

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**

Place: Pune  
Date: May 28, 2018

ACS No.: 30644,  
CP No 11195

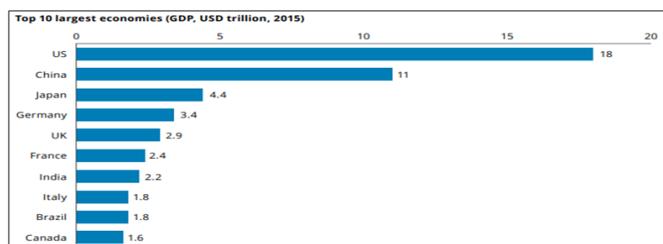
## MANAGEMENT DISCUSSION AND ANALYSIS

Vascon Engineers Ltd, established in 1986, is one of the leading Construction Engineering Company in India having presence in the asset light Real Estate business and in the high growth Clean Room Partition manufacturing business. With a strong track record of 32 years, your Company has created a number of projects of eminence and splendor on a timely basis. The Company has executed over 200 projects with construction area of over 50 mn Sq ft and is known for maintaining high quality standards and timely execution of projects. Your Company has a track record of successful & timely execution of Landmark projects such as Ruby Mills (Mumbai), Suzlon One Earth (Pune), Symbiosis College (Pune), IGI Airport Multilevel Car Parking (New Delhi), and many more.

### MACRO ECONOMIC REVIEW

India's economic performance in FY17-18 was quite interesting with the first quarter of the year witnessing the impact of demonetisation settling down, in the next quarter, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. However, during the second half of FY17-18 signs of growth returning were evident with the Indian economy growing at a robust 7.7% Year-on-Year in Q4FY18 (January – March 2018) supported by growth in private consumption, government consumption and fixed investment as well strengthening of global economic activity.

This helped the Indian economy to grow by 6.7% Year-on-Year in FY17-18, although lower than the 7.1% in FY16-17. However, external concerns pose some threat to the sustainability of the growth recovery taking place. Major concerns are the slowdown in export growth along with rising import growth and rising crude oil prices. The prevailing trade tensions globally might exacerbate this concern. Further, the rising crude oil prices have a bearing on consumer demand and can shave off growth. The IMF expects India to grow at 7.4% during FY18-19 which could increase further to 7.8% during FY19-20 in contrast to 6.7% during FY17-18. Indian economy at USD 2.2 trillion, currently is the world's 7th largest economy. A report by World Economic Forum has projected that by 2050, the Indian economy is expected to be the world's 2nd largest, behind only China.



### INDIA'S REAL ESTATE AND CONSTRUCTION SECTOR

The Real Estate and Construction sector is one of the most globally recognised sectors and second largest industry of the country after Agriculture. It makes a significant contribution to the national economy and provides employment to large

number of people. The Indian real estate market is expected to touch US\$ 180 billion by 2020. Housing sector is expected to contribute around 11% to India's GDP by 2020. In the period FY08-20, the market size of this sector is expected to increase at a CAGR of 11.2%.

Indian real estate is going through a major transformation in the recent years. The Government of India has taken several initiatives to encourage the development in the sector. Some of the big decisions and new policies of the Government have affected the real estate sector in a big way. Few of the policy changes introduced by the Government, such as demonetization, RERA, Real Estate Investment Trusts (REITs), followed by GST, have made huge impacts on Indian real estate sector.

In February 2018, creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (US\$ 9.27 billion). Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in FY18-19. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme.

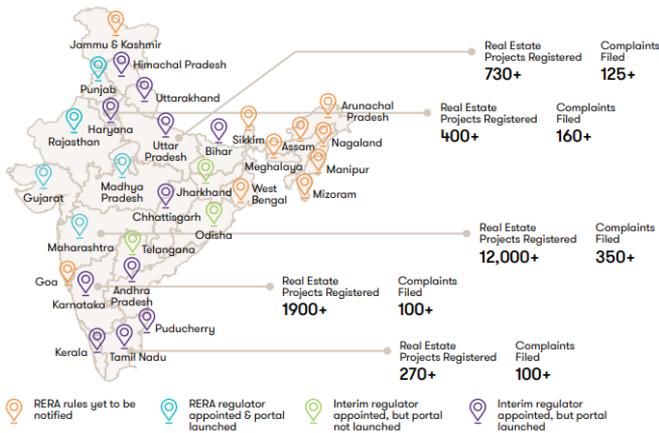
Although past few years have observed comparatively lower transactions in the residential sector, housing demand in the country is quite high, thanks to its ever-growing population size. India's population is expected to increase to 1.5 billion by 2030 from the current 1.3 billion. The rural-urban migration in India is on the rise due to better job opportunities and lifestyle and urban population is projected to increase to 600 million in 2050 from the current 440 million.

In India, there is an estimated shortage of around 40 million houses (urban and rural). In addition, population growth of 1.3 per cent per annum, favorable demographics, rise of concept of 'nuclear families', increased migration to urban areas, fiscal benefits, rising income/aspirations, etc. could lead to another 10 million demand for houses per annum.

The past two years have been landmark years for India's real estate landscape; ranging from the formation of a strong regulator on one side and to easing of foreign investor norms on the other. The years have also witnessed a major thrust on affordable housing and a strong revision to the REIT guidelines. The passage of the Real Estate Regulation Act (RERA) was the most significant reform that the real estate sector has seen in recent times.

Meeting the long-standing demand of the industry, the implementation of RERA finally took place in 2017. While many states took time to finalise their guidelines, the establishment of a regulatory authority is finally improving both consumer and investor sentiment across India's housing market.

**RERA: The National Footprint**



Source: Grant Thornton (status as on Jan 2018)

It is expected that the long term market dynamics for the sector will remain positive, especially in the residential market. With these key acts stabilising, the real estate sector is on the cusp of a complete makeover.

**AFFORDABLE HOUSING – A HUGE OPPORTUNITY**

The Government rolled out various incentives to boost Affordable Housing. To begin with, it designated this vital sector as a favored segment under its Housing for All by 2022 initiative. The Government estimates that there is a shortage of more than 18 million homes, and is increasingly looking to the private sector to address the needs of low-income population. They are aimed at first-time homebuyers in the middle to lower income category. The recent Union Budget provided direct tax relaxation to the lowest income earners, along with much-needed clarity on the designated beneficiaries under the Pradhan Mantri Awas Yojana (PMAY).

Government’s Credit Linked Subsidy Scheme (CLSS) had many takers, making affordable housing a hot-selling segment across metros and tier II cities. In order to push Housing for All by 2022 and to increase demand in middle income group (MIG) category, the government has extended the CLSS scheme till March 2019 and further relaxed the carpet area norms for MIG category I to 120 square meters under CLSS scheme from its existing 90 square meters and for category II, from 110 to 150 square meters.

Given the housing demand of the country, the real demand lies in the mid segment. While the Government will keep on pushing reforms, it is critical that more developers get into this segment and with RERA getting stabilised, consumers will get attracted to the lower interest rates, along with tax benefits attached to it.

With the Government nod of infrastructure status to affordable housing in Union Budget 2017-18, this sector is expected to grow at a higher pace. The affordable housing segment is expected to be the next big growth driver of the Indian economy

with property experts predicting a phenomenal growth rate of over 30% in the medium term. Moreover, Banks may also be willing to lend these projects at attractive interest rates, which will result in easy and cheaper financing options to end users as well. With this in mind, various property developers and builders in India are gearing up to develop affordable housing projects, which is expected to improve the market sentiments in the time to come.

Since the market is consumer friendly, buyers will tend to invest in affordable housing segment owing to great options at affordable prices and good investment returns with time bound possession. The loan interest rates are low, making banks more supportive and thereby encouraging the buyer to invest.

As the sector receives a determined push from the government, it is likely to emerge as the new focus area for housing finance companies. As per CRISIL, the assets under management of affordable housing finance companies are expected to grow at a CAGR of 40% over the next four years, as compared to 17-18% for the housing finance sector, as a whole. With leading housing finance companies already devising roadmaps to tap the sector in the coming years, NBFC’s are also expected to make inroads into financing this potent, but underserved segment.

Your Company has prepared comprehensive strategies to capture opportunity in this growing affordable housing space both in its EPC as well as Real Estate Development business. Your Company during FY18, successfully marked its entry in this space in both its business segments, EPC and Real Estate Development. In the EPC segment, your Company received an order of around Rs 236 Crores in Affordable Housing Space in Andhra Pradesh. In Real Estate, your Company launched its first ever Value Housing Project in Katvi, Talegaon under the Brand of Vascon Goodlifewith potential developable area of 0.46 million square feet.

**COMPANY PERFORMANCE**

During the Financial Year 2017-18, the total turnover on consolidated basis was at Rs. 578.51 crores as against Rs. 554.36 crores in Financial Year 2016-17. EBITDA for FY17-18 was reported at Rs 44.6 crores as compared to Rs 51.09 crores in FY16-17 with the Company reporting Profit After Tax of Rs 4.65 crores for FY17-18 against Rs 1.21 crores in FY16-17. Total Consolidated Debt as on 31<sup>st</sup> March 2018 is at Rs 277.65 crores with a Networth of Rs 668.06 crores.

During the FY2017-18, your Company received a stable credit rating of SMERA BBB-/ for Company’s (Long Term) Fund Based Facilities and SMERA A3 for Company’s (Short Term) Non-Fund Based Facilities from SMERA Ratings. This will aid your Company in enhancing its working capital limits and effectively reducing the interest cost.

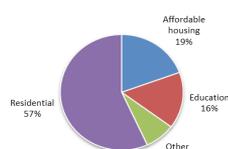
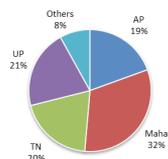
Your Company is continuously making efforts towards cash flow generation by liquidating non-core assets and generated around Rs 75 Crores during the FY17-18. The proceeds are used for repaying high interest bearing debt and as working capital for the ongoing projects.

**ENGINEERING PROCUREMENT & CONSTRUCTION**

Your Company has received various EPC Contracts (Third

## VASCON ENGINEERS LIMITED

Party Contracts) during the year under consideration exceeding a sum of over Rs 600 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 190 crores from its recently launched real estate projects. Total order book of your Company stands at Rs 1,066 crores which includes the Third Party contracts as well as internal order intake. In FY17-18, EPC segment contributed Rs 248.55 crores to consolidated revenues as against Rs. 195.83 in previous year.



### REAL ESTATE

In FY17-18, Real Estate segment contributed Rs 89.43 crores to consolidated revenues as against Rs. 45.24 crores in previous year. Your Company did new sale bookings of 246,867 square feet amounting to a total sales value of Rs 197 crores in FY17-18 against new sale bookings of 101,935 square feet for a total sales value of Rs 60 crores for the full Financial Year 2016-17.

During the FY17-18, your Company successfully launched and fully sold Phase II of Platinum Square, an Ultramodern Luxury Boutique Offices in September 2017 and Forest Edge, a residential project of 80 units in January 2018. Your Company also re-launched its prestigious luxury residential project Windermere in March 2018.

As your Company is looking to reap large opportunities in the Affordable Housing space, it has enhanced its real estate team to 60 professionals at present from a team of 7 people in March 2017.

### ONGOING PROJECTS:

#### PLATINUM SQUARE – ULTRAMODERN BOUTIQUE OFFICES IN PUNE:

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

#### FOREST EDGE – RESIDENTIAL PROJECT IN KHARADI, PUNE:

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

#### 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

### GMP TECHNICALS - CLEAN ROOM PARTITION BUSINESS

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

GMP had a CAGR of over 25% growth in the top line in the years after our acquisition. However, the bottom line was under pressure due to losses in the services division despite the manufacturing division performing well. As a strategy of moving out of the loss making services division, your Company was able to exit this division for a consideration of Rs 18 crores in November 2017 and will focus on the manufacturing business.

During the FY17-18, GMP Technicals contributed Rs 203.27 crores to consolidated revenues as against Rs. 257.16 crores in previous year.

### STRENGTH, OPPORTUNITIES, STRATEGY

Your Company has reinvented itself and have shifted our focus to its core business that is Engineering, Procurement & Construction (EPC) and Real Estate Development business. Your Company is aggressively looking to liquidate all other non-core assets in a phased manner and use the proceeds for the growth of both our EPC and real estate division. With the Government emphasis on Housing for All and development of affordable housing, your Company is prepared to capitalize on this opportunity and shall look for favorable opportunities in this niche segment both in its EPC and Real Estate Space.

Your Company is making continuous efforts of raising financial resources since last 2 years on all front and have used the cash generated mainly to repay high interest bearing debt and for working capital for ongoing projects. Your Company will continue to focus on improving operational efficiencies

and strengthening of Balance Sheet. During the year your Company was assigned Stable rating of SMERA BBB- for companies long-term fund based facility and a SMERA A3 for company short-term and non-fund based facilities.

**THREATS, RISKS, CONCERNS**

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

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

**HUMAN RESOURCES**

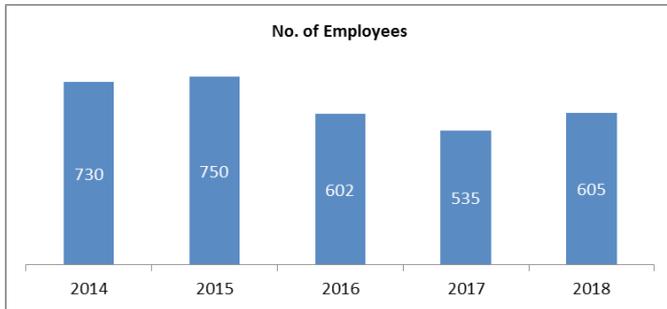
With capital infusion in the Company, we required strengthening of our current team across functions with industry leaders to reap the large opportunities available in front of us. In addition to leadership position, we are building team across function and across levels of both business verticals. Finally,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

**INTERNAL CONTROL SYSTEM**

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

**RISK MANAGEMENT**

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



## INDEPENDENT AUDITORS' REPORT

To The Members of

Vascon Engineers Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Vascon Engineers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Managements' Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 31 to the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Pune

Date: May 28, 2018

# VASCON ENGINEERS LIMITED

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## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of VASCON ENGINEERS LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

#### Managements’ Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Pune

Date: May 28, 2018

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**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans and guarantees are held in the name of the Company as at the balance sheet date.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

## VASCON ENGINEERS LIMITED

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

- (a) There were delays by the Company in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except for as given below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax Deducted at Source (TDS)	60,595,211	April 2016 to August 2017	7th of the following month
Finance Act, 1994	Service Tax	54,241,756	April 2015 to June 2017	6th of the following month
Employee Provident Fund Act, 1952	Provident Fund	6,971,940	April 2017 to August 2017	15th of the following month
Sales Tax Act	Sales Tax	463,199	April 2011 to March 2012	20th of every following month
Bombay Provincial Municipal Corporations Act, 1949	Local Body Tax	6,949,100	April 2015 to June 2017	20th of every following month

- (c) Details of dues of Income tax, Sales-tax, Service tax, Goods and Service tax, Customs Duty and Cess which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Sales Tax Act	Sales Tax / Value added tax / Central Sales Tax	Deputy Commissioner, Mumbai	Financial Year 2005-06	3,057,591	2,607,591
			Financial Year 2006-07	2,862,405	2,797,217
			Financial Year 2007-08	4,892,545	4,722,545
			Financial Year 2008-09	14,631,098	13,161,098
			Financial Year 2009-10	7,453,425	7,108,425
			Financial Year 2010-11	13,414,461	12,914,461
			Financial Year 2011-12	2,519,637	2,427,137
			Financial Year 2013-14	18,746,651	18,746,651
		Commissioner of Appeals, UP	Financial Year 2011-12	136,171	136,171
			Financial Year 2012-13	340,365	340,365
Commercial Tax Officer, Goa	Financial Year 2010-11	4,468,475	4,468,475		

Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	Assessment Year 1998-99	6,768,009	6,768,009
			Assessment Year 2008-09	23,235,387	7,138,821
			Assessment Year 2009-10	46,407,820	46,407,820
Finance Act, 1994	Service Tax	Service Tax Tribunal, Delhi	January, 2007 to December, 2007	1,413,354	530,008
		Service Tax Tribunal, Mumbai	January, 2008 to September, 2008	634,088	317,044
		Service Tax Tribunal, Mumbai	April, 2010 to March 2015	9,744,755	8,770,280

- (viii) In our opinion and according to the information and explanations given to us, the Company has delayed in repayment of dues to bank (The Saraswat Co-operative Bank Limited) and Financial Institution (Volkswagen Finance Private Limited) amounting to Rs. 979,916 (including interest: Rs 206,256). Subsequently these loan facilities are pre-closed and there are no defaults existing as at the balance sheet date. Further, the Company has not taken any loans or borrowings from Government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loan have been applied for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Place: Pune  
Date: May 28, 2018

**Balance Sheet as at March 31, 2018**

		(₹ in Lakhs)	
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	3,517.32	3,623.24
(b) Capital work-in-progress			
(c) Investment Property	4	2,000.56	2,102.93
(d) Other Intangible assets	3		
(e) Intangible assets under development	3	127.20	-
(f) Financial Assets			
(i) Investments	5	16,772.04	16,675.98
(ii) Loans	6	-	1,668.31
(iii) Other Financial Assets	7	10,063.00	9,564.62
(g) Income Tax Assets (net)		2,783.67	2,935.26
(h) Deferred Tax Assets (net)	17	-	57.45
(i) Other non-current assets	8	2,176.73	1,633.70
<b>Total Non - Current Assets</b>		<b>37,440.52</b>	<b>38,261.49</b>
<b>2 Current assets</b>			
(a) Inventories	9	45,533.37	42,032.54
(b) Financial Assets			
(i) Investments	5	778.56	530.22
(ii) Trade receivables	10	13,088.67	11,864.90
(iii) Cash and cash equivalents	11	2,031.24	2,512.99
(iv) Bank balances other than (iii) above	11	1,850.80	1,992.00
(v) Loans	6	7,526.39	8,861.96
(vi) Others Financial Assets	7	8,975.12	6,373.64
(c) Other current assets	8	2,168.26	1,943.26
<b>Total Current Assets</b>		<b>81,952.41</b>	<b>76,111.51</b>
<b>Total Assets (1+2)</b>		<b>119,392.93</b>	<b>114,373.00</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	12	17,413.67	16,766.02
(b) Other Equity	12.1	47,768.92	44,486.57
<b>Equity attributable to owners of the Company (I)</b>		<b>65,182.59</b>	<b>61,252.59</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	8,912.62	12,990.76
(ii) Other financial liabilities	14	2,402.45	3,117.16
<b>Total Non - Current Liabilities</b>		<b>11,315.07</b>	<b>16,107.92</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	8,069.66	10,236.49
(ii) Trade and other payables	15	15,430.23	12,512.91
(iii) Other financial liabilities	14	8,681.48	1,269.73
(b) Provisions	16	1,168.39	1,059.89
(c) Other current liabilities	18	9,545.51	11,933.47
<b>Total Current Liabilities</b>		<b>42,895.27</b>	<b>37,012.49</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>119,392.93</b>	<b>114,373.00</b>
<b>Significant accounting policies</b>	2		
<b>See accompanying notes forming part of the financial statements.</b>			

## Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	19	33,535.48	23,971.73
Other Income	20	2,406.01	4,429.21
<b>Total Income (I + II)</b>		<b>35,941.49</b>	<b>28,400.94</b>
<b>EXPENSES</b>			
(a) Cost of materials consumed	21.a	28,162.64	19,492.40
(b) Purchases of Stock-in-trade		-	0.90
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	21.b	-3,217.99	-1,190.53
(d) Employee benefit expense	22	4,644.82	3,638.38
(e) Finance costs	23	1,936.37	2,716.12
(f) Depreciation and amortisation expense	3 & 4	751.77	733.53
(g) Other expenses	24	2,522.43	2,209.51
<b>Total Expenses (IV)</b>		<b>34,800.04</b>	<b>27,600.31</b>
<b>Profit before tax (III - IV)</b>		<b>1,141.45</b>	<b>800.63</b>
<b>Tax Expense</b>			
(1) Current tax	17	-	74.10
(2) Deferred tax	17	57.45	-52.61
(3) (Excess) / Short provision for tax of earlier years	17	-55.43	166.42
<b>Total tax expense VI</b>		<b>2.02</b>	<b>187.91</b>
<b>Profit after tax (V - VI)</b>		<b>1,139.43</b>	<b>612.72</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		23.73	58.34
<b>Total comprehensive income for the Year (VII + VIII)</b>		<b>1,163.16</b>	<b>671.06</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
(1) Basic [ in ₹ ]	25	0.67	0.38
(2) Diluted [ in ₹ ]	25	0.66	0.38
	2		

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

R Vasudevan  
Chairman  
(DIN-00013519)

Siddharth Vasudevan  
Managing Director  
(DIN-02504124)

Dr Santosh Sundararajan  
Chief Executive Officer

Hemant M. Joshi  
Partner

M Krishnamurthi  
Company Secretary &  
Compliance Officer

D Santhanam  
Chief Financial Officer

Date : May 28, 2018  
Place : Pune

Date : May 28, 2018  
Place : Pune

**Cash Flow Statement - Indirect Method**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Profit before tax for the year	1,141.45	800.63
Adjustments for:		
Finance costs	1,936.37	2,716.12
Dividends received from Joint Venture	-170.30	-88.00
Gain on Sale of Assets	-210.20	-311.51
Depreciation	751.77	733.53
Interest received	-667.09	-2,478.71
Expense recognised in respect of equity-settled share-based payments	1,471.54	716.77
Income recognised in respect of equity-settled share-based payments	-	-1.03
Provision / Creditors no longer required written back	-1,272.69	-1,439.74
Gain / (loss) on investments carried at fair value	0.22	-0.14
Dividend received on investments carried at fair value through profit or loss	-47.89	-1.22
Commision Income	-18.82	-28.79
Loss arising on derecognition of financial assets	-	302.37
Provision for unapproved sales	-	-6.65
Provision for creditors advance	-	-71.89
Provision for Doubful Debts	-	68.98
	2,914.36	910.73
Movements in working capital:		
Increase in trade and other receivables	-767.20	2,277.08
(Increase)/decrease in amounts due from customers under construction	-4,144.14	-3,408.53
(Increase)/decrease in inventories	-3,359.09	-289.46
(Increase)/decrease in other assets	-373.54	202.45
Decrease in trade and other payables	2,918.16	1,350.59
Increase/(decrease) in provisions	132.23	-153.23
(Decrease)/increase in Financial asset Loans ( Refer note 3 below)	4,591.64	492.88
(Increase)/decrease in other non current assets	-767.85	-202.53
(Decrease)/increase in other liabilities	-464.06	2,198.01
Cash generated from operations	680.52	3,378.00
Income taxes paid	207.01	1,535.46
<b>Net cash generated by operating activities</b>	<b>887.53</b>	<b>4,913.46</b>
<b>Cash flows from investing activities</b>		
Dividends received from Joint Venture	170.30	88.00
Purchase of fixed assets including work in progress	-883.35	-895.01
Proceeds from disposal of fixed assets	242.86	51.91
Proceeds on redemption of Liquid Mutual Fund	-209.77	-283.42
Investment in fixed deposits with Banks	141.20	-715.13
Payment /Proceeds from investment	8.32	234.15
<b>Net cash (used in)/generated by investing activities</b>	<b>-530.44</b>	<b>-1,519.50</b>

## Cash Flow Statement - Indirect Method (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flows from financing activities</b>		
Proceeds from issue of Equity Shares	1,295.31	1,267.69
Repayment of borrowings Current	-2,672.11	-1,098.12
Proceeds from borrowings	3,094.92	4,548.76
Interest received	498.45	1,362.14
(Increase) / decrease in advances from Firms / AOP	-	-
(Increase) / decrease in advances to joint venture, subsidiaries	-	-1,949.64
Finance cost including capitalised to qualifying assets	-3,561.06	-3,919.31
Increase / (decrease) in Non Convertible Debentures	-	-3,550.00
<b>Net cash used in financing activities</b>	<b>-1,344.48</b>	<b>-3,338.47</b>
<b>Net increase in cash and cash equivalents</b>	<b>-987.39</b>	<b>55.48</b>
Cash and cash equivalents at the beginning of the year (Refer Note-11)	2,486.62	2,431.13
<b>Cash and cash equivalents at the end of the year (Refer note -11)</b>	<b>1,499.22</b>	<b>2,486.62</b>

**Notes :**

- 1) Figures in brackets represent outflows

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

Hemant M. Joshi  
Partner

Date : May 28, 2018  
Place : Pune

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

R Vasudevan  
Chairman  
(DIN-00013519)

M Krishnamurthi  
Company Secretary &  
Compliance Officer

Date : May 28, 2018  
Place : Pune

Siddharth Vasudevan  
Managing Director  
(DIN-02504124)

Dr Santosh Sundararajan  
Chief Executive Officer

D Santhanam  
Chief Financial Officer

## Notes forming part of the financial statements

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, 2018 were approved by the Board of Directors and authorised for issue on May 28, 2018.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.01 Statement of Compliance

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

#### 2.02 Basis of preparation and presentation

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

#### 2.03 Use of estimate

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

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

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

##### **Impairment of investments**

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

##### **Useful lives of property, plant and equipment**

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

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

The Company reviews recognition of deferred tax at the end of each reporting period. The policy for the same has been explained under Note 2.09.

##### **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 reports to the management of the Company on findings every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

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

### **2.04 Revenue Recognition / Cost Recognition**

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

#### **a) Construction contracts**

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

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

#### **b) Real estate development**

##### **(i) Completed Units**

Revenue from sales of units is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser.

##### **(ii) Units Under Development**

Revenue from sales of such units is recognized as and when all the following conditions are satisfied:

- (a) The underlying significant risk and rewards of ownership are transferred to the purchaser.
- (b) All critical approvals necessary for commencement of the project are obtained.
- (c) Reasonable level of development is reached when project cost incurred excluding land cost and borrowing cost exceeds 25% of the project cost.
- (d) At least 25% of the estimated project area are secured by contracts or agreement with the buyers.

- (e) At least 10% of the total revenue as per agreements of sale are realised at the reporting date in respect of each of the contracts and there are no outstanding defaults of the payment terms in such contracts.
- (f) Certainty of recoverability of the balance consideration.

Project revenue and project costs associated with the real estate project are recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date in accordance with "Guidance Note on Accounting for real estate transactions".

The percentage completion for the purpose of recognition of revenue is determined based on actual costs incurred thereon by the Company to total estimated cost with reference to the saleable area. Cost for this purpose includes cost of land/development rights, construction and development costs of such properties borrowing costs and overheads, as may be applicable.

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period in which such changes occur.

However, when the total project cost is estimated to exceed total revenues from the project, loss is recognized immediately.

- 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 Leases

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

#### Operating Lease

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

#### Finance Lease

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

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

### 2.06 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.

## 2.07 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.

## 2.08 Employee benefits

### a) Short-term Employee Benefits -

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

### b) Post Employment Benefits -

#### (1) Defined Contribution Plan:

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

#### (2) Defined Benefit Plan:

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

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

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

### c) Other Long-term Employee Benefits -

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

## Share-based Payments

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

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

## 2.09 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.

## 2.10 Property, Plant and Equipment

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

reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

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

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

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

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

### **2.11 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.

### **2.12 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.

### **2.13 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.

### **2.14 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.

### **2.15 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**

##### **(i) Development - Completed Units**

Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.

##### **(ii) Development - Units under construction**

The unit under construction to the extent not recognised as sales under the revenue recognition policy adopted by the Company is carried at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Director / Technical Experts.

**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.

**2.16 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 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.

## **2.17 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.

## **2.18 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.

## **2.19 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.

## **2.20 Current/Non-Current Classification**

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

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

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

All other assets are classified as non-current.

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

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

The Company classifies all other liabilities as non-current.

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

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

## 2.21 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.

## 2.22 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.

## 2.23 Recent accounting pronouncements

### Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in Ind AS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

As a consequence of issuance of Ind AS 115, relevant paragraphs inserted / amended in various other standards. The Company will follow these amendments when it applies Ind AS 115.

### Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates

In March 2018, MCA issued amendment to Ind AS 21, "Appendix B, Foreign currency transactions and advance consideration" which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is applicable to annual periods beginning on or after April 1, 2018. The Company does not expect that the adoption of the amendments will have any significant impact on the said financial statements.'

#### **2.24 Dividend**

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

#### **2.25 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.

#### **2.26 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.

#### **2.27 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.

#### **2.28 Segment Reporting**

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

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

Notes forming part of the financial statements

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

Particulars	I. Property, Plant and Equipment							II. Intangible assets		Total
	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Lease Hold Improvements	Softwares	Development Expenditure		
	(₹ in Lakhs)									
Gross carrying value										
As at April 1, 2017	319.55	6,801.10	454.33	199.60	536.58	337.10	435.82	-	8,648.26	-
Additions	-	603.99	44.64	14.59	62.34	1.78	28.82	127.20	727.34	-
Disposals	-253.49	-54.45	-	-	-	-	-	-	-307.94	-
<b>As at March 31, 2018 (A)</b>	<b>66.06</b>	<b>7,350.64</b>	<b>498.97</b>	<b>214.19</b>	<b>598.92</b>	<b>338.88</b>	<b>464.64</b>	<b>127.20</b>	<b>9,067.66</b>	<b>127.20</b>
Accumulated depreciation										
As at April 1, 2017	88.19	3,883.95	359.30	147.10	510.05	36.43	435.82	-	5,025.02	-
Additions	6.24	507.08	35.38	17.08	32.99	21.82	28.82	-	620.59	-
Disposals	-56.27	-39.00	-	-	-	-	-	-	-95.27	-
<b>As at March 31, 2018 (B)</b>	<b>38.16</b>	<b>4,352.03</b>	<b>394.68</b>	<b>164.18</b>	<b>543.04</b>	<b>58.25</b>	<b>464.64</b>	<b>-</b>	<b>5,550.34</b>	<b>-</b>
<b>Net carrying value as at March 31, 2018 (A) - (B)</b>	<b>27.90</b>	<b>2,998.61</b>	<b>104.29</b>	<b>50.01</b>	<b>55.88</b>	<b>280.63</b>	<b>-</b>	<b>-</b>	<b>3,517.32</b>	<b>127.20</b>
Gross carrying value										
As at April 1, 2016	383.18	6,017.81	453.16	205.50	523.62	337.10	433.38	-	7,920.37	-
Addition on Account of Amalgamation (Refer Note 43)	-	-	1.18	-	1.91	-	-	-	3.08	-
Additions	-	992.42	-	-	11.05	-	2.44	-	1,003.47	-
Disposals	-63.63	-209.14	-	-5.90	-	-	-	-	-278.67	-
<b>As at March 31, 2017 (A)</b>	<b>319.55</b>	<b>6,801.10</b>	<b>454.33</b>	<b>199.60</b>	<b>536.58</b>	<b>337.10</b>	<b>435.82</b>	<b>-</b>	<b>8,648.25</b>	<b>-</b>
Accumulated depreciation										
As at April 1, 2016	85.92	3,515.92	320.43	126.44	490.47	14.96	433.38	-	4,554.14	-
Addition on Account of Amalgamation (Refer Note 43)	-	-	1.08	-	1.73	-	-	-	2.80	-
Additions	14.09	501.04	37.79	25.35	17.85	21.48	2.44	-	617.60	-
Disposals	-11.83	-133.01	-	-4.69	-	-	-	-	-149.53	-
<b>As at March 31, 2017 (B)</b>	<b>88.19</b>	<b>3,883.95</b>	<b>359.30</b>	<b>147.10</b>	<b>510.05</b>	<b>36.43</b>	<b>435.82</b>	<b>-</b>	<b>5,025.01</b>	<b>-</b>
<b>Net carrying value as at March 31, 2017 (A) - (B)</b>	<b>231.36</b>	<b>2,917.15</b>	<b>95.04</b>	<b>52.50</b>	<b>26.53</b>	<b>300.67</b>	<b>-</b>	<b>-</b>	<b>3,623.24</b>	<b>-</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

**Note No. 4 - Investment Property**

Description of Assets	Buildings
Gross carrying value *	
As at April 1, 2017	2,490.73
Additions	
Disposals	-
Transferred from property, plant and equipment	-
<b>As at Mar 31, 2018 ( A )</b>	<b>2,490.73</b>
Accumulated depreciation	387.80
As at April 1, 2017	-
Charge for the year	102.37
Reversals/ Disposals during the year	-
Transferred from property, plant and equipment	-
<b>As at March 31, 2018 ( B )</b>	<b>490.17</b>
<b>Net carrying value as at March 31, 2018 (A) - (B)</b>	<b>2,000.56</b>
Gross carrying value *	
As at April 1, 2016	2,643.65
Additions	-
Disposals	-152.92
Transferred from property, plant and equipment	-
<b>As at March 31, 2017 ( A )</b>	<b>2,490.73</b>
Accumulated depreciation	315.94
As at April 1, 2016	113.49
Charge for the year	-41.63
Reversals/ Disposals during the year	-
Transferred from property, plant and equipment	-
<b>As at March 31, 2017 ( B )</b>	<b>387.80</b>
<b>Net carrying value as at March 31, 2017 (A) - (B)</b>	<b>2,102.93</b>

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

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

**Fair valuation**

Particulars	As at March 31, 2018	As at March 31, 2017
Investment Property	3,114.56	3,114.56

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

Notes forming part of the financial statements

(₹ in Lakhs)

Note No. 5 - Investment

A. Non Current Investment

Particular	As at March 31, 2018	As at March 31, 2017
<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, 2017: 58,824) Equity Shares of ₹ 100/- Each Fully Paid		
Marathwada Realtors Private Limited	2,251.06	2,251.06
39,216 ( March 31, 2017: 39,216) Equity Shares of ₹ 100/- Each Fully Paid		
Marvel Housing Private Limited	1.00	1.00
10,000 ( March 31, 2017: 10,000) Equity Shares of ₹ 10/- Each Fully Paid		
GMP Technical Solutions Private Limited	4,602.71	4,602.71
12,689 ( March 31, 2017: 12,689) Equity Shares of ₹ 10/- Each Fully Paid		
Vascon Value Homes	1.00	-
10000 ( March 31,2017: Nil) Equity shares of ₹ 10/- Each fully paid		
	<b>8,331.43</b>	<b>8,330.43</b>
<b><u>Investments in Equity Instruments of associates</u></b>		
Mumbai Estates Private Limited	10.00	10.00
99,999 ( March 31, 2017: 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	367.91	367.91
177,401 ( March 31, 2017: 177,401) Equity Shares of ₹ 10/- Each Fully Paid		
Vascon Engineers Ltd WII (Qatar)	0.01	0.01
Phoenix Venture	200.00	200.00
Investment in Partnership Firm - Ajanta Enterprises	4,272.94	4,272.94
	<b>4,840.85</b>	<b>4,840.85</b>
<b>INVESTMENTS CARRIED AT COST [A]</b>	<b>13,182.28</b>	<b>13,181.28</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 (Refer Note 40)	814.00	718.72
0.001% 1,044,793 ( March 31, 2017: 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>814.20</b>	<b>718.92</b>
<b>INVESTMENTS CARRIED AT AMORTISED COST [B]</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 - Corporation Bank Limited	0.31	0.53
1,000 ( March 31,2017: 1,000) Equity shares of ₹ 10/- Each fully paid		
<b>Total Aggregate Quoted Investments</b>	<b>0.31</b>	<b>0.53</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

Particular	As at March 31, 2018	As at March 31, 2017
<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 (March 31, 2017: 6,726,396) of face Value ₹ 10/- each		
<b>Investments in Equity Instruments of structured entities</b>		
The Saraswat Co Operative Bank Ltd	0.25	0.25
2,500 ( March 31, 2017: 2,500) Equity Shares Of ₹ 10/- Each Fully Paid		
Sahyadri Hospitals Limited	25.00	25.00
250,000 ( March 31, 2017: 250,000) Equity Shares Of ₹ 10/- Each Fully Paid		
	<b>2,775.25</b>	<b>2,775.25</b>
<b>INVESTMENTS CARRIED AT FVTPL [C]</b>	<b>2,775.56</b>	<b>2,775.78</b>
<b>TOTAL INVESTMENTS [A] + [B] + [C]</b>	<b>16,772.04</b>	<b>16,675.98</b>

## B. Current Investment

Particular	As at March 31, 2018	As at March 31, 2017
<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, 2017: 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	158.33	251.20
Units 9152.297 (March 31, 2017: 2778.767) , NAV ₹ 1,729.9739 (March 31, 2017: ₹ 1,620.1903) each		
Reliance Liquid Fund - Treasury Plan	386.23	45.02
Units 9109.253 (March 31, 2017: 6331.527), NAV ₹ 4,239.9424 (March 31, 2017: ₹ 3,967.358) each		
<b>Total Quoted Investments</b>	<b>544.56</b>	<b>296.22</b>
<b>TOTAL CURRENT INVESTMENTS</b>	<b>778.56</b>	<b>530.22</b>

## Note No. 6 - Loans

## A. Non Current

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Other Loans</b>		
- Unsecured, considered good	-	1,668.31
<b>TOTAL</b>	<b>-</b>	<b>1,668.31</b>

## B. Current

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Loans and Advances to Employees</b>		
- Unsecured, considered good	478.60	269.96
<b>b) Loans to related parties (Refer Note 33)</b>		
- Unsecured, considered good	2,408.19	4,013.34
<b>c) Other Loans</b>		
- Unsecured, considered good	4,639.60	4,578.66

Notes forming part of the financial statements

(₹ in Lakhs)

<b>TOTAL</b>	<b>7,526.39</b>	<b>8,861.96</b>
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**Note No. 7 - Others**

**A. Non - Current**

Particulars	As at March 31, 2018	As at March 31, 2017
a) Security Deposits		
- Unsecured	736.01	752.71
- Doubtful	35.00	35.00
Less: Allowance for Credit Losses	-35.00	-35.00
b) Bank deposits with more than 12 months maturity	305.55	41.81
c) Project Advances	9,021.44	8,770.10
<b>TOTAL</b>	<b>10,063.00</b>	<b>9,564.62</b>

**B. Current**

Particulars	As at March 31, 2018	As at March 31, 2017
a) Security Deposits - Unsecured	496.74	376.70
b) Interest accrued on deposits	57.62	60.24
c) Advance to related Parties (Refer Note 33)	-	55.42
d) Project Advances	1,224.96	1,330.48
e) Other Recoverable	107.84	96.97
f) Amounts due from customers	-	-
- Gross amount due from customer	8,507.20	7,197.72
- Less : Related Advance Payments received	-1,419.24	-2,743.89
	7,087.96	4,453.83
<b>TOTAL</b>	<b>8,975.12</b>	<b>6,373.64</b>

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

(₹ in Lakhs)

**A. Non Current**

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Capital advances	-	41.51
(b) Balances with government authorities (other than income taxes)	2,118.77	1,457.59
(c) Prepaid Rent	57.96	134.60
<b>TOTAL</b>	<b>2,176.73</b>	<b>1,633.70</b>

**B. Current**

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Advances to suppliers	1,849.86	1,780.76
(b) Prepaid Expenses	317.80	161.61
(c) Travel Advance	0.60	0.89
<b>TOTAL</b>	<b>2,168.26</b>	<b>1,943.26</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

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

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Building materials / tools	3,885.54	3,602.84
(b) Projects under Development	41,647.83	38,429.70
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>45,533.37</b>	<b>42,032.54</b>

**Note No. 10 - Trade receivables**

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables		
(a) Unsecured, considered good	11,754.91	10,093.34
(b) Doubtful	1,514.33	1,473.81
Less: Allowance for Credit Losses	-1,514.33	-1,473.81
	11,754.91	10,093.34
Retention (Accrued but not due)		
(a) Unsecured, considered good	2,514.70	3,642.94
(b) Doubtful	359.19	647.37
Less: Allowance for Credit Losses	-359.19	-647.37
	2,514.70	3,642.94
Less: Related Unearned Receivables	-1,180.94	-1,871.38
<b>TOTAL</b>	<b>13,088.67</b>	<b>11,864.90</b>

**Notes:**

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

**Provision Matrix - EPC Sales**

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

Notes forming part of the financial statements

(₹ in Lakhs)

Age of receivables

Particulars	As at March 31, 2018	As at March 31, 2017
EPC:		
Less than 1 year	3,160.93	3,421.08
1-2 year	2,143.80	1,360.70
2-3 year	993.28	1,311.43
More than 3 year	3,649.01	3,523.83
Less :- Expected Credit Loss	-1,873.52	-2,121.19
<b>Total</b>	<b>8,073.50</b>	<b>7,495.87</b>
<b>Development Sales Receivables</b>	<b>3,242.00</b>	<b>3,281.18</b>
<b>Receivables from Related Parties</b>	<b>1,773.18</b>	<b>1,087.84</b>
<b>TOTAL</b>	<b>13,088.68</b>	<b>11,864.90</b>

Movement in the expected credit loss allowance is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	2,121.19	2,052.20
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	119.24	210.12
Utilization / Reversals	-366.90	-141.14
<b>Balance at end of the year - March 31, 2018</b>	<b>1,873.52</b>	<b>2,121.19</b>

The activity in the provision for unapproved sales is given below:

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	-	6.65
Additions during the Year	-	-
Utilization / transfers	-	-6.65
<b>Balance at end of the year - March 31, 2018</b>	<b>-</b>	<b>-</b>

Note No. 11 - Cash and Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A) Current Cash and bank balances</b>		
(a) Unrestricted Balances with banks	1,107.66	2,291.48
(b) Cheques, drafts on hand	-	6.06
(c) Cash in hand	135.98	53.51
(d) Balances with banks in deposit accounts with original maturity of less than 3 months	787.60	161.94
<b>Cash and Cash equivalent as per balance sheet</b>	<b>2,031.24</b>	<b>2,512.99</b>
Bank Overdraft	532.02	26.37
<b>Total Cash and cash equivalent as per statement of cash flows</b>	<b>1,499.22</b>	<b>2,486.62</b>
<b>B) Other Bank Balances</b>		
(a) Balances with banks in deposit accounts with original maturity more than 3 months	305.15	432.55
(b) In earmarked accounts		
- Balances held as margin money or security against borrowing, guarantee and other commitments *	1,545.49	1,559.29
- Unpaid dividend account	0.16	0.16
<b>Total Other Bank Balances</b>	<b>1,850.80</b>	<b>1,992.00</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.

## Notes forming part of the financial statements

(₹ in Lakhs)

## Note No. 12 - Share Capital

Share Capital	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>				
* Equity shares of ₹ 10 each with voting rights	2,641,300,000	26,413.00	200,000,000	20,000.00
* Preference Share of ₹ 10 each without voting rights	5,000,000	500.00		500.00
<b>Issued, Subscribed and Fully Paid:</b>				
Equity shares of ₹ 10 each with voting rights	174,136,716	17,413.67	167,660,186	16,766.02

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.

\*Consequent to and as part of the amalgamation of Angelica Properties Private Limited, Floriana Properties Private Limited, Greystone Premises Private Limited, It-Citi Infopark Private Limited, Just homes india Private Limited, Sansara Developers India Private Limited, Sunflower Real Estate Developers Private Limited, Shreyas Strategists Private Limited, Vascon Dwellings Private Limited, Vascon Pricol Infrastructures limited, Wind Flower Properties Private Limited with the Company, the Authorised Equity Share Capital of the Company stands increased to ₹ 26,913 lakhs made up of 26,41,30,000 equity shares of ₹ 10 each and 5,000,000 Preference Shares of ₹ 10 each from "effective date" 1 April 2016 (Refer Note 43).

## 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.

Particulars	Number of Shares	Equity share capital
<b>Issued and Paid up Capital at April 1, 2016</b>	161,306,716	16,130.67
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	6,353,470	635.35
<b>Balance at March 31, 2017</b>	<b>167,660,186</b>	<b>16,766.02</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	6,476,530	647.65
<b>Balance at Mar 31, 2018</b>	<b>174,136,716</b>	<b>17,413.67</b>

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	% holding in that class of shares	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Vasudevan Ramamoorthy	41,897,701	24.86	41,686,586	25.84
Lalitha Vasudevan			8,109,538	5.03
Vatsalya Enterprises Private Limited	9,078,947	5.42	9,078,947	5.63
Amrit Petroleums Pvt Limited			8,783,273	5.44
Shamyak Investments Pvt Ltd	8,783,273	5.84	-	-

The shares under ESOP - 2015 and ESOP - 2016 totalling to 6,476,530 was allotted on 13/02/2018 and 08/01/2018 and got trading approval from BSE and NSE. On receiving the approval, the shares were credited on 06/03/2018 and 22/01/2018 respectively, to the demat account of employees.

Notes forming part of the financial statements

(₹ in Lakhs)

(iii) As at 31 March, 2018, 1,60,00,000 shares (As at 31 March, 2017, 64,76,530 shares) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2018	As at March 31, 2017
Outstanding employee stock options granted / available for grant	16,000,000	6,476,530

Note No. 12.1 - Other Equity

Particulars	Reserves and Surplus						Total
	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Debenture Redemption Reserve	Capital Redemption Reserve	Retained Earnings	
<b>Balance at the beginning of the reporting year - As of April 01, 2016</b>	42,718.77	650.00	44.84	887.50	-	-783.66	<b>43,517.45</b>
Additions on account of Amalgamation (Refer Note 43)	8,738.80	-	-	-	1,250.00	-11,038.81	<b>-1,050.01</b>
Premium on Shares issued during the year	632.35	-	-	-	-	-	<b>632.35</b>
Transferred to General reserve	-	887.50	-	-887.50	-	-	<b>-</b>
Share issue costs on account of rights issue	-	-	-	-	-	-	<b>-</b>
Amount recorded on Grant	-	-	716.77	-	-	-	<b>716.77</b>
Transferred to securities premium reserve on exercise	531.03	-	-531.03	-	-	-	<b>-</b>
Shares Forfeited during the year	-	-	-1.03	-	-	-	<b>-1.03</b>
Other Comprehensive income for the year	-	-	-	-	-	58.34	<b>58.34</b>
Transfer to retained earnings	-	-	-	-	-	612.72	<b>612.72</b>
<b>Balance at the end of the reporting year - March 31, 2017</b>	<b>52,620.95</b>	<b>1,537.50</b>	<b>229.55</b>	<b>-</b>	<b>1,250.00</b>	<b>-11,151.43</b>	<b>44,486.57</b>

Particulars	Reserves and Surplus						Total
	Securities premium reserve	General reserve	Equity-settled employee benefits reserve	Debenture Redemption Reserve	Capital Redemption Reserve	Retained earnings	
<b>Balance at the beginning of the reporting Year - As of April 01, 2017</b>	52,620.95	1,537.50	229.55	-	1,250.00	-11,151.43	<b>44,486.57</b>
Premium on Shares issued during the year	647.65	-	-	-	-	-	<b>647.65</b>
Transferred to General reserve	-	-	-	-	-	-	<b>-</b>
Share issue costs on account of rights issue	-	-	-	-	-	-	<b>-</b>
Amount recorded on Grant	-	-	1,471.54	-	-	-	<b>1,471.54</b>
Transferred to securities premium reserve on exercise	899.15	-	-899.15	-	-	-	<b>-</b>
Shares Forfeited during the year	-	-	-	-	-	-	<b>-</b>
Other Comprehensive income for the year	-	-	-	-	-	23.73	<b>23.73</b>
Transfer to retained earnings	-	-	-	-	-	1,139.43	<b>1,139.43</b>
<b>Balance at the end of the reporting Year - Mar 31, 2018</b>	<b>54,167.75</b>	<b>1,537.50</b>	<b>801.94</b>	<b>-</b>	<b>1,250.00</b>	<b>-9,988.27</b>	<b>47,768.92</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

## Note No. 13 - Borrowings

## A. Non Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Measured at amortised cost</b>		
<b>A. Secured Borrowings:</b>		
(a) Term Loan from Financial Institution	6,765.68	4,893.50
(b) Long term maturities of Finance Lease Obligations	12.49	23.90
<b>Total Secured Borrowings</b>	<b>6,778.17</b>	<b>4,917.40</b>
<b>B. Unsecured Borrowings - at amortised Cost</b>		
(a) Public Deposits	43.00	115.00
(b) Inter Corporate Deposits	1,000.00	1,000.00
(c) Loans from related parties	95.55	97.36
<b>Total Unsecured Borrowings</b>	<b>1,138.55</b>	<b>1,212.36</b>
<b>Total Borrowings carried at Amortised Cost [A] + [B]</b>	<b>7,916.72</b>	<b>6,129.76</b>
<b>Measured at FVTPL</b>		
<b>A. Secured Borrowings:</b>		
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 6,861 (March 31,2017: 6,861) of ₹ 1 lakhs each (Refer Note 42)	995.90	6,861.00
<b>Total Borrowings carried at FVTPL</b>	<b>995.90</b>	<b>6,861.00</b>
<b>Total Non-Current Borrowings</b>	<b>8,912.62</b>	<b>12,990.76</b>

## B. Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A. Secured Borrowings</b>		
Cash Credit from Banks *	6,182.79	8,885.47
<b>Total Secured Borrowings</b>	<b>6,182.79</b>	<b>8,885.47</b>
<b>B. Unsecured Borrowings</b>		
(a) From Banks (Bank overdraft )	532.02	26.37
(b) Loans from related parties	-	22.14
(c) Loans from other parties	1,354.83	1,302.51
<b>Total Unsecured Borrowings</b>	<b>1,886.85</b>	<b>1,351.02</b>
<b>Total Current Borrowings</b>	<b>8,069.66</b>	<b>10,236.49</b>

\* Cash Credit from State Bank of India ranging from 11 % -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.

Notes forming part of the financial statements

(₹ in Lakhs)

13.1 Disclosure regarding long term borrowings

I.	Name of the lender	Outstanding amount	Current Maturities	Long Term		Total Long Term Borrowings	Rate of interest	Nature of security
				2019-20	2020-21			
	<b>Secured</b>							
	a) ECL finance Limited	6,927.19	1,750.00	3,500.00	1,677.19	5,177.19	17.10%	Equitable mortgage of specific properties belonging to the Company, specific receivables of the Project, and exclusive charge on escrow account and Debt Service Reserve Account and related investments thereof. First charge of TDR certificate acquired for the project. Irrevocable and unconditional personnel guarantee by Managing Director.
	a) ECL finance Limited	2,125.99	537.50	1,075.00	513.49	1,588.49	17.10%	Equitable mortgage of specific properties belonging to the Company, specific receivables of the Project, and exclusive charge on escrow account and Debt Service Reserve Account and related investments thereof. First charge of TDR certificate acquired for the project. Irrevocable and unconditional personnel guarantee by Managing Director.
	b) Zero Coupon, Rupee denominated, Unrated, unlisted, secured, Non Convertible Debentures of ₹ 1 lakh each ( Refer Note 42) <b>from financial institution</b> Volkswagen Finance Private Limited	5,864.90 23.90	4,869.00 11.41	995.90 12.49	- -	995.90 12.49	- 10.25%	- Pledge of shares of one of it's subsidiary company Hypothecation of Vehicle financed by them
	<b>Unsecured</b>							
	a) <b>Public deposits (accepted for a period of 400 days)</b>	269.00	226.00	43.00	-	43.00	12.50%	Not Applicable
	b) <b>Inter corporate loans</b> Yester Investment Pvt Ltd	1,000.00	-	1,000.00	-	1,000.00	12.00%	Not Applicable
	c) <b>Loans and advances from related parties - Subsidiaries</b> Almet Corporation Limited Marathawada Realtors Private Limited	83.33 12.21	- -	83.33 12.21	- -	83.33 12.21	9.00% 9.00%	Not Applicable Not Applicable
	<b>Total</b>	<b>16,306.53</b>	<b>7,393.91</b>	<b>6,721.94</b>	<b>2,190.68</b>	<b>8,912.62</b>		

\* Interest accrued and due on borrowings as on 31st March, 2018 disclosed under other current liabilities (Refer Note 14)

## Notes forming part of the financial statements

(₹ in Lakhs)

## Note No. 14 - Other Financial Liabilities

## A. Non - Current

Particulars	As at March 31, 2018	As at March 31, 2017
Commitment and other deposits	2,402.45	3,117.16
<b>Other Non-Current Financial Liabilities</b>	<b>2,402.45</b>	<b>3,117.16</b>

## B. Current

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Current maturities of long-term debt	7,382.50	209.44
(b) Current maturities of finance lease obligations	11.41	10.30
(c) Interest accrued but not due on borrowings	25.33	15.44
(d) Interest accrued but due on borrowings	834.42	739.50
(e) Unpaid dividends *	0.16	0.16
(f) Short term Deposits	-	-
(f) Creditors for capital supplies/services	346.58	182.47
(g) Others	81.08	112.42
<b>Total other financial liabilities</b>	<b>8,681.48</b>	<b>1,269.73</b>

\*Unpaid dividend does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

## Note No. 15 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payable for goods & services dues to Micro, Small and Medium Enterprises (Refer Note 34)	4.90	5.28
Trade payable for goods & services dues to creditors other than Micro, Small and Medium Enterprises	15,425.33	12,507.63
<b>Total trade payables</b>	<b>15,430.23</b>	<b>12,512.91</b>

## Note No. 16 - Provisions

## Current

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Provision for employee benefits		
1) Compensated absences	493.74	412.99
2) Gratuity (Refer Note 31)	560.72	444.43
(b) Other Provisions	-	-
Taxation	113.93	202.47
<b>Total Provisions</b>	<b>1,168.39</b>	<b>1,059.89</b>

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

## (a) Income Tax Expense

Particulars	Continuing Operations	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>Current Tax:</b>		
Current Income Tax Charge	-	74.10
Adjustments in respect of prior years	2.02	166.42
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences	-	-52.61
<b>Total Tax Expense recognised in profit and loss account</b>	<b>2.02</b>	<b>187.91</b>

Notes forming part of the financial statements

(₹ in Lakhs)

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

Particulars	As at	As at
	March 31, 2018	March 31, 2017
	<b>Amount</b>	
<b>Profit Before tax from Continuing Operations</b>	1,141.45	800.63
Income Tax using the Company's domestic Tax rate @ 34.61%	395.18	277.18
Reduction in Tax Rate	-	-
<b>Tax Effect of :</b>		
- Non deductible Expenses	-	188.69
- Tax - Exempt income	-260.72	-281.94
- Capital Gains	-	-109.83
- Recognition of Tax Effect of Previously unrecognised tax losses	-134.46	-
Deferred tax assets on temporary differences	57.45	-52.61
Changes in recognised deductible temporary differences	-	-
Changes in estimates related to prior years	-55.43	166.42
Unrecognised MAT Credit	-	-
<b>Income Tax recognised In P&amp;L from Continuing Operations (Effective Tax Rate)</b>	<b>2.02</b>	<b>187.91</b>

# A note disclosing the basis of applicable tax rate is required to be given.

Particulars	For the Year ended 31 March 2018	For the Year ended 31 March 2017
<u>Tax effect of items constituting deferred tax liabilities</u>		
Property, Plant and Equipment	574.68	701.27
	574.68	701.27
<u>Tax effect of items constituting deferred tax assets</u>		
Employee Benefits	362.33	296.76
Carry forward Tax Loss	212.35	404.51
	574.68	701.27
<b>Net Tax Asset (Liabilities)</b>	<b>-</b>	<b>-</b>

**Note - 18: Other Liabilities**

**Other Current Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017
a. Advances received from customers		
- Gross amount due to customers	4,763.44	8,140.35
- Less : Related Unbilled Revenues	-1,419.24	-2,743.89
	3,344.20	5,396.46
b. Amount due to customers under construction contracts		
- Gross amount due to customers	2,677.70	4,878.15
- Less : Related Debtors	-1,180.94	-1,871.38
	1,496.76	3,006.77
c. Statutory dues		
- taxes payable (other than income taxes)	4,704.55	3,530.24
<b>Total Other Liabilities</b>	<b>9,545.51</b>	<b>11,933.47</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

**Note No. 19 - Revenue from Operations**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue recognized / sales</b>		
- Contract revenue	24,581.13	19,141.20
- Sale of unit	7,871.35	3,640.98
- Trading sales	7.04	6.66
- Other sales ( Includes maintenance charges of society, Hire charges, Scrap Sales)	266.45	362.95
<b>Other operating income</b>	-	-
- Rent earned	56.20	5.32
- Share of profit / (loss) from Partnership firms (net)	753.31	814.62
<b>Total Revenue from Operations</b>	<b>33,535.48</b>	<b>23,971.73</b>

**Note No. 20 - Other Income**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest Income		
On Financial Assets at Amortised Cost	667.09	2,478.71
(b) Dividend received on investments carried at fair value through profit or loss	48.37	1.22
Liquid Mutual fund units		
(c) Gain / (loss) on investments carried at fair value through profit or loss	-	0.14
(d) Dividend Income	170.30	88.00
(e) Provisions / Creditors no longer required written back	1,272.69	1,439.74
(f) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	210.20	311.51
(g) Miscellaneous Income	37.37	109.89
<b>Total Other Income</b>	<b>2,406.01</b>	<b>4,429.21</b>

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Contract	18,079.73	14,519.25
Development	8,353.41	3,694.25
Incidental borrowing cost incurred attributable to qualifying assets	1,729.50	1,278.90
<b>Cost of materials consumed</b>	<b>28,162.64</b>	<b>19,492.40</b>

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

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<u>Closing balance of projects under development :</u>		
Finished goods	1,266.52	1,091.86
Work-in-progress	40,381.19	37,337.84
	<b>41,647.71</b>	<b>38,429.70</b>
<u>Opening balance of projects under development:</u>		
Finished goods	1,091.86	975.86
Work-in-progress	37,337.84	18,164.24
Add : Addition on account of Amalgamation (Refer Note 43)	-	18,099.07
	<b>38,429.70</b>	<b>37,239.17</b>
<b>Net (increase) / decrease</b>	<b>-3,217.99</b>	<b>-1,190.53</b>

**Notes forming part of the financial statements**

(₹ in Lakhs)

**Note No. 22 - Employee Benefits Expense**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salaries and wages, including bonus (Refer Note 31)	3,024.81	2,788.74
(b) Contribution to provident and other funds	118.43	112.41
(c) Share based payment transactions expenses	1,471.54	716.77
(d) Staff welfare expenses	30.05	20.46
<b>Total Employee Benefit Expense</b>	<b>4,644.82</b>	<b>3,638.38</b>

**Note No. 23 - Finance Cost**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest expense	3,583.57	3,954.06
(b) Other borrowing cost	82.29	40.95
	<b>3,665.87</b>	<b>3,995.01</b>
<i>Less: Amounts included in the cost of qualifying assets</i>	-1,729.50	-1,278.90
<b>Total finance costs</b>	<b>1,936.37</b>	<b>2,716.12</b>

**Note No. 24 - Other Expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Repairs to buildings	18.25	2.70
(b) Power & Fuel oil consumed	66.82	53.85
(c) Rent including lease rentals	327.79	365.93
(d) Repairs and maintenance - Others	81.38	66.42
(e) Rates and taxes	74.02	62.71
(f) Insurance charges	53.55	66.48
(g) Bad debts and other receivables, loans and advances written off	122.85	18.72
(h) Provision for doubtful debts and advances	-	68.98
(i) <i>Loss on asset sold /scrapped /written off</i>	-	-
(j) Auditors remuneration and out-of-pocket expenses		
(1) As Auditors	60.00	65.00
(2) For Taxation matters	2.00	-
(3) Other services	-	30.00
(k) Other expenses		
(1) Provision for diminution of Investments	-	-
(2) Legal and other professional costs	904.38	527.37
(3) Advertisement, Promotion & Selling Expenses	253.08	255.04
(4) Travelling and Conveyance Expenses	118.63	86.15
(5) Postage and telephone	49.43	41.44
(6) Printing and stationery	30.21	18.16
(7) Brokerage / commission	81.29	20.88
(8) Donations	58.49	10.47
(9) Bank charges	108.76	130.80
(10) Hire Charges Paid	1.42	0.02
(11) Miscellaneous Expenses	109.87	16.01
(12) (loss) on investments carried at fair value through profit or loss	0.22	-
(l) Net gain/(loss) arising on financial Liabilities designated as at FVTPL	-	302.37
<b>Total Other Expenses</b>	<b>2,522.43</b>	<b>2,209.51</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

**Note No. 25 - Earning Per share**

Particulars	For the year ended	
	31 March, 2018	31 March, 2017
	Per Share	Per Share
Basic Earnings per share (₹)	0.67	0.38
Diluted Earnings per share (₹)	0.66	0.38

**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	For the year ended	
	31 March, 2018	31 March, 2017
Profit / (loss) for the year attributable to owners of the Company	1,139.44	612.72
Weighted average number of equity shares	169,107,639	161,350,342
Earnings per share - Basic (₹)	0.67	0.38

**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	For the year ended	
	31 March, 2018	31 March, 2017
Profit / (loss) for the year used in the calculation of basic earnings per share	1,139.44	612.72
Weighted average number of equity shares used in the calculation of Basic EPS	169,107,639	161,350,342
Employee Stock Option Plans	2,155,370	969,782
Weighted average number of equity shares used in the calculation of Diluted EPS	171,263,009	162,320,124
Earnings per share - Dilutive (₹)	0.66	0.38

**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

Particulars	Carrying amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>FINANCIAL ASSETS</b>				
<b>Financial assets measured at amortised cost</b>				
<b>Non - Current Assets</b>				
(i) Investments	13,996.17	13,899.67	13,996.17	13,899.67
(ii) Loans	-	1,668.31	-	1,668.31
(iii) Other Financial Assets	10,063.00	9,564.62	10,063.00	9,564.62
<b>Current Assets</b>				
(i) Trade receivables	13,088.67	11,864.90	13,088.67	11,864.90
(ii) Cash and cash equivalents	2,031.24	2,512.99	2,031.24	2,512.99
(iii) Bank balances other than (ii) above	1,850.80	1,992.00	1,850.80	1,992.00
(iv) Loans	7,526.39	8,861.96	7,526.39	8,861.96
(v) Others Financial Assets	8,975.12	6,373.64	8,975.12	6,373.64
<b>Financial assets measured at fair value through Statement of Profit &amp; Loss</b>				
(a) Current investments	778.56	530.22	778.56	530.22
(b) Non Current investments quoted	0.31	0.53	0.31	0.53
(b) Non Current investments unquoted	2,775.25	2,775.25	2,775.25	2,775.25

**Notes forming part of the financial statements**

(₹ in Lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Financial liabilities measured at amortised cost</b>				
<b>Non - Current Liabilities</b>				
(i) Borrowings	7,916.72	6,129.76	7,916.72	6,129.76
(ii) Other financial liabilities	2,402.45	3,117.16	2,402.45	3,117.16
<b>Current Liabilities</b>				
(i) Borrowings	8,069.66	10,236.49	8,069.66	10,236.49
(ii) Trade and other payables	15,430.23	12,512.91	15,430.23	12,512.91
(iii) Other financial liabilities	8,681.11	1,269.73	8,681.11	1,269.73
<b>Financial liabilities measured at fair value through Statement of Profit &amp; Loss</b>				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	995.90	6,861.00	995.90	6,861.00

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

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

**Discount rates used in determining fair value.**

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

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

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

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.

## Notes forming part of the financial statements

(₹ in Lakhs)

**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, 2018</b>			
Investment in mutual funds	544.56	-	-
Equity	0.31	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	995.90
<b>March 31, 2017</b>			
Investment in mutual funds	296.22	-	-
Equity	0.53	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	6,861.00

During the year ended March 31, 2018, 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.

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Borrowings	16,982.28	23,227.25
Trade Payables	15,430.23	12,512.91
Less : Cash and Cash Equivalents	3,882.04	4,504.99
<b>Net Debt</b>	<b>28,530.46</b>	<b>31,235.16</b>
Equity	65,182.96	61,252.59
<b>Total Capital</b>	<b>65,182.96</b>	<b>61,252.59</b>
<b>Capital and Net Debt</b>	<b>93,713.42</b>	<b>92,487.75</b>
<b>Gearing Ratio</b>	<b>30%</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

**Notes forming part of the financial statements**

(₹ in Lakhs)

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 years ended March 31, 2018 and March 31, 2017.

**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 counter party 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 liability represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 39,289.99 lakhs and ₹ 38,243.81 lakhs as of March 31, 2018 and March 31, 2017 respectively, being the total of the carrying amount of trade payables and borrowings.

**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, 2018 and March 31, 2017, however there was no default on account of those customer in the past. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

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

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

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

Movement in the expected credit loss allowance:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	2,121.19	2,058.85
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	119.24	210.12
Utilization / Reversals	-366.90	-147.78
<b>Balance at the end of the year</b>	<b>1,873.52</b>	<b>2,121.19</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

## ii) Liquidity Risk

## a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

## b) Maturities of financial liabilities

The following tables detail the remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	March 31, 2018		
	Less than 1 Year	1-3 Years	4-5 Years
<b>Financial liabilities</b>			
Trade payables	15,430.23	-	-
Other Financial Liabilities	3,812.11	2,402.45	-
Working capital demand loans / Term loans	8,069.66	7,916.72	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	4,869.00	995.90	-

Particulars	March 31, 2017		
	Less than 1 Year	1-3 Years	4-5 Years
<b>Financial liabilities</b>			
Trade payables	12,512.91	-	-
Other Financial Liabilities	1,269.73	3,117.16	-
Working capital demand loans / Term loans	10,236.49	6,129.76	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	6,861.00	-

**Excessive Risk Concentration**

Concentrations arise when a number of counter parties 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) - 2014**

The ESOS was approved by Board of Directors of the Company on 12th August, 2014 and thereafter by the share holders on 15th Sept, 2014. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share. The maximum exercise period is 1 year from the date of vesting.

**Notes forming part of the financial statements**

(₹ in Lakhs)

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

<b>Particulars</b>	<b>FY 2017 - 18</b>	<b>FY 2016 - 17</b>
Options granted, beginning of the year	-	35,000
Granted during the year	-	-
Exercised during the year	-	(30,000)
Cancelled/lapsed during the year	-	(5,000)
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

**Employee stock option scheme (ESOS) - 2015**

The ESOS was approved by Board of Directors of the Company on 11th August 2015 and thereafter by the share holders on 29th September 2015. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 20/- per share. The maximum exercise period is 1 year from the date of vesting.

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

<b>Particulars</b>	<b>FY 2017 - 18</b>	<b>FY 2016 - 17</b>
Options granted, beginning of the year	76,530	6,400,000
Granted during the year	-	-
Exercised during the year	(76,530)	(6,323,470)
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	76,530
Weighted Average remaining life	-	0.92

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

**Employee stock option scheme (ESOS) - 2016**

The ESOS was approved by Board of Directors of the Company on 17th May 2016 and thereafter by the share holders on 15th September 2016. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 20/- per share. The maximum exercise period is 1 year from the date of vesting.

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

<b>Particulars</b>	<b>FY 2017 - 18</b>	<b>FY 2016 - 17</b>
Options granted, beginning of the year	6,400,000	-
Granted during the year	-	6,400,000
Exercised during the year	(6,400,000)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	6,400,000
Weighted Average remaining life	-	1.75

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

## Notes forming part of the financial statements

(₹ in Lakhs)

**Employee stock option scheme (ESOS) - 2017**

The ESOS was approved by Board of Directors of the Company on 10th Aug 2017 and thereafter by the share holders on 15th September 2017. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 28/- per share. The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017.

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

Particulars	FY 2017 - 18	FY 2016 - 17
Options granted, beginning of the year	-	-
Granted during the year	16,000,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	4.42	-

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

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	ESOS - 2016	ESOS - 2015
Share price at grant date	29.55	29.60	21.40
Exercise price	28	20	20
Expected volatility	69.25%	57.60%	67.42%
Expected life / Option Life	4 Year from the date of vesting	1 Year from the date of vesting	1 Year from the date of vesting
Expected dividends yield	0%	0%	2%
Risk-free interest rate (based on government bonds)	6.70%	6.90%	8.40%

**Note No. 29 - Disclosures under Ind AS 17**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Details of leasing arrangements</b>		
<b>As Lessee</b>		
<b>Finance Lease</b>		
The Company has entered into finance lease arrangements for certain vehicles which provide the Company an option to purchase the assets at the end of the lease period. The average lease term is 5 years (prior Year: 5 Years)		
Reconciliation of minimum lease payments		
<b>Future minimum lease payments</b>		
not later than one year	13.34	13.34
later than one year and not later than five years	13.19	26.52
later than five years	-	-
	26.52	39.86
Less: Unmatured finance charges	2.62	5.65
	23.90	34.21

**Notes forming part of the financial statements**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Present value of minimum lease payments payable</b>		
not later than one year	11.41	10.30
later than one year and not later than five years	12.49	23.90
later than five years	-	-
	23.90	34.21
Included in the financial statements as:		
- Current Borrowings	11.41	10.30
- Non Current Borrowings	12.49	23.90
	23.90	34.21
<u>Operating Lease</u>		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 to 15 years and may be renewed for a further period of 5 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10% every 2 years.		
Future Non-Cancellable minimum lease commitments		
not later than one year	261.08	234.48
later than one year and not later than five years	204.26	379.28
later than five years	-	-
	465.34	613.76
Expenses recognised in the Statement of Profit and Loss	232.00	248.20

**Note No. 30 - Contingent liabilities and commitments**
**Contingent liabilities (to the extent not provided for)**
**Contingent liabilities**

	As at March 31, 2018	As at March 31, 2017
(a) Disputed demands for Income Tax	603.15	1,002.44
(b) Disputed demands for Service Tax	108.18	251.73
(c) Disputed demands for Value Added Tax	689.54	357.24
(d) Performance and financial guarantees given by the Banks on behalf of the Company	9,397.33	8,333.21
(e) Corporate guarantees given for other companies / entities and mobilization	16,040.16	16,867.50
(f) Claims against the Company not acknowledged as debt	2,982.48	39,087.12
(i) In respect of claim against the Company amounting to ₹ Nil (Previous year ₹ 36,000 lakhs) by a party who was originally claiming interest in a property, no provision has been considered necessary by the Management in view of the legal opinion that the said claim is not tenable on various grounds.		
(ii) The Creditors of the Company have filed a civil suit claiming of ₹ 103 lakhs (Previous year ₹ 111 lakhs) as amount due to them, which claims the Company is disputing.		
(iii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to ₹ 8.67 lakh (Previous year ₹ 8.67 lakh) with Joint District Registrar & Collector of Stamps , Pune.		
(iv) One of the labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for ₹ 4 lakhs ( Previous year - ₹ 4 lakhs).		

## Notes forming part of the financial statements

(₹ in Lakhs)

(v) 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 ₹ 2,867lakhs (Previous year ₹ 2,867 lakhs).

(vi) 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 ₹ 88 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 lakh 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 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 ₹ 69 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 lakhs per month from the date of breach till the date of curing the breach.

**Notes forming part of the financial statements**

(₹ in Lakhs)

(viii) 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 ₹ 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.

(ix) The company (Floriana Properties merged company) has served notice through advocate Mr. Sachin Rajapurkar to Paradigm corporation private limited for recovery of deposit of ₹ 500 lakhs and expenses incurred on the project amounting to ₹ 140 lakhs along with interest/compensation. The management is confident of recoverability of the above dues with interest. In view of the same no impairment is made

(g) In respect of a development project, as per the terms of land purchase agreement with a land vendor, an additional amount equivalent to 40% of sale proceeds will required to be paid in the event the FSI availed is in excess of 580000 Sq ft. Since such event has not occurred till the date of balance sheet, no provision is required for this additional cost.

(h) The levy of Maharashtra Value Added Tax (MVAT) in respect of Real Estate Development sales has been subject to considerable legislative amendments, litigation and administrative action. During the pendency of special leave petition before the Hon'ble Supreme Court against the earlier Hon'ble Mumbai High Court decision, a decision has been pronounced by the Hon'ble Mumbai High Court and the matter has not reached finality.

The Industry, accounting and legal fraternity is examining the implications of the decisions and the way the liability will be worked out under various options provided. In view of such uncertainties, the management has been advised that in the present scenario it is difficult to correctly determine MVAT liability payable in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010. The Company is currently in process of ascertaining the exact applicability of these pronouncements, contractual ability to collect MVAT from past customers and the mechanism of collection of MVAT in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010.

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

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

(i) Others

## Notes forming part of the financial statements

(₹ in Lakhs)

Maharashtra State Electricity Distribution Company Limited has raised demand dated September 17, 2014 of ₹ 141.82 lakhs on account of unauthorised use of Electricity based on provisional assessment made. The Company has not accepted the same and legal process in respect to the above is carried on, now the same is settled.	NIL	141.82
In respect of Land admesuring 13,563 sq.mtr Situated at Vadgan Sheri, Pune consent term have been entered between the land owner Rock Enterprises and the Ultimate Owner Sansara Developers India Pvt. Ltd. For about ₹ 150 Crores Payable to the Land Owner. However Due to chain of agreement the compay is also party to the case filed by the Land Owner. - Case Dismissed by Court	NIL	1,500.00

Particulars	As at 31 March, 2018	As at 31 March, 2017
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,609.62	658.68

**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 ₹ 99.46 lakhs for Provident Fund contributions (March 31, 2017 : ₹ 103.79 lakhs) and ₹ 18.69 lakhs (March 31, 2017: ₹ 7.63 lakhs) towards ESIC in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

**(b) Defined Benefit Plans:****Gratuity**

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

**Defined benefit plans – as per actuarial valuation on 31st March, 2018**

Particulars	Funded Plan	
	Gratuity	
	2018	2017
<b>Service Cost</b>		
Current Service Cost	63.15	69.85
Past service cost and (gains)/losses from settlements	76.00	-
Net interest expense	30.30	31.70
Components of defined benefit costs recognised in profit or loss	169.46	101.54
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.70	-1.49
Actuarial gains and loss arising from changes in financial assumptions	-17.49	-23.77
Actuarial gains and loss arising from experience adjustments	-6.94	-32.33
Actuarial gains and loss arising from demographic adjustments	-	-0.74
Others (describe)	-	-
Components of defined benefit costs recognised in other comprehensive income	-23.73	-58.34
<b>Total</b>	<b>145.73</b>	<b>43.21</b>

Notes forming part of the financial statements

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	2018	2017
<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	585.27	451.05
2. Fair value of plan assets as at 31st March	24.56	6.62
3. Surplus/(Deficit)	-560.72	-444.43
4. Current portion of the above	560.72	444.43
5. Non current portion of the above	24.56	6.62
<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	-451.05	-406.36
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Current Service Cost	-63.15	-69.85
- Past Service Cost	-76.00	-
- Interest Expense (Income)	-30.30	-32.09
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	0.74
ii. Financial Assumptions	17.49	23.77
iii. Experience Adjustments	6.94	32.33
5. Benefit payments	10.81	0.40
6. Others (Specify)		
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>-585.27</b>	<b>-451.05</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	6.62	5.14
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. <i>Expenses Recognised in Profit and Loss Account</i>		
- Expected return on plan assets	1.10	0.39
- Mortality Charges and Taxes	-1.66	-
4. <i>Recognised in Other Comprehensive Income</i>		
<i>Remeasurement gains / (losses)</i>		
- Actual Return on plan assets in excess of the expected return	-0.70	1.49
5. Contributions by employer (including benefit payments recoverable)	20.00	-
6. Benefit payments	-0.81	-0.40
<b>7. Fair value of plan assets at the end of the year</b>	<b>24.56</b>	<b>6.62</b>
<b>IV. The Major categories of plan assets (As % of Total Plan Assets)</b>		
Funds Managed By Insurer	100%	100%
<b>V. Actuarial assumptions</b>		
1. Discount rate	7.70%	6.80%
2. Expected rate of return on plan assets	6.80%	7.90%
3. Attrition rate	7.00%	15.00%

## Notes forming part of the financial statements

(₹ in Lakhs)

**Maturity Profile of Defined Benefit Obligation:**

Year Ending March 31	Expected Benefit Payment Rounded to the nearest thousand (in Rs.)
2019	17,541,000
2020	6,342,000
2021	4,073,000
2022	6,077,000
2023	5,104,000
2024-2028	44,499,000

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	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined Benefit Obligation	552.07	433.77	623.17	470.02

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

	1% Increase		1% Decrease	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined Benefit Obligation	612.23	463.10	560.43	439.58

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

	1% Increase		1% Decrease	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Defined Benefit Obligation	587.89	452.65	582.38	449.26

**VIII. Experience Adjustments:**

	Year Ended	
	2018	2017
	Gratuity	
1. Defined Benefit Obligation	-585.27	-451.05
2. Fair value of plan assets	24.56	6.62
3. Surplus/(Deficit)	-560.72	-444.43
4. Experience adjustment on plan liabilities [(Gain)/Loss]	-6.94	-32.33
5. Experience adjustment on plan assets [Gain/(Loss)]	0.52	-1.56

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

**Notes forming part of the financial statements**

(₹ in Lakhs)

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 publically available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 31.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Company has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

**Note 33 : Related Party Transactions****I Names of related parties**

1. Subsidiaries
  - Marvel Housing Private Limited
  - GMP Technical Solution Private Limited
  - Almet Corporation Limited
  - Marathawada Realtors Private Limited
  - GMP Technical Solutions Middle East (FZE)
  - GMP Technical Services LLC (up to July 12, 2017)
  - Vascon Value Homes Private Limited
2. Joint Ventures
  - Phoenix Ventures
  - Cosmos Premises Private Limited

## Notes forming part of the financial statements

(₹ in Lakhs)

- Ajanta Enterprises
- Vascon Qatar WLL
- 3. Associates
  - Mumbai Estate Private Limited
- 4. Key Management Personnel
  - Mr. R. Vasudevan
  - Mr. Siddarth Vasudevan (*w.e.f 29th March 2018*)
  - Dr Santosh Sundararajan
  - Mr. D.Santhanam
  - Mr.M.Krishnamurthi
  - Mr.Mukesh Malhotra
- 5. Relatives of Key Management Personnel
  - Mrs. Lalitha Vasudevan
  - Ms. Soumya Vasudevan
  - Mrs. Thangam Moorthy
  - Mrs. Lalitha Sundararajan
  - Mrs Shilpa Shivram
  - Mrs. Sailaxmi Santhanam Mudaliar
  - Ms Mathangi Krishnamuthy
  - Ms Aishwarya Santhanam
  - Mrs K Jeyanthi
- 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
  - D. Santanam (HUF)
  - M krishnamurthi (HUF)

**II Related party transactions**

	As at March 31, 2018	As at March 31, 2017
<b>(a) Sales and work</b>	<b>969.05</b>	<b>1,432.49</b>
<b>Joint Ventures</b>		
Phoenix Ventures	655.20	377.69
Ajanta Enterprises	157.00	676.52
<b>Total</b>	<b>812.20</b>	<b>1,054.21</b>
<b>Key management Personnel</b>		
Mr. R. Vasudevan	46.80	-
Dr Santosh Sundararajan	110.05	-
<b>Total</b>	<b>156.85</b>	<b>-</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		

**Notes forming part of the financial statements**

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	-	136.45
Cherry Constructions Private Limited.	-	241.83
<b>Total</b>	<b>-</b>	<b>378.28</b>
<b>(b) Interest Income/commission Received</b>	<b>288.69</b>	<b>596.09</b>
<b>Subsidiaries</b>		
<b>Interest</b>		
GMP Technical Solutions Private Limited	95.28	175.58
<b>Commission</b>		
GMP Technical Solutions Private Limited	23.11	28.79
<b>Total</b>	<b>118.38</b>	<b>204.38</b>
<b>Joint Venture</b>		
Ajanta Enterprises	227.74	303.86
Cosmos Premises Private Limited - Dividend Received	170.30	87.85
	<b>398.04</b>	<b>391.71</b>
<b>(c) Interest Expense /commission Paid</b>	<b>100.30</b>	<b>159.78</b>
<b>Subsidiaries</b>		
<b>Interest</b>		
Almet Corporation Limited	7.53	7.65
Marathawada Realtors Private Limited	1.17	1.37
<b>Commission</b>		
GMP Technical Solutions Private Limited	4.29	-
<b>Total</b>	<b>12.98</b>	<b>9.02</b>
<b>Joint Venture</b>		
Ajanta Enterprises	-	23.63
<b>Total</b>	<b>-</b>	<b>23.63</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Stresstech Engineers Private Limited	-	0.74
Vastech Consultants Private Limited	-	10.02
D Santhanam- HUF	1.25	1.25
Flora Facilities Private Limited	80.69	83.27
M. Krishnamurthi (HUF)	-	1.49
<b>Total</b>	<b>81.94</b>	<b>96.77</b>
<b>Relatives of Key Management Personnel</b>		
Mr. Siddarth Vasudevan	1.38	1.35
Ms. Sailaxmi Santhanam Mudaliar	0.50	0.50
Ms. Aishwarya Santhanam Mudaliar	1.00	0.78
Mrs. Thangam Moorthy	-	1.76
<b>Total</b>	<b>2.88</b>	<b>4.39</b>
<b>Key Management Personnel</b>		
Mr. Santosh Sundararajan	-	21.88
D Santhanam	2.50	4.09
<b>Total</b>	<b>2.50</b>	<b>25.97</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>(d) Purchase of Goods / Work/Rent</b>	<b>608.85</b>	<b>856.08</b>
<b>Subsidiaries</b>		
Marvel Housing Private Limited.	205.86	-
GMP Technical Solution Pvt Ltd	66.29	436.05
<b>Total</b>	<b>272.15</b>	<b>436.05</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
<b>Rent</b>		
Flora Facilities Private Limited	205.47	237.60
<b>Works</b>		
Stresstech Engineers Private Limited	80.08	165.47
Vastech Consultants & Engineers LLP	51.15	16.97
<b>Total</b>	<b>336.70</b>	<b>420.03</b>
<b>(e) Receiving of Services</b>	<b>2,224.21</b>	<b>1,717.88</b>
<b>Subsidiaries</b>		
Marvel Housing Private Limited	-	49.07
	-	49.07
<b>Key Management Personnel</b>		
Mr R Vasudevan		
a) Short term benefits	120.00	120.00
b) Post Employment benefits*	0.22	5.99
Dr Santosh Sundararajan		
a) Short term benefits	405.83	405.83
b) Post Employment benefits*	0.22	0.22
c) Share based payments	1,158.97	719.91
Mr. D.Santhanam		
a) Short term benefits	68.25	68.25
b) Post Employment benefits*	0.22	0.22
c) Share based payments	87.00	53.81
Mr. Siddharth Vasudevan		
a) Short term benefits	203.95	-
b) Post Employment benefits*	0.22	-
Mr.M.Krishnamurthi		
a) Short term benefits	58.45	58.45
b) Post Employment benefits*	0.22	0.22
c) Share based payments	87.00	51.97
<b>Total</b>	<b>2,190.51</b>	<b>1,484.84</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>Relatives of Key Management Personnel</b>		
Mr. Siddarth Vasudevan	-	137.23
Mrs.Shilpa Sivram	-	0.64
Ms. Aishwarya Sathanam	-	0.52
Mrs.Lalitha Sundararajan	-	0.15
Mrs. K Jeyanthi	-	0.21
<b>Total</b>	<b>-</b>	<b>138.75</b>

Notes forming part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	14.61	-
Vastech Consultants Private Limited	19.05	45.15
D Santhanam-HUF	-	0.08
AISWARYA SANTHANAM MUDALIAR	0.04	-
<b>Total</b>	<b>33.70</b>	<b>45.23</b>
<b>(f) Share of Profit from AOP/Firm</b>	<b>812.79</b>	<b>885.59</b>
<b>Joint Ventures</b>		
Phoenix Ventures	7.24	-
Ajanta Enterprises	805.56	885.59
<b>Total</b>	<b>812.79</b>	<b>885.59</b>
<b>(g) Share of Loss from AOP/Firm</b>	<b>-</b>	<b>70.97</b>
<b>Joint Ventures</b>		
Phoenix Ventures	-	70.97
<b>Total</b>	<b>-</b>	<b>70.97</b>
<b>(h) Reimbursement of expenses</b>	<b>4.31</b>	<b>196.45</b>
<b>Joint Ventures</b>		
Ajanta Enterprises	-	113.73
Cosmos Premises Private Limited	-	75.02
Phoenix Ventures	-	6.00
<b>Total</b>	<b>-</b>	<b>194.75</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	2.94	-
	<b>2.94</b>	<b>-</b>
<b>Key Management Personnel</b>		
Dr Santosh Sundararajan	0.46	0.63
M. Krishnamurthi	0.46	0.46
D Santhanam	0.46	0.61
<b>Total</b>	<b>1.37</b>	<b>1.70</b>
<b>(i) Finance Provided (including equity contributions in cash or in kind)/ repayment of loan/repayment of fixed deposit</b>	<b>874.04</b>	<b>1,955.72</b>
<b>Subsidiaries</b>		
Marvel Housing Private Limited	70.00	135.33
Marathawada Realtors Private Limited	2.53	3.22
Almet Corporation Limited	3.58	3.87
<b>Total</b>	<b>76.11</b>	<b>142.42</b>
<b>Joint Ventures</b>		
Phoenix Ventures	22.80	37.34
Ajanta Enterprises	-	1,107.25
<b>Total</b>	<b>22.80</b>	<b>1,144.59</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Stresstech Engineers Private Limited	22.14	19.80
Vastech Consultants Private Limited	-	118.41
Flora Facilities Private Limited	400.00	250.18
M. Krishnamurthi (HUF)	-	16.84
<b>Total</b>	<b>422.14</b>	<b>405.24</b>
<b>Relatives of Key Management Personnel</b>		
Mrs. Thangam Moorthy	-	15.00
<b>Total</b>	<b>-</b>	<b>15.00</b>
<b>Key Management Personnel</b>		
Mr. R. Vasudevan	352.98	45.47
Mr. Santosh Sundararajan	-	189.00
D Santhanam	-	14.00
<b>Total</b>	<b>352.98</b>	<b>248.47</b>
<b>(j) Finance availed /Received back(including equity contributions in cash or in kind)</b>	<b>1,222.70</b>	<b>917.09</b>
<b>Subsidiary</b>		
Almet Corporation Limited	-	6.61
Marathawada Realtors Private Limited	-	1.33
GMP Technical Solution Private Limited	-	234.00
Marvel Housing Private Limited	70.00	-
<b>Total</b>	<b>70.00</b>	<b>241.95</b>
<b>Joint Ventures</b>		
Phoenix Venture	112.31	-
Ajanta Enterprises	-	448.00
<b>Total</b>	<b>112.31</b>	<b>448.00</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	688.90	200.00
Stresstech Engineers Private Limited	-	22.14
Venus Ventures	1.49	-
<b>Total</b>	<b>690.39</b>	<b>222.14</b>
<b>Relatives of Key Management Personnel (Through Fixed Deposit)</b>		
Mr. Siddarth Vasudevan (Through Fixed Deposit)	-	5.00
<b>Total</b>	<b>-</b>	<b>5.00</b>
<b>Key Management Personnel</b>		
Mr. R. Vasudevan	350.00	-
<b>Total</b>	<b>350.00</b>	<b>-</b>
<b>(k) Outstanding corporate / bank guarantees given</b>	<b>4,150.00</b>	<b>9,367.50</b>
<b>Subsidiaries</b>		
GMP Technical Solution Private Limited	4,150.00	9,367.50
<b>Total</b>	<b>4,150.00</b>	<b>9,367.50</b>
<b>(l) Outstanding as on</b>		
<b>A) Receivable to Vascon Engineers Limited</b>	<b>8,419.51</b>	<b>9,416.72</b>

**Notes forming part of the financial statements**

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Subsidiaries</b>	<b>227.62</b>	<b>202.92</b>
<b>a) Trade Receivable</b>		
GMP Technical Solution Private Limited	18.82	28.79
<b>Total</b>	<b>18.82</b>	<b>28.79</b>
<b>b) Loans &amp; Advances / Project Advances</b>		
Marvel Housing Private Limited	208.80	174.13
<b>Total</b>	<b>208.80</b>	<b>174.13</b>
<b>Joint Ventures</b>	<b>4,608.99</b>	<b>5,446.76</b>
<b>a) Trade Receivable</b>		
Phoenix Ventures	1,679.32	1,038.50
Ajanta Enterprises	185.63	49.35
<b>Total</b>	<b>1,864.95</b>	<b>1,087.84</b>
<b>b) Loans &amp; Advances</b>		
Phoenix Ventures	177.82	267.33
<b>Total</b>	<b>177.82</b>	<b>267.33</b>
<b>c) Balance in capital and current accounts</b>		
Phoenix Ventures	629.17	621.94
Ajanta Enterprises	1,937.04	3,469.65
<b>Total</b>	<b>2,566.22</b>	<b>4,091.59</b>
<b>d) Reimbursement of expenses</b>		
Cosmos Premises Private Limited	-	3.77
<b>Total</b>	<b>-</b>	<b>3.77</b>
<b>Associates</b>	<b>2,563.00</b>	<b>2,563.00</b>
<b>a) Loans &amp; 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>1,014.62</b>	<b>1,153.87</b>
<b>a) Trade Receivable</b>		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	157.30	157.30
Cherry Constructions Private Limited.	338.26	370.58
<b>Total</b>	<b>495.56</b>	<b>527.88</b>
<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Vastech Consultants Private Limited	9.55	15.00
Bellflower Premises Private Limited	-	50.00
Flora Facilities Private Limited	125.00	125.00
Vatsalya Enterprises Private Limited	-	50.00
Venus Ventures	384.50	385.99
<b>Total</b>	<b>519.05</b>	<b>625.99</b>

## Notes forming part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Key Management Personnel</b>	<b>5.28</b>	<b>49.17</b>
<b>a) Trade Receivable</b>		
Mr. R. Vasudevan	1.10	-
Mr.Santosh Sundararajan	4.18	49.17
<b>Total</b>	<b>5.28</b>	<b>49.17</b>
<b>B) Receivable from Vascon Engineers Limited</b>	<b>1,746.68</b>	<b>2,124.42</b>
<b>Subsidiaries</b>	<b>681.33</b>	<b>1,171.31</b>
<b>a) Trade Payable</b>		
Marvel Housing Private Limited	26.51	-
GMP Technical Solution Pvt Ltd	577.91	1,065.84
<b>Total</b>	<b>577.91</b>	<b>1,065.84</b>
<b>b) Loans &amp; Advances</b>		
Almet Corporation Limited	90.11	90.53
Marathawada Realtors Private Limited	13.32	14.94
<b>Total</b>	<b>103.42</b>	<b>105.47</b>
<b>Joint Venture</b>	<b>50.00</b>	<b>50.00</b>
<b>a) Loans &amp; Advances</b>		
Cosmos Premises Private Limited	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>
<b>Key Management Personnel</b>	<b>20.34</b>	<b>86.72</b>
<b>a) For Services Received</b>		
Mr. R Vasudevan	-	0.89
D Santhanam	-	14.88
<b>Total</b>	<b>-</b>	<b>15.77</b>
<b>b) Advance from Customers</b>		
R Vasudevan	-	47.73
<b>Total</b>	<b>-</b>	<b>47.73</b>
<b>c) For Deposit Received</b>		
D Santhanam	20.00	20.00
<b>Total</b>	<b>20.00</b>	<b>20.00</b>
<b>d) Expenses reimbursement</b>		
D Santhanam	0.34	0.24
<b>Total</b>	<b>0.34</b>	<b>0.24</b>
<b>e) Loans and advances</b>		
Mr. R Vasudevan	-	2.98
<b>Total</b>	<b>-</b>	<b>2.98</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>972.01</b>	<b>708.70</b>
<b>a) Trade Payable</b>		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	31.59	52.98
Stresstech Engineers Private Limited	34.31	46.44
Seraphic Design Private Limited	-	0.49
Vastech Consultants & Engineers LLP	62.58	51.43
Vastech Consultants Private Limited	4.01	-
D. Santhanam HUF	0.13	0.13
Aiswarya Santhanam Mudaliar	0.04	-

Notes forming part of the financial statements

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Total</b>	<b>132.66</b>	<b>151.47</b>
<b>b) Loans/(Advances)</b>		
Flora Facilities Private Limited	829.35	525.09
Stresstech Engineers Private Limited	-	22.14
<b>Total</b>	<b>829.35</b>	<b>547.23</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>23.00</b>	<b>106.68</b>
<b>a) Deposits Recd.</b>		
Mr. Siddarth Vasudevan	11.00	11.00
Mrs. Sailaxmi Santhanam Mudaliar	4.00	4.00
Ms.Aishwarya Santhanam	8.00	8.00
<b>Total</b>	<b>23.00</b>	<b>23.00</b>
<b>b) For services received</b>		
Siddharth Vasudevan	-	83.68
<b>Total</b>	<b>-</b>	<b>83.68</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, 2018.

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

Particulars	March 31, 2018	March 31, 2017
(i) Principal amount remaining unpaid to MSME suppliers as on	4.90	5.28
(ii) Interest due on unpaid principal amount to MSME suppliers as on	8.53	7.39
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day		
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	1.13	0.53
(v) The amount of interest accrued and remaining unpaid as on	8.53	7.39
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	1.13	0.53

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:

Name of the party	Relationship	Amount outstanding as at March 31, 2018	Maximum balance outstanding during the year
Marvel Housing Private Limited	Subsidiary	208.80 (174.13)	208.80 (174.13)

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.

## Notes forming part of the financial statements

(₹ in Lakhs)

- 36** The company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 ('regulation'). The pricing of such domestic transactions will need to comply with Arm's length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.

The Company has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 37** Segment information has been presented in the Consolidated Financial Statements as permitted by Indian Accounting Standard (Ind AS) 108 on operating segment as notified under the Companies (Indian Accounting Standards) Rules, 2015.

**38 Disclosure of particulars of contract revenue**

	March 31, 2018	March 31, 2017
Contract Revenue Recognized during the year	24,581.13	19,141.20
Contract costs incurred during the year	18,079.73	14,519.25
Recognized Profit	6,501.40	4,621.95
Advances received for contracts in progress	-1,682.57	-4,115.11
Retention money for contracts in progress	2,873.89	4,290.31
Gross amount due from customer for contract work ( assets )	5,581.86	3,657.19
Gross amount due to customer for contract work ( liability )	2,494.58	4,467.37

- 39** The company has not performed CSR activities as mentioned in Section 135 read with companies ( Corporate Social responsibility) Rules, 2014 (CSR rules) and Notification and circulars issued by the ministry during the financial year as the company is not within the criteria of 'Qualifying company'.

- 40** During the previous financial year the company has redeemed preference shares from one of the subsidiary " GMP Technical Solutions Private Limited" amounting to Rs. 234 lakhs.

- 41** In June 2012, the Income Tax Department had initiated proceedings against the Company, under Section 132 of the Income Tax Act, 1961. During the year, the Company has received order from the Income Tax Settlement Commission under Section 245D(4), for the assessment years 2007-08 to 2014-15 (except assessment year 2013-14 which is reverted to respective assessing officer for further assessment) and based on which necessary effects has been given in the accounts.

- 42** During the current financial year, the company renegotiated and agreed for full and final payment of Rs 5,864 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non convertable debentures of Rs 6,861 Lakhs.

**43 Scheme of Amalgamation:**

Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by the National Company Law Tribunal, Mumbai Bench vide its order dated 21 June 2017, Angelica Properties Private Limited (Angelica Properties), Floriana Properties Private Limited (Floriana Properties), Greystone Premises Private Limited (Greystone Premises), It-Citi Infopark Private Limited (It-Citi Infopark), Just Homes Hndia Private Limited (Just Homes India), Sansara Developers India Private Limited (Sansara Developers), Sunflower Real Estate Developers Private Limited (Sunflower Real Estate), Shreyas Strategists Private Limited (Shreyas Strategists), Vascon Dwellings Private Limited (Vascon Dwellings), Vascon Pricol Infrastructures limited (Vascon Pricol), Wind Flower Properties Private Limited (Wind Flower Properties) have been merged with the Company with effect from 1 April 2016 (the appointed date). The Scheme came into effect on 3 August 2017, the day on which the order was delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties, taxes and obligations of Angelica Properties, Floriana Properties, Greystone Premises, It-Citi Infopark, Just homes india, Sansara Developers, Sunflower Real Estate, Shreyas Strategists, Vascon Dwellings, Vascon Pricol, Wind Flower Properties have been transferred to and vested in the Company. The scheme has become effective on 3 August 2017 with effect from the appointed date of 1 April 2016, accordingly previous years' numbers has been restated.

Angelica Properties, Floriana Properties, Greystone Premises, It-Citi Infopark, Just Homes India, Sansara Developers, Sunflower Real Estate, Shreyas Strategists, Vascon Dwellings, Vascon Pricol, Wind Flower Properties were primarily engaged in business of construction of residential, commercial; IT Parks along with renting of immovable properties and providing project management services for managing and developing real estate projects.

The business of Angelica Properties, Floriana Properties, Greystone Premises, It-Citi Infopark, Just homes india, Sansara

**Notes forming part of the financial statements**
**(₹ in Lakhs)**

Developers, Sunflower Real Estate, Shreyas Strategists, Vascon Dwellings, Vascon Pricol, Wind Flower Properties was run in trust by them for the Company and the business of Angelica Properties, Floriana Properties, Greystone Premises, It-Citi Infopark, Just homes india, Sansara Developers, Sunflower Real Estate, Shreyas Strategists, Vascon Dwellings, Vascon Pricol, Wind Flower Properties will be carried on by the Company post the effective date.

As the amalgamating companies i.e. Angelica Properties, Floriana Properties, Greystone Premises, It-Citi Infopark, Just Homes India, Sansara Developers, Sunflower Real Estate, Shreyas Strategists, Vascon Dwellings, Vascon Pricol, Wind Flower Properties are wholly owned subsidiaries of the Company, no consideration is payable on amalgamation with the Company.

The amalgamation is accounted under the 'pooling of interest' method in terms of the scheme sanctioned by the National Company Law Tribunal, Mumbai bench as under:

- All assets and liabilities and reserves of Angelica Properties, Floriana Properties, Greystone Premises, It-Citi Infopark, Just homes india, Sansara Developers, Sunflower Real Estate, Shreyas Strategists, Vascon Dwellings, Vascon Pricol, Wind Flower Properties have been recorded in the books of account of the Company at their respective carrying amounts and in the same form.
- Difference between amount of Share capital of the transferor companies and gross value recorded as investments is adjusted and the difference is adjusted in ' Reserves' in accordance with the Scheme.
- Accordingly, the assets and liabilities of Angelica Properties, Floriana Properties, Greystone Premises, It-Citi Infopark, Just Homes India, Sansara Developers, Sunflower Real Estate, Shreyas Strategists, Vascon Dwellings, Vascon Pricol, Wind Flower Properties are accounted at the following summarized values:

Particulars	Angelica Properties	Floriana Properties	Grey Stone Properties	IT Citi Infopark
Property Plant and Equipment (Including Capital Work-in-Progress)	0.13	-	-	-
Intangible assets	-	-	-	-
Taxes	-	-	-	-
Inventories	-	139.61	-	-
Trade Receivables	-	-	-	-
Cash and Bank Balances	6.05	0.13	0.18	0.30
Financial assets -Investments, loans & others (Non-current & Current) and Other Non-current and current assets	595.86	500.00	-	1,251.45
Non-current and current liabilities	44.48	676.16	351.89	271.30
Other Equity	325.24	-37.42	-352.71	979.45
Share Capital	232.32	1.00	1.00	1.00
Gross value recorded as investments	302.07	1.00	0.65	1.00
<b>To be adjusted against reserves</b>	-69.75	-	<b>0.35</b>	-

## Notes forming part of the financial statements

(₹ in Lakhs)

Particulars	Just Home India	Sansara Developers	Sunflower Real Estate	Shreyas Strategists
Property Plant and Equipment (Including Capital Work-in-Progress)	0.16	-	-	-
Intangible assets	-	-	-	-
Taxes	-	-	4.84	-
Inventories	471.23	12,388.27	2,756.50	-
Trade Receivables	5.56	-	1,666.92	-
Cash and Bank Balances	0.43	0.45	37.94	1.71
Financial assets -Investments, loans & others (Non-current & Current) and Other Non-current and current assets	65.92	46.48	805.81	7,205.77
Non-current and current liabilities	487.84	4,967.37	5,930.06	7,755.82
Other Equity	919.51	7,193.84	-758.06	-549.34
Share Capital	1.00	274.00	100.00	1.00
Gross value recorded as investments	600.50	7,205.77	100.00	1.00
<b>To be adjusted against reserves</b>	<b>-599.50</b>	<b>-6,931.77</b>	-	-

Particulars	Vascon Dwellings	Vascon Pricol	Wind Flower Properties	Total
Property Plant and Equipment (Including Capital Work-in-Progress)	-	-	-	<b>0.28</b>
Intangible assets	-	-	-	-
Taxes	-	-	-	<b>4.84</b>
Inventories	662.55	1,455.58	-	<b>17,873.74</b>
Trade Receivables	2,729.04	34.17	53.21	<b>4,488.90</b>
Cash and Bank Balances	16.37	42.15	0.44	<b>106.16</b>
Financial assets -Investments, loans & others (Non-current & Current) and Other Non-current and current assets	47.80	128.62	16.27	<b>10,663.98</b>
Non-current and current liabilities	4,259.68	1,579.60	66.31	<b>26,390.51</b>
Other Equity	-374.91	-629.09	2.62	<b>6,719.14</b>
Share Capital	1.00	710.00	1.00	<b>1,323.32</b>
Gross value recorded as investments	1.00	867.00	1.00	<b>9,080.99</b>
<b>To be adjusted against reserves</b>	-	<b>-157.00</b>	-	<b>-7,757.68</b>

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

R Vasudevan  
Chairman  
(DIN-00013519)

Siddharth Vasudevan  
Managing Director  
(DIN-02504124)

Dr Santosh Sundararajan  
Chief Executive Officer

Hemant M. Joshi  
Partner

M Krishnamurthi  
Company Secretary &  
Compliance Officer

D Santhanam  
Chief Financial Officer

Date : May 28, 2018  
Place : Pune

Date : May 28, 2018  
Place : Pune

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VASCON ENGINEERS LIMITED

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **VASCON ENGINEERS LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associate and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### Managements' Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Other Matters

- (a) We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets of Rs. 1,037 lakhs as at March 31, 2018, total revenues of Rs. Nil and net cash inflows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of Rs. 384 lakhs as at March 31, 2018, total revenues of Rs. 61 lakhs and net cash outflows amounting to Rs. 38 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. Nil for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 1 associate whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures. Refer note no xx to the Consolidated Financial Statements.
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-1000018)

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

Place: Pune  
Date: May 28, 2018

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **VASCON ENGINEERS LIMITED** (hereinafter referred to as “Parent”) and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date.

#### **Managements’ Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiary companies which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-1000018)

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

Place: Pune  
Date: May 28, 2018

**Balance Sheet as at March 31, 2018**

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2018	As at March 31, 2017
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	7,187.12	8,237.49
Goodwill on Consolidation		2,661.25	2,661.25
Investment Property	4	2,000.56	2,102.93
Other Intangible assets	3	9.84	17.83
Intangible Assets under development	3	127.20	-
<b>Financial Assets</b>			
Investments	5	7,785.12	7,868.30
Loans	6	825.04	1,694.37
Others Financial Assets	7	10,952.39	10,338.71
Income Tax Assets (net)		3,697.11	3,716.33
Deferred Tax Assets (net)	17	718.19	838.11
Other Non Current Assets	8	2,703.91	1,936.26
		<b>Total Non - Current Assets</b>	<b>39,411.58</b>
		<b>38,667.73</b>	<b>39,411.58</b>
<b>Current Assets</b>			
Inventories	9	47,153.39	45,116.16
<b>Financial Assets</b>			
Investments	5	778.56	530.22
Trade Receivables	10	20,557.90	22,421.53
Cash and cash equivalents	11	2,558.98	2,829.09
Bank balances other than (iii) above	11	3,024.01	3,816.85
Loans	6	7,421.10	8,743.61
Others Financial Assets	7	9,490.94	7,103.81
Other Current Assets	8	2,530.55	2,352.73
		<b>Total Current Assets</b>	<b>92,914.00</b>
		<b>93,515.43</b>	<b>92,914.00</b>
<b>Total Assets</b>		<b>1,32,183.16</b>	<b>1,32,325.58</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	12 & 12.1	17,413.67	16,766.02
Other Equity	12.2	49,392.53	46,652.72
<b>Equity attributable to owners of the Company</b>		<b>66,806.20</b>	<b>63,418.74</b>
Non Controlling Interest	12.3	1,093.48	1,191.04
		<b>Total Equity</b>	<b>64,609.78</b>
		<b>67,899.68</b>	<b>64,609.78</b>
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	13	9,095.34	13,263.45
Other financial liabilities	14	2,407.45	3,340.08
Other Liabilities	18	15.17	165.39
		<b>Total Non - Current Liabilities</b>	<b>16,768.92</b>
		<b>11,517.96</b>	<b>16,768.92</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	13	11,158.04	13,788.82
Trade and other payables	15	19,280.80	19,571.31
Other financial liabilities	14	8,857.59	1,436.64
Provisions	16	1,533.27	1,488.27
Other Current Liabilities	18	11,935.82	14,661.84
		<b>Total Current Liabilities</b>	<b>50,946.88</b>
		<b>52,765.52</b>	<b>50,946.88</b>
<b>Total Equity and Liabilities</b>		<b>1,32,183.16</b>	<b>1,32,325.58</b>

## Profit and Loss for the year ended March 31, 2018

Particulars	Note No	(₹ in Lakhs)	
		For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	19	54,058.06	49,634.51
Other Income	20	3,793.34	5,801.34
<b>Total Income</b>		<b>57,851.40</b>	<b>55,435.85</b>
Cost of materials consumed	21.a	40,229.64	37,875.97
Purchases of stock-in-trade		-	1.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	(2,060.23)	(1,532.03)
Excise duty on sale of goods		151.29	619.56
Employee benefit expense	22	7,687.48	7,662.45
Finance costs	23	2,528.17	3,273.77
Depreciation and amortization expense	3 & 4	1,431.64	1,564.40
Other expenses	24	7,382.99	5,700.43
<b>Total expenses</b>		<b>57,350.98</b>	<b>55,165.55</b>
<b>Profit before tax</b>		<b>500.42</b>	<b>270.30</b>
Less: Tax Expense			
Current Tax	17	8.54	85.80
Deferred Tax	17	82.24	(301.20)
Excess/ ( short ) provision for tax of earlier years	17	(55.43)	364.71
		35.35	149.31
<b>Profit after tax</b>		<b>465.07</b>	<b>120.99</b>
<b>Other Comprehensive Income</b>			
Items that will not be recycled to profit or loss			
- Remeasurements of the defined benefit liabilities / (asset)		75.16	61.24
- Income tax relating to items that will not be reclassified to profit or loss		(17.17)	(0.96)
		<b>57.99</b>	<b>60.28</b>
<b>Total Comprehensive Income for the year</b>		<b>523.06</b>	<b>181.27</b>
<b>Total comprehensive income for the year attributable to:</b>			
<b>Owners of the Company</b>		<b>620.62</b>	<b>261.10</b>
<b>Non controlling interests</b>		<b>(97.56)</b>	<b>(79.83)</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic	25	0.34	0.12
Diluted	25	0.33	0.12
Significant accounting policies	2		

See accompanying notes forming part of the financial statements.

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Hemant M. Joshi  
Partner

Date : May 28, 2018  
Place : Pune

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

R Vasudevan  
Chairman  
(DIN-00013519)

M Krishnamurthi  
Company Secretary &  
Compliance Officer

Date : May 28, 2018  
Place : Pune

Siddharth Vasudevan  
Managing Director  
(DIN-02504124)

Dr Santosh Sundararajan  
Chief Executive Officer

D Santhanam  
Chief Financial Officer

**Cash Flow Statement for the year ended March 31, 2018**

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	500.42	270.30
Adjustments for :-		
- Depreciation / amortisation expenses	1,431.64	1,564.40
- Finance Cost	2,528.17	3,273.77
- Dividend Income	-	(88.00)
- Dividend on investments carried at FVTPL	(48.37)	(1.22)
- Net Expense recognised in respect of equity-settled share-based payments	1,471.54	715.74
- Prepaid Rent	78.62	65.30
- Interest income	(777.87)	(2,453.33)
- Deferred Revenue	(4.00)	(4.00)
- Provision for doubtful debt and advances	593.88	138.98
- Bad debts and other receivables, loans and advances written off	1,521.47	433.76
- Provision no longer required written back	(2,499.63)	(2,830.82)
- Provision for unapproved sales	-	(6.65)
- Share of Profits from Joint Venture	82.96	(71.69)
- Net loss (gain) arising on financial Liabilities designated as at FVTPL	900.22	(0.14)
- Loss arising on derecognition of financial assets	-	302.37
- Provision for creditors advance	-	(71.89)
- (Profit) Loss on Sale of Property, Plant & Equipment (net)	(361.31)	(313.55)
<b>Operating Profit before working capital changes</b>	<b>5,417.74</b>	<b>923.33</b>
<b>Adjustments for (increase )/ decrease in operating assets</b>		
Inventories before capitalisation of borrowing cost	(2,578.74)	(1,081.66)
Trade receivables	(2,115.17)	1,696.90
Amount due from / to Customer	(4,018.51)	3,982.76
Loans (Non Current)	3,357.09	3,986.37
Others Financial Assets (Non Current)	(613.69)	(21.62)
Other assets (Non Current)	(846.27)	(7.58)
Loans (Current)	1,322.51	(5,271.53)
Others Financial Assets (Current)	275.34	(144.83)
Other assets (Current)	(219.32)	(306.26)
<b>Adjustments for (increase )/ decrease in operating liabilities</b>		
Current trade payables	3,124.66	(571.42)
Provisions	208.78	138.97
Other Non Current liabilities	(1,078.85)	(6.12)
Other current liabilities	(1,213.23)	(1,638.73)
Cash generated from operations	1,022.34	1,678.58
Direct Taxes Paid (Net)	(22.82)	1,131.19
<b>Net Cash flow from operating activities</b>	<b>999.52</b>	<b>2,809.77</b>

## Cash Flow Statement for the year ended March 31, 2018 (Contd.)

PARTICULARS	(₹ in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work in progress	(794.81)	(2,261.55)
Dividend received	-	88.00
Proceeds on disposal of fixed assets	794.78	396.14
Payments / Proceeds from Investments	48.37	1.37
Investments / Proceeds from fixed deposits with banks	792.83	(271.08)
Investments / Proceeds from liquid mutual funds	(248.34)	(284.64)
<b>Net Cash generated / (used) in investing activities</b>	<b>592.83</b>	<b>(2,331.76)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from issue of Equity shares	1,295.31	1,267.69
Repayment of Non Convertible Debentures	-	(3,550.00)
Proceed / repayment from/to long term borrowing	2,952.81	4,950.23
Proceed / repayment from/to Short term borrowing	(3,166.29)	(1,328.32)
Interest Income received	777.87	1,576.65
Finance cost including capitalised to qualifying assets	(4,257.68)	(4,552.67)
<b>Net Cash generated / (used) in financing activities</b>	<b>(2,397.98)</b>	<b>(1,636.42)</b>
<b>NET CASH INFLOW / (OUTFLOW) (A+B+C)</b>	<b>(805.63)</b>	<b>(1,158.41)</b>
Cash and cash equivalents at the beginning of the year	2,713.75	3,872.16
Cash and cash equivalents at the end of the year	1,908.12	2,713.75
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(805.63)</b>	<b>(1,158.41)</b>
See accompanying notes forming part of the financial statements		
Figures in brackets represent outflows of cash and cash equivalents.		

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

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

R Vasudevan  
Chairman  
(DIN-00013519)

Siddharth Vasudevan  
Managing Director  
(DIN-02504124)

Dr Santosh Sundararajan  
Chief Executive Officer

Hemant M. Joshi  
Partner

M Krishnamurthi  
Company Secretary &  
Compliance Officer

D Santhanam  
Chief Financial Officer

Date : May 28, 2018  
Place : Pune

Date : May 28, 2018  
Place : Pune

a) Change in Equity

Particular	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	16,766.02	16,130.67
Issue of equity shares under employee share option plan	647.65	635.35
Balance at the end of the year	17,413.67	16,766.02

b) Changes in Other Equity

Particulars	Reserves and Surplus						Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity		
	Capital reserve	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	Debenture Redemption Reserve	General reserve				Foreign Currency Translation Reserve	Retained earnings
Balance at the beginning of the reporting year - As of April 01, 2016	336.09	127.50	42,718.77	44.84	887.50	650.00	3.94	1,737.52	46,506.16	1,270.87	47,777.03
Adjustment for excess amount of Investment carried in Company's accounts over the Share Capital pursuant to amalgamation	(336.09)	1,250.00	8,738.80	-	-	-	-	(11,107.96)	(1,455.25)	-	(1,455.25)
Premium on Shares issued during the year	-	-	632.35	-	-	-	-	-	632.35	-	632.35
Transfer to General Reserve	-	-	-	-	(887.50)	887.50	-	-	-	-	-
Amount recorded on grants	-	-	-	716.77	-	-	-	-	716.77	-	716.77
Transferred to securities premium account on exercise	-	-	531.03	(531.03)	-	-	-	-	-	-	-
Shares Forfeited during the year	-	-	-	(1.03)	-	-	-	-	(1.03)	-	(1.03)
Foreign Exchange Difference	-	-	-	-	-	-	(1.28)	-	(1.28)	-	(1.28)
Profit for the year	-	-	-	-	-	-	-	200.82	200.82	(80.12)	120.70
Other Comprehensive income for the year	-	-	-	-	-	-	-	60.28	60.28	0.29	60.57
Consolidated Adjustment	-	-	-	-	-	-	-	(6.10)	(6.10)	-	(6.10)
Balance at the end of the reporting year	-	1,377.50	52,620.95	229.55	-	1,537.50	2.66	(9,115.44)	46,652.72	1,191.04	47,843.76

Particulars	Reserves and Surplus							Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity	
	Capital reserve	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	Debt Redemption Reserve	General reserve	Foreign Currency Translation Reserve				Retained earnings
<b>Balance at the beginning of the reporting year - As of April 01, 2017</b>	-	1,377.50	52,620.95	229.55	-	1,537.50	2.66	(9,115.44)	46,652.72	1,191.04	47,843.76
Premium on Shares issued during the year	-	-	647.65	-	-	-	-	-	647.65	-	647.65
Amount recorded on grants	-	-	-	1,471.54	-	-	-	-	1,471.54	-	1,471.54
Transferred to securities premium account on exercise	-	-	-	(899.15)	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	562.63	562.63	(102.70)	459.93
Other Comprehensive income for the year	-	-	-	-	-	-	-	57.99	57.99	5.14	63.13
<b>Balance at the end of the reporting year</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

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

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

R Vasudevan  
Chairman  
(DIN-00013519)

Siddharth Vasudevan  
Managing Director  
(DIN-02504124)

Dr Santosh Sundararajan  
Chief Executive Officer

Hemant M. Joshi  
Partner

M Krishnamurthi  
Company Secretary & Compliance Officer

D Santhanam  
Chief Financial Officer

Date : May 28, 2018  
Place : Pune

Date : May 28, 2018  
Place : Pune

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

### 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, 2018 were approved by the Board of Directors and authorised for issue on May 28, 2018.

### 2 **Significant Accounting Policies**

#### 2.01 **Statement of Compliance**

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

#### 2.02 **Basis of preparation and presentation**

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

#### 2.03 **Basis of consolidation**

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except otherwise stated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The following subsidiary companies are considered in the Consolidated Financial Statements:

Name of the Company	Relationship	Country of Incorporation or Residence	Voting Power %	
			As at March 31, 2018	As at March 31, 2017
Marvel Housing Private Limited	Subsidiary	India	100%	100%
Vascon Value Homes Private Limited	Subsidiary	India	100%	-
GMP Technical Solutions Private Limited	Subsidiary	India	85%	85%
GMP Technical Solutions Middle East (FZE),	Step Subsidiary	UAE (Sharjah)	85%	85%
Almet Corporation Limited	Subsidiary	India	100%	100%
Marathawada Realtors Private Limited	Subsidiary	India	100%	100%
Phoenix Ventures	Joint Venture	India	50%	50%
Cosmos Premises Private Limited	Joint Venture	India	43.83%	43.83%
Ajanta Enterprises	Joint Venture	India	50%	50%
Mumbai Estate Private Limited	Associates	India	44.44%	44.44%

#### 2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

#### 2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

#### 2.06 Use of estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

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

## **Impairment of Goodwill**

The Group estimate the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows were developed using internal forecasts. The discount rate used for the CGU's represented the weighted- average cost of capital based on the historical market returns of comparable companies.

## **Useful lives of property, plant and equipment**

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

## **Valuation of deferred tax assets**

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.13

## **Provisions and contingent liabilities**

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

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

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

## **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.

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**

**(i) Completed Units**

Revenue from sales of units is recognized as and when the underlying significant risk and rewards of ownership are transferred to the purchaser.

**(ii) Units Under Development**

Revenue from sales of such units is recognized as and when all the following conditions are satisfied:

- (a) The underlying significant risk and rewards of ownership are transferred to the purchaser.
- (b) All critical approvals necessary for commencement of the project are obtained .
- (c) Reasonable level of development is reached when project cost incurred excluding land cost and borrowing cost exceeds 25% of the project cost excluding land cost and borrowing cost.
- (d) Atleast 25% of the estimated project area are secured by contracts or agreement with the buyers.
- (e) Atleast 10% of the total revenue as per agreements of sale are realised at the reporting date in respect of each of the contracts and there are no outstanding defaults of the payment terms in such contracts.
- (f) Certainty of recoverability of the balance consideration.

Project revenue and project costs associated with the real estate project are recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date in accordance with "Guidance Note on Accounting for real estate transactions".

The percentage completion for the purpose of recognition of revenue is determined based on actual costs incurred thereon by the Group to total estimated cost with reference to the saleable area. Cost for this purpose includes cost of land/development rights, construction and development costs of such properties borrowing costs and overheads, as may be applicable.

The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognized in the period in which such changes occur.

However, when the total project cost is estimated to exceed total revenues from the project, loss is recognized immediately.

**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 include excise duty but exclude sales tax and value added tax.

- 4. Share of Profit/Loss from Partnership firm/ Association of Person is recognised as income during the relevant period on the basis of accounts made-up audited or unaudited as the case may be and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement.
- 5. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- 6. Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).
- 7. Rental Income - Income from letting-out of property is accounted on accrual basis - as per the terms of agreement and when the right to receive the rent is established.
- 8. Income from services rendered is recognised as revenue when the right to receive the same is established.
- 9. Profit on sale of investment is recorded upon transfer of title by the Group. It is determined as the difference between the sale price and the then carrying amount of the investment.

## 2.08 Leases

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

### Operating Lease

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

### Finance Lease

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

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

## 2.09 Foreign Currencies

The functional currency of the Group is the Indian Rupee whereas the functional currency of foreign subsidiaries is the AED.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

## 2.10 Borrowing Costs

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

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

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

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## 2.11 Government Grants and Export Incentive

### (i) Government grants in respect to manufacturing units located in developing regions

The Group is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Group accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

### (ii) Government grants in respect of additional Capital Expenditure

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognized as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

**(iii) Export Benefits**

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**2.12 Employee benefits****a) Short-term Employee Benefits -**

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

**b) Post Employment Benefits -****1. Defined Contribution Plan:**

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

**2. Defined Benefit Plan:**

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

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

**Gratuity:**

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

**c) Other Long-term Employee Benefits -****Compensated Absences:**

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

**Share-based Payments:**

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

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

### 2.13 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 income tax expenses.

### 2.14 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 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 fixed asset and use of which, as per technical assessment, is expected to be irregular, are capitalised and depreciated as part of fixed assets.

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.

Fixed assets 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

#### (i) Development - Completed Units

Finished goods comprising of constructed units ready for sale are valued at lower of cost and net realisable value.

#### (ii) Development - Units under construction

The unit under construction to the extent not recognised as sales under the revenue recognition policy adopted by the Group is carried at lower of cost or net realisable value on the basis of technical estimate certified by the Managing Director / Technical Experts.

**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 Business Segments**

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group is in the business of manufacture and sale of automobile components, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 2. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment.

## **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 Group has identified 12 months as its operating cycle.

## 2.25 Share Capital

### Ordinary Shares

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

## 2.26 Fair Value Measurement

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

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

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

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

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

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

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

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

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

## Determination of Fair Value

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

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

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

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

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

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

### 4) Financial Liabilities

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

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

#### Subsequent Measurement

Fair value through Profit & Loss

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

Loans and Borrowings

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

### 5) Embedded Derivatives

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

## 2.27 Dividend

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

## 2.28 Recent accounting pronouncements

### Ind AS 115, 'Revenue from Contracts with Customers'

In March 2018, MCA has notified the Ind AS 115, Revenue from Contract with Customers. The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in Ind AS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under Ind AS. The effective date of Ind AS 115 is annual periods beginning on or after April 1, 2018. The Group is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

As a consequence of issuance of Ind AS 115, relevant paragraphs inserted / amended in various other standards. The Group will follow these amendments when it applies Ind AS 115.

**Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates:**

In March 2018, MCA issued amendment to Ind AS 21, "Appendix B, Foreign currency transactions and advance consideration" which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is applicable to annual periods beginning on or after April 1, 2018. The Group does not expect that the adoption of the amendments will have any significant impact on the said financial statements.'

**2.29 Investments**

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

**2.30 Associates and joint ventures**

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

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

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

**2.32 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".

Notes to the Consolidated financial statements for the year ended 31st March, 2018

Note No. 3 - Property Plant and Equipments and Intangible assets

(₹ in Lakhs)

PARTICULARS	I. Tangible assets						II. Intangible assets			
	LEASEHOLD IMPROVEMENTS	LAND	PREMISES	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENTS	Total	SOFTWARES	DEVELOPMENT EXPENDITURE
<b>Gross Carrying Value</b>										
As at April 1, 2017	383.20	440.02	4,188.47	12,912.53	755.60	327.08	534.67	19,541.57	536.69	
Additions	1.78	-	29.87	689.19	46.58	14.59	62.48	844.49	28.95	127.20
Disposals	27.09	-	826.76	335.10	41.97	17.63	-	1,248.55	-	
As at Mar 31, 2018	357.89	440.02	3,391.58	13,266.62	760.21	324.04	597.15	19,137.51	565.64	127.20
<b>Accumulated depreciation</b>										
As at April 1, 2017	56.92	-	2,033.53	7,894.44	589.75	221.37	508.27	11,304.28	518.86	
Additions	22.10	-	147.85	1,003.07	53.41	32.91	32.99	1,292.33	36.94	
Disposals	3.37	-	314.88	279.12	33.86	14.99	-	646.22	-	
As at Mar 31, 2018	75.65	-	1,866.50	8,618.39	609.30	239.29	541.26	11,950.39	555.80	
<b>Net carrying value as at Mar 31, 2018</b>								<b>7,187.12</b>	<b>9.84</b>	<b>127.20</b>
<b>Gross Carrying Value</b>										
As at April 1, 2016	384.17	450.02	4,182.50	10,910.14	773.23	320.28	525.95	17,546.29	529.13	
Additions	-	-	69.61	2,215.55	4.91	18.73	11.06	2,319.86	7.56	
Disposals	0.97	10.00	63.63	213.17	21.36	9.29	-	318.42	-	
As at March 31, 2017	383.20	440.02	4,188.48	12,912.52	756.78	329.72	537.01	19,547.73	536.69	
<b>Accumulated depreciation</b>										
As at April 1, 2016	51.74	-	1,868.79	6,924.42	525.34	183.87	492.62	10,046.78	504.47	
Additions	21.87	-	176.57	1,104.40	67.62	48.21	17.85	1,436.52	14.39	
Disposals	16.69	-	11.83	134.38	2.10	8.06	-	173.06	-	
As at March 31, 2016	56.92	-	2,033.53	7,894.44	590.86	224.02	510.47	11,310.24	518.86	
<b>Net carrying value as at Mar 31, 2017</b>								<b>8,237.49</b>	<b>17.83</b>	<b>-</b>

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## Note No. 4 - Investment Property

Description of Assets	Buildings
Gross carrying value *	
As at April 1, 2017	2,490.73
Additions	-
Disposals	-
<b>As at Mar 31, 2018 ( A )</b>	<b>2,490.73</b>
<b>Accumulated depreciation</b>	
As at April 1, 2017	387.80
Charge for the year	102.37
Reversals/ Disposals during the year	-
<b>As at March 31, 2018 ( B )</b>	<b>490.17</b>
<b>Net carrying value as at March 31, 2018 (A) - (B)</b>	<b>2,000.56</b>
Gross carrying value *	
As at April 1, 2016	2,643.65
Additions	-
Disposals	(152.92)
<b>As at March 31, 2017 ( A )</b>	<b>2,490.73</b>
<b>Accumulated depreciation</b>	
As at April 1, 2016	315.94
Charge for the year	113.49
Reversals/ Disposals during the year	(41.63)
<b>As at March 31, 2017 ( B )</b>	<b>387.80</b>
<b>Net carrying value as at March 31, 2017 (A) - (B)</b>	<b>2,102.93</b>

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

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

## Fair valuation

Particulars	As at March 31, 2018	As at March 31, 2017
Investment Property	3,114.56	3,114.56

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

Note No. 5 : Investment

A. Non Current Investment

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A. COST</b>		
<b>I. Unquoted Investments (all fully paid)</b>		
<b><u>Investments in Equity Instruments of joint ventures - jointly controlled entities</u></b>		
Cosmos Premises Private Limited 177,401 (March 31, 2017: 177,401) Equity Shares of Rs. 10/- Each Fully Paid	536.41	619.37
Vascon Engineers Ltd WII (Qatar)	0.01	0.01
Phoenix Venture	200.00	200.00
Ajanta Enterprises	4,272.94	4,272.94
<b>INVESTMENTS CARRIED AT COST [A]</b>	<b>5,009.36</b>	<b>5,092.32</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><u>C. Designated as Fair Value Through Profit and Loss</u></b>		
<b>Quoted investments</b>		
Investments in Equity Instruments - Corporation Bank Limited	0.31	0.53
<b>Total Aggregate Quoted Investments</b>	<b>0.31</b>	<b>0.53</b>
<b>Unquoted Investments(all fully paid)</b>		
<b><u>Investments in Equity Instruments of structured entities</u></b>		
The Saraswat Co-Op Bank Limited 2,500 (March 31, 2017: 2,500) Equity Shares Of Rs.10/- Each Fully Paid	0.25	0.25
Sahyadri Hospital Limited 250,000 (March 31, 2017: 250,000) Equity Shares Of Rs.10/- Each Fully Paid	25.00	25.00
	25.25	25.25
<b><u>Investments in debentures</u></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>	<b>2,775.56</b>	<b>2,775.78</b>
<b>TOTAL INVESTMENTS [A] + [B] + [C]</b>	<b>7,785.12</b>	<b>7,868.30</b>
<b>B. Current Investment</b>		
<b>Designated as Fair Value Through Profit and Loss</b>		
<b>I. Unquoted Investments (all fully paid)</b>		
Sita Lakshmi Mills Limited 806,000 (March 31, 2017: 806,000) Equity Shares of Rs 50/- Each Fully Paid	234.00	234.00
<b>Total Unquoted Investments</b>	<b>234.00</b>	<b>234.00</b>
<b>Quoted Investments</b>		
Investment in Mutual Funds HSBC Cash Fund - Growth Direct Plan Units 9152.297, NAV ₹ 1729.9739 each	544.56	296.22
<b>Total Quoted Investments</b>	<b>544.56</b>	<b>296.22</b>
<b>TOTAL CURRENT INVESTMENTS</b>	<b>778.56</b>	<b>530.22</b>

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## Note No. 6 : Loans

## A. Non Current Loans

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Loans and Advances to Employees</b>		
- Unsecured, considered good	23.50	26.06
<b>b) Other Loans</b>		
- Unsecured, considered good	801.54	1,668.31
<b>Total</b>	<b>825.04</b>	<b>1,694.37</b>

## B. Current Loans

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Loans and Advances to Employees</b>		
- Unsecured, considered good	582.11	325.74
<b>b) Loans to related parties (Refer Note 33)</b>		
- Unsecured, considered good	2,199.39	3,839.21
<b>c) Other Loans</b>		
- Unsecured, considered good	4,639.60	4,578.66
<b>TOTAL</b>	<b>7,421.10</b>	<b>8,743.61</b>

## Note No. 7 : Other Financial Assets

## A. Non - Current

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Financial assets at amortised cost</b>		
<b>a) Security Deposits</b>		
- Unsecured		
Considered good	852.55	1,520.55
Considered doubtful	35.00	35.00
Less: Allowance for Credit Losses	(35.00)	(35.00)
	852.55	1,520.55
<b>b) Bank deposits with more than 12 months maturity</b>	491.47	123.52
<b>c) Project Advances</b>	9,566.94	8,656.22
<b>d) Interest accrued on deposits</b>	41.43	38.42
<b>TOTAL</b>	<b>10,952.39</b>	<b>10,338.71</b>

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

B. Current

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Financial assets at amortised cost</b>		
a) Security Deposits - Unsecured	508.03	376.70
b) Interest accrued on deposits	167.81	260.03
c) Project Advances	1,224.96	1,728.63
d) Other Recoverable	406.04	216.81
e) Amounts due from customers under construction contracts		
- Gross amount due from customer	8,603.34	7,265.53
- Less : Related Advance Payments received	(1,419.24)	(2,743.89)
	7,184.10	4,521.64
<b>TOTAL</b>	<b>9,490.94</b>	<b>7,103.81</b>

Note No. 8 : Other Non Current and Current Assets

A. Non current

Particulars	As at March 31, 2018	As at March 31, 2017
a) Capital advances	-	41.51
b) Balances with government authorities (other than income taxes)	2,544.09	1,656.31
c) Prepaid Rent	159.82	238.44
<b>TOTAL</b>	<b>2,703.91</b>	<b>1,936.26</b>

B. Current

Particulars	As at March 31, 2018	As at March 31, 2017
a) Advances to suppliers	2,163.88	2,086.58
b) Balances with government authorities (other than income taxes)	-	32.17
c) Prepaid Expenses	366.67	233.98
<b>TOTAL</b>	<b>2,530.55</b>	<b>2,352.73</b>

Note No. 9 : Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
a) Building materials / Tools	4,926.89	4,949.89
b) Projects under Development	41,647.83	38,429.70
c) W.I.P/ Finished Goods	578.67	1,736.57
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>47,153.39</b>	<b>45,116.16</b>

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## Note No. 10 : Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Trade receivables</b>		
(a) Unsecured, considered good	17,369.04	17,960.37
(b) Doubtful	2,743.10	2,668.08
Less: Allowance for Credit Losses	(2,743.10)	(2,668.08)
	17,369.04	17,960.37
<b>Retention (Accrued but not due)</b>		
(a) Unsecured, considered good	4,661.84	6,646.79
(b) Doubtful	359.19	647.37
Less: Allowance for Credit Losses	(359.19)	(647.37)
	4,661.84	6,646.79
(Less) : Related Unearned Receivables	(1,472.98)	(2,185.63)
<b>Total</b>	<b>20,557.90</b>	<b>22,421.53</b>

## Notes:

- The Group records receivables on account of goods sold or services rendered in the normal course of business and classify the same as "trade receivable".
- The normal credit period allowed by the Group ranges from 30 to 60 days.
- Trade receivables includes receivables from related parties and amount due from directors or other officers of the Group either severally or jointly with any other person or any trade or other receivables due from firm or private companies in which any director is a partner, a director or member (Refer Note 33).
- The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
- 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	As at March 31, 2018	As at March 31, 2017
<b>EPC:</b>		
Less than 1 year	3,160.93	3,421.08
1-2 year	2,143.80	1,360.70
2-3 year	993.28	1,311.43
More than 3 year	3,649.01	3,523.83
Less :- Expected Credit Loss	(1,873.52)	(2,121.19)
<b>Total</b>	<b>8,073.50</b>	<b>7,495.85</b>
Development Sales Receivables	3,242.00	3,201.74
Receivables from Related Parties	1,787.18	1,087.84
Clean Room & BMS (GMP) Sales Receivables	8,683.98	11,830.34
Less :- Expected Credit Loss *	(1,228.76)	(1,194.27)
<b>Total</b>	<b>7,455.22</b>	<b>10,636.07</b>
<b>TOTAL</b>	<b>20,557.90</b>	<b>22,421.50</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.

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

Movement in the expected credit loss allowance is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period / year	3,315.46	3,177.57
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	153.72	279.02
Utilization / Reversals	(366.90)	(141.13)
<b>Balance at end of the year - March 31, 2018 / 2017</b>	<b>3,102.28</b>	<b>3,315.46</b>

The activity in the provision for unapproved sales is given below:

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period / year	-	6.65
Additions during the Year	-	-
Utilization / Reversals	-	(6.65)
<b>Balance at end of the year - March 31, 2018 / 2017</b>	<b>-</b>	<b>-</b>

**Note No. 11 : Cash and Bank Balances**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A) Current Cash and bank balances</b>		
a) Unrestricted Balances with banks	1,407.05	2,592.74
b) Cheques, drafts on hand	-	6.06
c) Cash on hand	142.82	68.35
d) Balances with banks in deposit accounts with original maturity of less than 3 months	1,009.11	161.94
<b>Cash and cash equivalent as per balance sheet</b>	<b>2,558.98</b>	<b>2,829.09</b>
Bank Overdraft	650.85	115.34
<b>Total Cash and cash equivalent as per statement of cash flows</b>	<b>1,908.13</b>	<b>2,713.75</b>
<b>B) Other bank balances</b>		
a) Balances with banks in deposit accounts with original maturity more than 3 months	527.00	432.55
b) In earmarked accounts		
- Balances held as margin money or security against borrowing, gurantee and other commitments*	2,496.85	3,384.14
- Unpaid dividend account	0.16	0.16
<b>Total Other Bank Balances</b>	<b>3,024.01</b>	<b>3,816.85</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.

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## Note No. 12 - Equity Share Capital

Equity share capital	As at March 31, 2018		As at March 31, 2017	
	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	200,000,000	20,000.00
* 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	174,136,716	17,413.67	167,660,186	16,766.02

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.

\*Consequent to and as part of the amalgamation of Angelica Properties Private Limited, Floriana Properties Private Limited, Greystone Premises Private Limited, It-Citi Infopark Private Limited, Just homes india Private Limited, Sansara Developers India Private Limited, Sunflower Real Estate Developers Private Limited, Shreyas Strategists Private Limited, Vascon Dwellings Private Limited, Vascon Pricol Infrastructures limited, Wind Flower Properties Private Limited with the Company, the Authorised Equity Share Capital of the Company stands increased to ₹ 2,69,13,00,000 crore made up of 26,41,30,000 equity shares of ₹ 10 each and 5000000 Preference Shares of ₹ 10 each from "effective date" 1April 2016 (Refer Note 45).

## 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.

Particulars	Number of Shares	Equity share capital
<b>Issued and Paid up Capital at April 1, 2016</b>	161,306,716	16,131
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	6,353,470	635
<b>Balance at March 31, 2017</b>	<b>167,660,186</b>	<b>16,766</b>
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	6,476,530	648
<b>Balance at Mar 31, 2018</b>	<b>174,136,716</b>	<b>17,414</b>

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Vasudevan Ramamoorthy	41,897,701	24.06	41,686,586	25.84
Lalitha Vasudevan	-	-	8,109,538	5.03
Vatsalya Enterprises Private Limited	9,078,947	5.21	9,078,947	5.63
Amrit Petroleums Pvt Limited	-	-	8,783,273	5.44
Shamyak Investments Pvt Ltd	8,783,273	5.04	-	-

The shares under ESOP - 2015 and ESOP - 2016 totalling to 6,476,530 was allotted on 13/02/2018 and 08/01/2018 and got trading approval from BSE and NSE. On receiving the approval, the shares were credited on January 22, 2018 & March 6, 2018 respectively, to the demat account of employees.

## (iii) As at 31 March, 2018, 1,60,00,000 shares (As at 31 March, 2017, 64,76,530 shares ) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2018	As at March 31, 2017
Outstanding employee stock options granted / available for grant	16,000,000	6,476,530

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

**Note No. 12.2 : Other Equity**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Capital Reserve</b>		
Opening Balance	-	336.09
Adjustment for excess amount of Investment carried in Company's accounts over the Share Capital pursuant to amalgamation	-	(336.09)
	-	-
<b>b) Capital Redemption Reserve</b>		
Opening Balance	1,377.50	127.50
Adjustment for excess amount of Investment carried in Company's accounts over the Share Capital pursuant to amalgamation	-	1,250.00
	1,377.50	1,377.50
<b>c) Securities Premium Reserve</b>		
Opening Balance	52,620.95	42,718.77
Adjustment for excess amount of Investment carried in Company's accounts over the Share Capital pursuant to amalgamation	-	8,738.80
Premium on Shares Issued during the year	647.65	632.35
Transferred on account on exercise of share based payment	899.15	531.03
	54,167.75	52,620.95
<b>d) Equity-settled employee benefits reserve</b>		
Opening Balance	229.55	44.84
Amount recorded on grants during the year	1,471.54	716.77
Transferred to securities premium account on exercise	(899.15)	(531.03)
Forfeited during the year	-	(1.03)
	801.94	229.55
<b>e) Debenture Redemption Reserved</b>		
Opening Balance	-	887.50
Transferred to General Reserve	-	(887.50)
	-	-
<b>f) General Reserve</b>		
Opening Balance	1,537.50	650.00
Transferred from Debenture redemption reserve on redemption of debenture	-	887.50
	1,537.50	1,537.50
<b>g) Foreign Currency Translation Reserve</b>		
Opening Balance	2.66	3.94
Addition during the year	-	(1.28)
	2.66	2.66
<b>h) Retained Earnings</b>		
Opening Balance	(9,115.44)	1,737.52
Adjustment for excess amount of Investment carried in Company's accounts over the Share Capital pursuant to amalgamation	-	(11,107.96)
Profit for the year	562.63	200.82
Other Comprehensive income	57.99	60.28
Consolidation Adjustment	-	(6.10)
	(8,494.82)	(9,115.44)
	<b>49,392.53</b>	<b>46,652.72</b>

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## Note No. 12.3: Non Controlling Interest

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	1,191.04	1,270.87
Profit / (Loss) for the year	(102.70)	(80.12)
Other Comprehensive Income	5.14	0.29
	<b>1,093.48</b>	<b>1,191.04</b>

## Note No. 13 : Borrowings

## A. Non Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Measured at amortised cost*</b>		
<b>A. Secured Borrowings:</b>		
<b>a) Term Loans</b>		
From Others	6,765.68	4,893.50
<b>b) Long term maturities of finance lease obligations</b>	265.25	393.95
<b>Total Secured Borrowings</b>	7,030.93	5,287.45
<b>B. Unsecured Borrowings - at amortised Cost</b>		
a) Public Deposits	43.00	115.00
b) Inter corporate deposits	1,025.51	1,000.00
<b>Total Unsecured Borrowings</b>	1,068.51	1,115.00
<b>Total Borrowings carried at Amortised Cost [A] + [B]</b>	8,099.44	6,402.45
<b>Measured at FVTPL</b>		
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 6,861 (March 31, 2017: 6,861) of Rs.1,00,000/- each	995.90	6,861.00
<b>Total Borrowings carried at FVTPL</b>	995.90	6,861.00
<b>Total Borrowings</b>	<b>9,095.34</b>	<b>13,263.45</b>

## B. Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A. Secured Borrowings</b>		
a) Cash Credit From Banks	8,557.12	11,427.42
b) Bank Overdrafts Facility	595.24	921.81
	9,152.36	12,349.23
<b>Unsecured Borrowings</b>		
a) From Banks (Bank overdraft )	650.85	115.34
b) Loans from related parties	-	22.14
c) Loans from other parties	1,354.83	1,302.11
	<b>11,158.04</b>	<b>13,788.82</b>
Cash Credit from State Bank of India @ 11 % 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.	6,182.79	8,885.47

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

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.	901.70	1,060.93
Cash credit from Bank of Baroda @ 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) office at Ghatkopar and Corporate Guarantee of Holding Company.	1,471.83	1,481.01
Bank Overdraft from ICICI Bank @ 9%, Secured by Lien with Fixed Deposit	-	921.81
Bank Overdraft from Axis Bank @ 9%, Secured by Lien with Fixed Deposit	595.24	-

13.1 Disclosure regarding Non Current Borrowings

(₹ in Lakhs)

Name of the lender	Outstanding amount	Current Maturities	Long Term				Nature of security	Rate of interest
			2019-20	2020-21	2021-22	Total		
<b>I. Secured Loan</b>								
A. ECL finance Limited	6,927.19	1,750.00	3,500.00	1,677.19	-	5,177.19	Equitable mortgage of specific properties belonging to the Company , specific receivables of the Project. and exclusive charge on escrow account and Debt Service Reserve Account and related investments thereof. First charge of TDR certificate acquired for the project. Irrevocable and unconditional personal guarantee by Managing Director.17.10%	
B. ECL finance Limited	2,125.99	537.50	1,075.00	513.49	-	1,588.49	Equitable mortgage of specific properties belonging to the Company , specific receivables of the Project. and exclusive charge on escrow account and Debt Service Reserve Account and related investments thereof. First charge of TDR certificate acquired for the project. Irrevocable and unconditional personal guarantee by Managing Director.17.10%	

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

B. Zero Coupon, Rupee denominated, Unrated, unlisted, secured, Non Convertible Debentures of Rs. 1,00,000/- each	5,864.90	4,869.00	995.90	-	-	995.90	Pledge of shares of one of its subsidiary company
<b>C. Term loans</b>							
<b>From Financial Institutions</b>							
Volkswagen Finance Private Limited	23.90	11.41	12.49	-	-	12.49	(secured by Hypothecation of Motor Vehicle)10.25%
BMW Financial Services	14.27	7.85	6.42	-	-	6.42	(Secured by hypothecation of Motor Vehicle)9.99%
Tata Capital Financial Services Ltd	127.53	39.24	39.24	39.24	9.81	88.29	(Secured by hypothecation of Machineries)13.25%
Tata Capital Financial Services Ltd	145.08	44.64	44.64	44.64	11.16	100.44	(Secured by hypothecation of Machineries)13.25%
Tata Capital Financial Services Ltd	83.17	25.56	25.56	25.56	6.49	57.61	(Secured by hypothecation of Machineries)13.25%
	393.95	128.70	128.35	109.44	27.46	265.25	
<b>II. Unsecured Loan</b>							
<b>A. Public deposits (accepted for a period of 400 days)</b>	269.00	226.00	43.00	-	-	43.00	Not Applicable12.50%
<b>B. Inter corporate loans</b>							
Leverage Finance & Securities P.Ltd	1,000.00		1,000.00	-	-	1,000.00	Not Applicable12.00%
Flora Facilities Pvt Ltd	25.51		25.51	-	-	25.51	Not Applicable16.50%
	<b>7,511.20</b> 16,606.54		<b>6,767.76</b>	<b>2,300.12</b>	<b>27.46</b>	<b>9,095.34</b>	

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

Note No. 14 : Other Financial Liabilities

A. Non Current

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Other Financial Liabilities Measured at Amortised Cost</b>		
Commitment and other deposits	2,407.45	3,340.08
<b>Other Non-Current Financial Liabilities</b>	<b>2,407.45</b>	<b>3,340.08</b>

B. Current

Particulars	As at March 31, 2018	As at March 31, 2017
a) Current maturities of long term debt (Refer Note 13.1)	7,382.50	209.44
b) Current maturities of finance lease obligations (Refer Note 13.1)	128.70	180.85
c) Interest accrued but not due on borrowings	25.33	15.44
d) Interest accrued but due on borrowings	826.54	731.39
e) Unpaid dividends *	0.16	0.16
f) Creditors for capital supplies/services	346.58	182.47
g) Others (Joint Partner Share)	147.78	116.89
<b>Total other financial liabilities</b>	<b>8,857.59</b>	<b>1,436.64</b>

\*Unpaid dividend does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

Note No. 15 : Trade and other payables

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of Micro, Small and Medium Enterprises	4.90	5.28
Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	19,275.90	19,566.03
<b>Total trade payables</b>	<b>19,280.80</b>	<b>19,571.31</b>

Note No. 16 : Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Provision for employee benefits</b>		
1) Compensated absences	692.69	669.63
2) Gratuity (Refer Note 31)	726.34	615.78
	1,419.03	1,285.41
<b>b) Others</b>		
Taxation (Net of Advance Tax)	114.24	202.86
	114.24	202.86
<b>TOTAL</b>	<b>1,533.27</b>	<b>1,488.27</b>

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

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

## (a) Income Tax Expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current Tax:</b>		
Current Income Tax Charge	8.54	85.80
Adjustments in respect of prior years	(55.43)	364.71
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences	82.24	(301.20)
<b>Total Tax Expense recognised in profit and loss account</b>	<b>35.35</b>	<b>149.31</b>

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Profit before Tax</b>	<b>500.42</b>	<b>270.30</b>
Income Tax using the Company's domestic Tax rate @ 34.61%	173.20	93.55
<b>Effect of :</b>		
Income that are exempt from taxation	(260.72)	(339.27)
Expenses that are non deductible in determining taxable profit	248.08	322.39
Capital Gains	-	(109.83)
Unused tax losses and tax offsets not recognised as deferred tax assets	(139.78)	(187.25)
Different tax rate of subsidiaries	(12.23)	244.68
Adjustments recognised in the current year in relation to the current tax of prior years	(55.43)	364.71
Mat	-	61.53
Deferred tax assets recognised on temporary differences	82.24	(301.20)
<b>Income Tax recognised In P&amp;L</b>	<b>35.36</b>	<b>149.31</b>

## c) Deferred Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of Fixed Assets	518.82	204.18
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	1.34	80.85
Tax effect of items constituting deferred tax liability	520.16	285.03
<u>Tax effect of items constituting deferred tax asset</u>		
Provision for compensated absences and gratuity	362.33	267.35
Disallowance u/s 40a / Provision for Doubtful debts & Advances	603.75	602.11
MAT Credit Entitlement	9.18	79.23
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	48.98	-
Unabsorbed depreciation carried forward and brought forward business losses	214.11	174.45
Tax effect of items constituting deferred tax asset	1,238.35	1,123.14
<b>Net Deferred Tax Asset / (Liability)</b>	<b>718.19</b>	<b>838.11</b>

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

Note No. 18 : Other Liabilities

A. Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a. Deferred Revenue</b>		
- Deferred Government grant related to assets	15.17	19.17
<b>B. Statutory dues</b>	-	146.22
<b>Total</b>	<b>15.17</b>	<b>165.39</b>

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>a. Advances received from customers</b>		
- Gross amount due to customers	6,116.69	10,341.67
- Less : Related Unbilled Revenues	(1,419.24)	(2,743.89)
	4,697.45	7,597.78
<b>b. Amount due to customers under construction contracts</b>		
- Gross amount due to customers	3,521.47	5,590.18
- Less : Related Debtors	(1,472.98)	(2,185.63)
	2,048.49	3,404.55
<b>c. Statutory dues</b>		
- taxes payable (other than income taxes)	5,185.88	3,655.51
<b>d. Deferred Revenue</b>		
- Deferred Government grant related to assets	4.00	4.00
<b>Total Other Current Liabilities</b>	<b>11,935.82</b>	<b>14,661.84</b>

Note No. 19 : Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue recognised / sales (gross)</b>		
- Contract Revenue	24,667.77	19,347.32
- Sale of Unit/Land	7,871.35	3,640.98
- Trading Sales & Other Sales	7.04	6.66
- Manufacturing Sales	20,260.79	25,321.61
- Other sales ( Includes maintenance charges of socieity,Hire charges,Scrap Sales)	266.45	420.21
<b>Other Operating Income</b>		
- Rent / Compensation / Maintenance	56.20	5.32
- Share of profit / (loss) from Joint Venture	928.46	892.41
<b>Total Revenue from Operations</b>	<b>54,058.06</b>	<b>49,634.51</b>

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## Note No. 20 : Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Interest income on Financial Assets at Amortised Cost	777.87	2,453.33
b) Dividend received on investments carried at fair value through profit or loss in Liquid Mutual fund units	48.37	1.22
c) Gain / (loss) on investments carried at fair value through profit or loss	-	0.14
d) Dividend income Other	-	88.00
e) Provision / Creditors no longer required written back	2,499.63	2,830.82
f) Profit on sale of capital assets (Net of loss on assets sold / scrapped /written off)	372.45	313.55
g) Foreign exchange gain	63.01	-
h) Miscellaneous income	32.01	114.28
<b>Total Other Income</b>	<b>3,793.34</b>	<b>5,801.34</b>

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

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
Contract	18,063.90	14,519.25
Development	8,353.41	4,087.35
Cost of Material Consumed	12,082.83	18,483.57
Incidental borrowing cost incurred attributable to qualifying assets	1,729.50	785.80
<b>Cost of materials consumed</b>	<b>40,229.64</b>	<b>37,875.97</b>

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

PARTICULARS	For the year ended March 31, 2018	For the year ended March 31, 2017
<u>Closing balance of projects under development :</u>		
Finished goods	578.67	1,736.57
Work-in-progress	41,647.83	38,429.70
	42,226.50	40,166.27
<u>Opening balance of projects under development:</u>		
Finished goods	1,736.57	1,207.88
Work-in-progress	38,429.70	37,426.36
	<b>40,166.27</b>	<b>38,634.24</b>
<b>Net (increase) / decrease</b>	<b>(2,060.23)</b>	<b>(1,532.03)</b>

## Note No. 22 : Employee benefit expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Salaries and wages, including bonus	5,717.35	6,349.64
b) Contribution to provident and other funds	301.68	304.29
c) Share based payment transactions expenses	1,471.54	716.77
d) Staff Welfare & Other Expenses	196.91	291.75
<b>Total Employee Benefit Expense</b>	<b>7,687.48</b>	<b>7,662.45</b>

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

**Note No. 23 : Finance costs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Interest expense	4,074.17	4,384.11
b) Other borrowing costs	183.50	168.56
	4,257.67	4,552.67
Less : Amounts included in the cost of qualifying assets	1,729.50	1,278.90
	<b>2,528.17</b>	<b>3,273.77</b>

**Note No. 24 : Other expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Stores and spares consumed	303.41	465.70
b) Power & Fuel oil consumed	297.14	312.45
c) Rent including lease rentals	543.35	714.77
d) Repairs to buildings	38.01	37.63
e) Repairs to Plant & Machinery	60.36	79.12
f) Repairs and maintenance - Others	104.55	87.11
g) Rates & Taxes	142.44	209.17
h) Insurance charges	80.47	85.50
i) Bad debts and other receivables, loans and advances written off	1,521.47	433.76
j) Provision For Doubtful Debt And Advances	593.88	138.98
<b>k) Auditors remuneration and out-of-pocket expenses</b>		
1) As Auditors	76.47	83.13
2) For Taxation matters	2.00	-
3) Other services	-	32.00
<b>l) Other Expenses</b>		
1) Legal and other professional costs	1,055.64	722.44
2) Advertisement, Promotion & Selling Expenses	397.61	525.47
3) Travelling and Conveyance Expenses	458.32	617.57
4) Postage and telephone	124.39	170.35
5) Printing and stationery	75.81	78.96
6) Brokerage / commission	81.29	20.88
7) Donations	61.49	10.47
8) Bank charges	108.76	130.84
9) Hire Charges Paid	1.42	0.02
10) Foreign exchange gain / loss (net)	0.09	86.98
11) Miscellaneous Expenses	354.40	354.76
m) Net gain/(loss) arising on financial Liabilities designated as at FVTPL	900.22	-
n) Loss arising on derecognition of financial assets	-	302.37
<b>Total Other Expenses</b>	<b>7,382.99</b>	<b>5,700.43</b>

**Note 25: Disclosures under Ind AS 33**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Basic Earnings per share (Amount In Rupees)	0.34	0.12
Diluted Earnings per share (Amount In Rupees)	0.33	0.12

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

**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	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit for the year	465.07	120.99
Less: Attributable to Non - Controlling Interest	(102.70)	(80.12)
Profit / (loss) for the year attributable to owners of the Company	567.77	201.11
Weighted average number of equity shares	169,107,639	161,350,342
Earnings per share from continuing operations - Basic (Amount In Rupees)	0.34	0.12

**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	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit / (loss) for the year used in the calculation of basic earnings per share	567.77	201.11
Weighted average number of equity shares used in the calculation of Basic EPS	169,107,639	161,350,342
Employee Stock Option Plans	2,155,370	969,782
Weighted average number of equity shares used in the calculation of Diluted EPS	171,263,009	162,320,124
Earnings per share from continuing operations - Dilutive (Amount In Rupees)	0.33	0.12

**Note No. - 26 Fair Value**

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

Particulars	Carrying amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>FINANCIAL ASSETS</b>				
<b>Financial assets measured at amortised cost</b>				
<b>Non - Current Assets</b>				
(i) Investments	5,009.56	5,092.52	5,009.56	5,092.52
(ii) Loans	825.05	1,694.37	825.05	1,694.37
(iii) Others Financial Assets	10,952.40	10,338.71	10,952.40	10,338.71
<b>Current Assets</b>				
(i) Trade receivables	20,557.90	22,421.53	20,557.90	22,421.53
(ii) Cash and cash equivalents	2,558.97	2,829.09	2,558.97	2,829.09
(iii) Bank balances other than (ii) above	3,024.01	3,816.84	3,024.01	3,816.84
(iv) Loans	7,421.10	8,743.61	7,421.10	8,743.61
(v) Others Financial Assets	9,490.93	7,103.82	9,490.93	7,103.82
<b>Financial assets measured at fair value through Statement of Profit &amp; Loss</b>				
(a) Current investments	778.56	530.22	778.56	530.22
(b) Non Current investments quoted	0.31	0.53	0.31	0.53
(c) Non Current investments unquoted	2,775.25	2,775.25	2,775.25	2,775.25

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>FINANCIAL LIABILITIES</b>				
<b>Financial liabilities measured at amortised cost</b>				
<b>Non - Current Liabilities</b>				
(i) Borrowings	8,099.44	6,402.45	8,099.44	6,402.45
(ii) Other financial liabilities	2,407.45	3,340.08	2,407.45	3,340.08
<b>Current Liabilities</b>				
(i) Borrowings	11,158.04	13,788.82	11,158.04	13,788.82
(ii) Trade and other payables	19,280.80	19,571.32	19,280.80	19,571.32
(iii) Other financial liabilities	8,857.58	1,436.62	8,857.58	1,436.62
<b>Financial liabilities measured at fair value through Statement of Profit &amp; Loss</b>				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	995.90	6,861.00	995.90	6,861.00

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.

**Discount rates used in determining fair value**

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

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

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

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

- Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- Security deposit paid are evaluated by the Group based on parameters such as interest rate non performance risk of the customer. The fair value of the Group's security deposit paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowing taken by similar credit rate companies where the risk of non performance risk is more than significant.
- Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.
- The fair value of the Group's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

**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, 2018</b>			
Investment in mutual funds	544.56	-	-
Equity	0.31	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	5,864.90
<b>March 31, 2017</b>			
Investment in mutual funds	296.22	-	-
Equity	0.53	-	-
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	6,861.00

During the year ended March 31, 2018, 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.

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings	20,253.38	27,052.27
Trade Payables	19,280.80	19,571.32
Less : Cash and Cash Equivalents	5,582.98	6,645.93
<b>Net Debt</b>	<b>33,951.20</b>	<b>39,977.66</b>
Equity	66,806.20	63,418.74
<b>Total Capital</b>	<b>66,806.20</b>	<b>59,253.93</b>
<b>Capital and Net Debt</b>	<b>100,757.40</b>	<b>92,383.39</b>
<b>Gearing Ratio</b>	<b>34%</b>	<b>43%</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

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

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, 2018 and March 31, 2017.

**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 payables and borrowings. None of the financial instruments of the Group result in material concentration of credit risk.

**Exposure to credit risk**

The carrying amount of financial liability represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 48,546.66 Lacs and Rs. 49,652.09 Lacs as of March 31, 2018 and March 31, 2017 respectively, being the total of the carrying amount of trade payables and borrowings.

**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, 2018 and March 31, 2017, however there was no default on account of those customer in the past. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

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

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

Movement in the expected credit loss allowance:

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period year	3,315.45	3,177.57
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	153.73	279.02
Utilization / Reversals	(366.90)	(141.14)
Balance at the end of the year	3,102.29	3,315.45

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## 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	31-Mar-18		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	19,280.80	-	-
Other Financial Liabilities	8,857.58	2,407.45	-
Working capital demand loans / Term loans	11,158.04	8,099.44	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	995.90	-

Particulars	31-Mar-17		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	19,571.32	-	-
Other Financial Liabilities	1,436.62	3,340.08	-
Working capital demand loans / Term loans	13,788.82	6,402.45	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	6,861.00	-

**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 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,

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

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, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Trade Payable	AED	-	-	-	-
	BHD	0.12	0.12	20.69	20.54
	EURO	-	0.04	-	2.50
	GBP	0.02	0.02	1.37	1.22
	USD	1.08	1.69	70.63	109.27
Trade Receivables	AED	-	0.48	-	8.52
	EURO	1.99	4.30	160.14	297.60
	USD	11.64	18.35	757.45	1,189.62
AXIS Mumbai USD EEFC A/C - 913020041819734	USD	-	-	-	-
Bank of Baroda EEFC A/C - 137802000001204	USD	-	-	-	-
Bank of Maharashtra- EEFC A/c - Mahim - 60146271615	USD	-	-	-	-

**Foreign Currency Sensitivity**

The following table demonstrates the sensitivity to a reasonable possible change in USD, EUR and JPY exchange rates, with all other variables held constant, the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

For the year ended	Currency	Change in Rate	Effect on Pre Tax Profit
March 31, 2018	USD	+10%	68.68
	USD	-10%	(68.68)
	EURO	+10%	16.01
	EURO	-10%	(16.01)
	GBP	-10%	0.14
	GBP	+10%	(0.14)
	AED	+10%	-
	AED	-10%	-
	BHD	-10%	2.07
	BHD	+10%	(2.07)
For the year ended	Currency	Change in Rate	Effect on Pre Tax Profit
March 31, 2017	USD	+10%	108.04
	USD	-10%	(108.04)
	EURO	+10%	29.51
	EURO	-10%	(29.51)

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

GBP	+10%	(0.12)
GBP	-10%	0.12
AED	+10%	24.68
AED	-10%	(24.68)
BHD	+10%	(2.05)
BHD	-10%	2.05

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) - 2014**

The ESOS was approved by Board of Directors of the Company on 12th August, 2014 and thereafter by the share holders on 15th Sept, 2014. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 10/- per share. The maximum exercise period is 1 year from the date of vesting.

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

Particulars	FY 2017 - 18	FY 2016 - 17
Options granted, beginning of the year	-	35,000
Granted during the year	-	-
Exercised during the year	-	(30,000)
Cancelled/lapsed during the year	-	(5,000)
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

**Employee stock option scheme (ESOS) - 2015**

The ESOS was approved by Board of Directors of the Company on 11th August 2015 and thereafter by the share holders on 29th September 2015. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 20/- per share. The maximum exercise period is 1 year from the date of vesting.

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

Particulars	FY 2017 - 18	FY 2016 - 17
Options granted, beginning of the year	6,400,000	6,400,000
Granted during the year	-	-
Exercised during the year	(6,400,000)	(6,323,470)
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	76,530
Weighted Average remaining life	-	0.92

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

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

**Employee stock option scheme (ESOS) - 2016**

The ESOS was approved by Board of Directors of the Group on 17th May 2016 and thereafter by the share holders on 15th September 2016. A compensation committee comprising of independent directors of the Group administers the ESOS plan. Each option carries with it the right to purchase one equity share of the Group. All options have been granted at a predetermined rate of Rs. 20/- per share. The maximum exercise period is 1 year from the date of vesting.

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

<b>Particulars</b>	<b>FY 2017 - 18</b>	<b>FY 2016 - 17</b>
Options granted, beginning of the year	6,400,000	-
Granted during the year	-	6,400,000
Exercised during the year	(6,400,000)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	-	1.75

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

**Employee stock option scheme (ESOS) - 2017**

The ESOS was approved by Board of Directors of the Company on 10th Aug 2017 and thereafter by the share holders on 15th September 2017. A compensation committee comprising of independent directors of the company administers the ESOS plan. Each option carries with it the right to purchase one equity share of the company. All options have been granted at a predetermined rate of Rs. 28/- per share. The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017.

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

<b>Particulars</b>	<b>FY 2017 - 18</b>	<b>FY 2016 - 17</b>
Options granted, beginning of the year	-	-
Granted during the year	16,000,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	-	-
Weighted Average remaining life	4.42	-

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

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	ESOS - 2016	ESOS - 2015
Share price at grant date	29.55	29.60	21.40
Exercise price	28	20	20
Expected volatility	69.25%	57.60%	67.42%
Expected life / Option Life	4 Year from the date of vesting	1 Year from the date of vesting	1 Year from the date of vesting
Expected dividends yield	0%	0%	2%
Risk-free interest rate (based on government bonds)	6.70%	6.90%	8.40%

**Note 29: Disclosures under Ind AS 17**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>30 Details of leasing arrangements</b>		
<b>As Lessee</b>		
<u>Finance Lease</u>		
30.1 The Group has entered into finance lease arrangements for certain vehicles which provide the Group an option to purchase the assets at the end of the lease period. The average lease term is 5 years (prior Year: 5 Years)		
Reconciliation of minimum lease payments		
<b>Future minimum lease payments</b>		
not later than one year	172.21	183.88
later than one year and not later than five years	304.31	396.57
	476.52	580.45
Less: Unmatured finance charges	82.57	5.65
	393.95	575.80
<b>Present value of minimum lease payments payable</b>		
not later than one year	128.70	180.85
later than one year and not later than five years	265.25	393.95
	393.95	574.80
Included in the financial statements as:		
- Current Borrowings	128.70	180.85
- Non Current Borrowings	265.25	393.95
	393.95	574.80
<u>Operating Lease</u>		
30.2 The Group has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 1 to 95 years and may be renewed for a further period based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 5 to 10% every 2 years.		

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

Future Non-Cancellable minimum lease commitments		
not later than one year	335.97	323.62
later than one year and not later than five years	216.89	490.62
later than five years	101.86	103.84
	654.72	918.08
Expenses recognised in the Statement of Profit and Loss	374.16	498.86

**Note - 30: Contingent liabilities and commitments**
**Contingent liabilities (to the extent not provided for)**

	As at 31 March, 2018	As at 31 March, 2017
<b>Contingent liabilities</b>		
(a) Disputed demands for Income Tax	1,786.37	2,171.12
(b) Disputed demands for Service Tax / Excise Duty	144.22	251.73
(c) Disputed demands for Value Added Tax	1,005.83	1,514.80
(d) Performance and financial guarantees given by the Banks on behalf of the Group	11,950.72	12,014.79
(e) Corporate guarantees given for other companies / entities and mobilization	35,340.16	7,500.00
(f) Claims against the Group not acknowledged as debt	3,154.60	39,011.69
(i) In respect of claim against the Company amounting to ₹ Nil (Previous year ₹ 36,000 lakhs) by a party who was originally claiming interest in a property, no provision has been considered necessary by the Management in view of the legal opinion that the said claim is not tenable on various grounds.		
(ii) The Creditors of the Company have filed a civil suit claiming of ₹ 274.99 lakhs (Previous year ₹ 111.50 lakhs) as amount due to them, which claims the Company is disputing.		
(iii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to ₹ 8.67 lakh (Previous year ₹ 8.67 lakh) with Joint District Registrar & Collector of Stamps , Pune.		
(iv) One of the labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for ₹ 3.94 lakhs ( Previous year - ₹ 3.94 lakhs).		
(v) 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 to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

- (vi) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 5,016.95 sq mtrs for a consideration of ₹ 376.27 Lacs.  
In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.  
As per the conditional sale the company has to obtain clear enforceable title within 18 months of the execution of the agreement.  
In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 87.80 Lacs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 3.00 Lacs per month from the date of breach till the date of curing the breach.
- (vii) In earlier years Vascon Dwelling Private Limited (Merged Company) has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of ₹ 295.50 Lacs .  
In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.  
As per the conditional sale the company has to obtain clear enforceable title and to obtain certain permission/clearance within 18 months of the execution of the agreement.  
In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 68,95,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 2,35,000/- per month from the date of breach till the date of curing the breach.
- (viii) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of ₹ 853 lakhs.  
The company is under obligation to obtain tentative layout approval from corporation, which is subject to new Development Plan to be issued by the corporation.  
In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 100 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages.  
In respect of the above three agreement to sale of plots the company has recognised the sales amounting to ₹ 153 lakhs and profit of ₹ 660 lakhs. As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

<p>(ix) The company (Floriana Properties merged company) has served notice through advocate Mr. Sachin Rajapurkar to Paradigm corporation private limited for recovery of deposit of ₹ 5 cr and expenses incurred on the project amounting to ₹ 1.4 cr along with interest/compensation. The management is confident of recoverability of the above dues with interest. In view of the same no impairment is made</p>		
<p>(g) In respect of a development project, as per the terms of land purchase agreement with a land vendor, an additional amount equivalent to 40% of sale proceeds will required to be paid in the event the FSI availed is in excess of 580000 Sq ft. Since such event has not occurred till the date of balance sheet, no provision is required for this additional cost.</p>		
<p>(h) The levy of Maharashtra Value Added Tax (MVAT) in respect of Real Estate Development sales has been subject to considerable legislative amendments, litigation and administrative action. During the pendency of special leave petition before the Hon'ble Supreme Court against the earlier Hon'ble Mumbai High Court decision, a decision has been pronounced by the Hon'ble Mumbai High Court and the matter has not reached finality. The Industry, accounting and legal fraternity is examining the implications of the decisions and the way the liability will be worked out under various options provided. In view of such uncertainties, the management has been advised that in the present scenario it is difficult to correctly determine MVAT liability payable in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010. The Group is currently in process of ascertaining the exact applicability of these pronouncements, contractual ability to collect MVAT from past customers and the mechanism of collection of MVAT in respect of real estate development sales executed during the period 20th June, 2006 to 31st March, 2010.</p>		
<p><b>For Development projects and according to the facts:</b> Pending final decision and interim stay granted by the Hon'ble High Court of Bombay in case of MCHI, the Company, has in case of certain development projects, neither collected nor paid Maharashtra Value Added Tax and in case of certain development projects, has paid Maharashtra Value Added Tax</p>		
<p>i) Others Maharashtra State Electricity Distribution Company Limited has raised demand dated September 17, 2014 of ₹ 141.82 Lacs on account of unauthorised use of Electricity based on provisional assessment made. The Group has not accepted the same and legal process in respect to the above is carried on.</p>	Nil	141.82
<p>In respect of Land admesuring 13,563 sq.mtr Situated at Vadgan Sheri, Pune consent term have been entered between the land owner Rock Enterprises and the Ultimate Owner Sansara Developers India Pvt. Ltd. For about ₹ 150 Crores Payable to the Land Owner. However Due to chain of agreement the compay is also party to the case filed by the Land Owner.</p>	Nil	15,000.00
Particulars	As at 31 March, 2018	As at 31 March, 2017
<p><b>Commitments</b> (a) Estimated amount of contracts remaining to be executed on capital account and not provided for</p>	1,609.62	671.72

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

**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.237.93 Lakhs for Provident Fund contributions (March 31, 2017 : Rs.250.13 Lakhs) and Rs 61.35 Lakhs towards ESIC (March 31, 2017 : Rs.46.68 Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Group are in accordance with rules framed by the Government from time to time.

**(b) Defined Benefit Plans:****Gratuity**

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

**Defined benefit plans – as per actuarial valuation on 31st March, 2018**

Particulars	Funded Plan	
	Gratuity	
	2018	2017
<b>Service Cost</b>		
Current Service Cost	89.00	99.41
Past service cost and (gains)/losses from settlements	83.87	-
Net interest expense	42.30	42.44
Components of defined benefit costs reconisid in profit or loss	<u>215.17</u>	<u>141.85</u>
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amunt included in net interest expense)	2.02	1.75
Actuarial gains and loss arising form changes in financial assumptions	(43.31)	12.62
Actuarial gains and loss arising form experience adjustments	(24.22)	(28.74)
Actuarial gains and loss arising from demographic adjustments	(9.66)	(46.88)
Componenets of defined benefit costs recognised in other comprehensive income	<u>(75.17)</u>	<u>(61.25)</u>
<b>Total</b>	<b><u>140.00</u></b>	<b><u>80.60</u></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	777.37	671.51
2. Fair value of plan assets as at 31st March	51.02	55.73
3. Surplus/(Deficit)	(726.34)	(615.78)
4. Current portion of the above	726.34	615.78
5. Non current portion of the above	51.02	55.73

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
<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	(230.59)	(202.70)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	(29.44)	(40.29)
- Past Service Cost	(76.00)	-
- Interest Expense (Income)	(14.87)	(15.77)
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(9.66)	(45.39)
ii. Financial Assumptions	(8.33)	60.15
iii. Experience Adjustments	(10.33)	35.93
5. Benefit payments	(13.95)	(22.53)
6. Others (Specify)	-	-
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>(393.17)</b>	<b>(230.60)</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	55.73	74.68
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	1.10	-
- Mortality Charges and Taxes	(1.66)	-
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	1.41	3.82
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	20.00	-
6. Benefit payments	(25.57)	(23.34)
<b>7. Fair value of plan assets at the end of the year</b>	<b>51.01</b>	<b>55.16</b>
IV. The Major categories of plan assets		
- List the plan assets by category here	100%	100%

**Maturity Profile of Defined Benefit Obligation:**

Year Ending March 31	Expected Benefit Payment Rounded to the nearest thousand (in Rs.)
2019	206.62
2020	91.22
2021	65.84
2022	84.84
2023	72.40
2024-2028	630.96

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

A. Effect of 1 % change in the assumed discount rate	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-18	31-Mar-18	31-Mar-17	31-Mar-17
Defined Benefit Obligation	739.66	820.03	869.26	916.57

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-18	31-Mar-18	31-Mar-17	31-Mar-17
Defined Benefit Obligation	813.83	743.92	914.34	870.58

C. Effect of 1 % change in the assumed Withdrawal Rate	1% Increase	1% Decrease	1% Increase	1% Decrease
	31-Mar-18	31-Mar-18	31-Mar-17	31-Mar-17
Defined Benefit Obligation	784.85	765.89	884.79	901.39

## V. Experience Adjustments :

	Period Ended	
	2018	2017
	Gratuity	
1. Defined Benefit Obligation	777.37	671.51
2. Fair value of plan assets	51.02	55.73
3. Surplus/(Deficit)	(726.34)	(615.78)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(24.22)	(28.74)
5. Experience adjustment on plan assets [Gain/(Loss)]	(25.30)	34.83

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.

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

**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 publically 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 Qatar WLL
2. Associates
  - Mumbai Estate Private Limited
3. Key Management Personnel
  - Mr. R. Vasudevan
  - Mr. Siddarth Vasudevan (*w.e.f 29th March 2018*)
  - Dr Santosh Sundararajan
  - Mr. D.Santhanam
  - Mr.M.Krishnamurthi
  - Mr.Mukesh Malhotra
4. Relatives of Key Management Personnel
  - Mrs. Lalitha Vasudevan
  - Ms. Soumya Vasudevan
  - Mrs. Thangam Moorthy
  - Mrs. Lalitha Sundararajan
  - Mrs Shilpa Shivram
  - Mrs. Sailaxmi Santhanam Mudaliar
  - Ms Mathangi Krishnamuthy

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

## 5. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence

- Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
- Vastech Consultants Private Limited
- Vastech consultants and engineers LLP
- Vatsalya Enterprises Private Limited
- Bellflower Premises Private Limited
- Cherry Construction Private Limited
- Stresstech Engineers Pvt Ltd.
- Syringa Engineers Private Limited ( Formerly known as Syringa Properties Private Limited)
- Vascon Infrastructure Limited
- Venus Ventures
- Seraphic Design Private Limited
- D. Santanam (HUF)
- M krishnamurthi (HUF)

## II Related party transactions

	As at March 31, 2018	As at March 31, 2017
<b>(a) Sales and work</b>	<b>969.05</b>	<b>1,432.49</b>
<b>Joint Ventures</b>		
Phoenix Ventures	655.20	377.69
Ajanta Enterprises	157.00	676.52
<b>Total</b>	<b>812.20</b>	<b>1,054.21</b>
<b>Key management Personnel</b>		
Mr. R. Vasudevan	46.80	-
Dr Santosh Sundararajan	110.05	-
<b>Total</b>	<b>156.85</b>	<b>-</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	-	136.45
Cherry Constructions Private Limited.	-	241.83
<b>Total</b>	<b>-</b>	<b>378.28</b>
<b>(b) Interest Income/commission Received</b>	<b>170.30</b>	<b>391.71</b>
<b>Joint Venture</b>		
Ajanta Enterprises	227.74	303.86
Cosmos Premises Private Limited - Dividend Received	170.30	87.85
<b>Total</b>	<b>398.04</b>	<b>391.71</b>
<b>(c) Interest Expense</b>	<b>87.31</b>	<b>150.76</b>
<b>Joint Venture</b>		
Ajanta Enterprises	-	23.63
<b>Total</b>	<b>-</b>	<b>23.63</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Stresstech Engineers Private Limited	-	0.74
Vastech Consultants Private Limited	-	10.02
D Santhanam- HUF	1.25	1.25
Flora Facilities Private Limited	80.69	83.27
M. Krishnamurthi (HUF)	-	1.49
<b>Total</b>	<b>81.94</b>	<b>96.77</b>

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Relatives of Key Management Personnel</b>		
Mr. Siddarth Vasudevan	1.38	1.35
Ms. Sailaxmi Santhanam Mudaliar	0.50	0.50
Ms. Aishwarya Santhanam Mudaliar	1.00	0.78
Mrs. Thangam Moorthy	-	1.76
<b>Total</b>	<b>2.88</b>	<b>4.39</b>
<b>Key Management Personnel</b>		
Mr. Santosh Sundararajan	-	21.88
D Santhanam	2.50	4.09
<b>Total</b>	<b>2.50</b>	<b>25.97</b>
<b>(d) Purchase of Goods / Work/Rent</b>	<b>542.56</b>	<b>420.03</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
<b>Rent</b>		
Flora Facilities Private Limited	205.47	237.60
<b>Works</b>		
Stresstech Engineers Private Limited	80.08	165.47
Vastech Consultants & Engineers LLP	51.15	16.97
Marvel Housing Private Limited.	205.86	-
<b>Total</b>	<b>542.56</b>	<b>420.04</b>
<b>(e) Receiving of Services</b>	<b>2,224.21</b>	<b>1,668.81</b>
<b>Key Management Personnel</b>		
Mr R Vasudevan		
a) Short term benefits	120.00	120.00
b) Post Employment benefits*	0.22	5.99
Dr Santosh Sundararajan		
a) Short term benefits	405.83	405.83
b) Post Employment benefits*	0.22	0.22
c) Share based payments	1,158.97	719.91
Mr. D.Santhanam		
a) Short term benefits	68.25	68.25
b) Post Employment benefits*	0.22	0.22
c) Share based payments	87.00	53.81
Mr. Siddharth Vasudevan		
a) Short term benefits	203.95	-
b) Post Employment benefits*	0.22	-
Mr.M.Krishnamurthi		
a) Short term benefits	58.45	58.45
b) Post Employment benefits*	0.22	0.22
c) Share based payments	87.00	51.97
<b>Total</b>	<b>2,190.55</b>	<b>1,484.87</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

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Relatives of Key Management Personnel</b>		
Mr. Siddarth Vasudevan	-	137.23
Mrs. Shilpa Sivram	-	0.64
Ms. Aishwarya Sathanam	-	0.52
Mrs. Lalitha Sundararajan	-	0.15
Mrs. K Jeyanthi	-	0.21
<b>Total</b>	<b>-</b>	<b>138.75</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	14.61	-
Vastech Consultants Private Limited	19.05	45.15
D Santhanam-HUF	-	0.08
AISWARYA SANTHANAM MUDALIAR	0.04	-
<b>Total</b>	<b>33.70</b>	<b>45.23</b>
<b>(f) Share of Profit from AOP/Firm</b>	<b>812.79</b>	<b>885.59</b>
<b>Joint Ventures</b>		
Phoenix Ventures	7.24	-
Ajanta Enterprises	805.56	885.59
<b>Total</b>	<b>812.80</b>	<b>885.59</b>
<b>(g) Share of Loss from AOP/Firm</b>	<b>-</b>	<b>70.97</b>
<b>Joint Ventures</b>		
Phoenix Ventures	-	70.97
<b>Total</b>	<b>-</b>	<b>70.97</b>
<b>(h) Reimbursement of expenses</b>	<b>4.31</b>	<b>196.45</b>
<b>Joint Ventures</b>		
Ajanta Enterprises	-	113.73
Cosmos Premises Private Limited	-	75.02
Phoenix Ventures	-	6.00
<b>Total</b>	<b>-</b>	<b>194.75</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	2.94	-
<b>Total</b>	<b>2.94</b>	<b>-</b>
<b>Key Management Personnel</b>		
Dr Santosh Sundararajan	0.46	0.63
M. Krishnamurthi	0.46	0.46
D Santhanam	0.46	0.61
<b>Total</b>	<b>1.38</b>	<b>1.70</b>
<b>(i) Finance Provided (including equity contributions in cash or in kind)/ repayment of loan/repayment of fixed deposit</b>	<b>797.92</b>	<b>1,813.30</b>
<b>Joint Ventures</b>		
Phoenix Ventures	22.80	37.34
Ajanta Enterprises	-	1,107.25
<b>Total</b>	<b>22.80</b>	<b>1,144.59</b>

# VASCON ENGINEERS LIMITED

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Stresstech Engineers Private Limited	22.14	19.80
Vastech Consultants Private Limited	-	118.41
Flora Facilities Private Limited	400.00	250.18
M. Krishnamurthi (HUF)	-	16.84
<b>Total</b>	<b>422.14</b>	<b>405.23</b>
<b>Relatives of Key Management Personnel</b>		
Mrs. Thangam Moorthy	-	15.00
<b>Total</b>	<b>-</b>	<b>15.00</b>
<b>Key Management Personnel</b>		
Mr. R. Vasudevan	352.98	45.47
Mr. Santosh Sundararajan	-	189.00
D Santhanam	-	14.00
<b>Total</b>	<b>352.98</b>	<b>248.47</b>
<b>(j) Finance availed /Received back(including equity contributions in cash or in kind)</b>	<b>1,152.70</b>	<b>675.14</b>
<b>Joint Ventures</b>		
Phoenix Venture	112.31	-
Ajanta Enterprises	-	448.00
<b>Total</b>	<b>112.31</b>	<b>448.00</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>		
Flora Facilities Private Limited	688.90	200.00
Stresstech Engineers Private Limited	-	22.14
Venus Ventures	1.49	-
<b>Total</b>	<b>690.39</b>	<b>222.14</b>
<b>Relatives of Key Management Personnel (Through Fixed Deposit)</b>		
Mr. Siddarth Vasudevan (Through Fixed Deposit)	-	5.00
<b>Total</b>	<b>-</b>	<b>5.00</b>
<b>Key Management Personnel</b>		
Mr. R. Vasudevan	350.00	-
<b>Total</b>	<b>350.00</b>	<b>-</b>
<b>(l) Outstanding as on</b>		
<b>A) Receivable to Vascon Engineers Limited</b>	<b>8,191.89</b>	<b>9,212.80</b>
<b>Joint Ventures</b>	<b>4,608.99</b>	<b>5,446.76</b>
<b>a) Sundry Debtors</b>		
Phoenix Ventures	1,679.32	1,038.50
Ajanta Enterprises	185.63	49.35
<b>Total</b>	<b>1,864.95</b>	<b>1,087.85</b>
<b>b) Loans &amp; Advances</b>		
Phoenix Ventures	177.82	267.33
<b>Total</b>	<b>177.82</b>	<b>267.33</b>

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>c) Balance in capital and current accounts</b>		
Phoenix Ventures	629.17	621.94
Ajanta Enterprises	1,937.04	3,469.65
<b>Total</b>	<b>2,566.21</b>	<b>4,091.59</b>
<b>d) Reimbursement of expenses</b>		
Cosmos Premises Private Limited	-	3.77
<b>Total</b>	<b>-</b>	<b>3.77</b>
<b>Associates</b>	<b>2,563.00</b>	<b>2,563.00</b>
<b>a) Loans &amp; 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>1,014.62</b>	<b>1,153.87</b>
<b>a) Sundry Debtors</b>		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	157.30	157.30
Cherry Constructions Private Limited.	338.26	370.58
<b>Total</b>	<b>495.56</b>	<b>527.88</b>
<b>b) Loans &amp; Advances ( Including deposits and trade advances)</b>		
Vastech Consultants Private Limited	9.55	15.00
Bellflower Premises Private Limited	-	50.00
Flora Facilities Private Limited	125.00	125.00
Vatsalya Enterprises Private Limited	-	50.00
Venus Ventures	384.50	385.99
<b>Total</b>	<b>519.05</b>	<b>625.99</b>
<b>Key Management Personnel</b>	<b>5.28</b>	<b>49.17</b>
<b>a) Sundry Debtors</b>		
Mr. R. Vasudevan	1.10	-
Mr.Santosh Sundararajan	4.18	49.17
<b>Total</b>	<b>5.28</b>	<b>49.17</b>
<b>B) Receivable from Vascon Engineers Limited</b>	<b>1,065.35</b>	<b>952.11</b>
<b>Joint Venture</b>	<b>50.00</b>	<b>50.00</b>
<b>a) Loans &amp; Advances</b>		
Cosmos Premises Private Limited	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>
<b>Key Management Personnel</b>	<b>20.34</b>	<b>86.72</b>
<b>a) For Services Received</b>		
Mr. R Vasudevan	-	0.89
D Santhanam	-	14.88
<b>Total</b>	<b>-</b>	<b>15.77</b>

# VASCON ENGINEERS LIMITED

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
<b>b) Advance from Customers</b>		
R Vasudevan	-	47.73
<b>Total</b>	<b>-</b>	<b>47.73</b>
<b>c) For Deposit Received</b>		
D Santhanam	20.00	20.00
<b>Total</b>	<b>20.00</b>	<b>20.00</b>
<b>d) Expenses reimbursement</b>		
D Santhanam	0.34	0.24
<b>Total</b>	<b>0.34</b>	<b>0.24</b>
<b>e) Loans and advances</b>		
Mr. R Vasudevan	-	2.98
<b>Total</b>	<b>-</b>	<b>2.98</b>
<b>Enterprise where KMP &amp; Relatives of KMP significant influence</b>	<b>972.01</b>	<b>708.70</b>
<b>a) Sundry Creditors</b>		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	31.59	52.98
Stresstech Engineers Private Limited	34.31	46.44
Seraphic Design Private Limited	-	0.49
Vastech Consultants & Engineers LLP	62.58	51.43
Vastech Consultants Private Limited	4.01	-
D. Santhanam HUF	0.13	0.13
Aiswarya Santhanam Mudaliar	0.04	-
<b>Total</b>	<b>132.66</b>	<b>151.47</b>
<b>b) Loans/(Advances)</b>		
Flora Facilities Private Limited	829.35	525.09
Stresstech Engineers Private Limited	-	22.14
<b>Total</b>	<b>829.35</b>	<b>547.23</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>a) Deposits Recd.</b>		
Mr. Siddarth Vasudevan	11.00	11.00
Mrs. Sailaxmi Santhanam Mudaliar	4.00	4.00
Ms.Aishwarya Santhanam	8.00	8.00
<b>Total</b>	<b>23.00</b>	<b>23.00</b>
<b>b) For services received</b>		
Siddharth Vasudevan	-	83.68
<b>Total</b>	<b>-</b>	<b>83.68</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, 2017.

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

Note 34 : Disclosure of additional information as required by the Schedule III

a) As at and for the year ended March 31, 2018 :

(₹ in Lakhs)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
<b>Parent</b>								
Vascon Engineers Limited	87%	58,355.95	245%	1,139.80	41%	23.73	222%	1,163.53
<b>Subsidiaries</b>								
Vascon Value Homes Private Limited	0%	-	0%	-	0%	-	0%	-
Marvel Housing Private Limited	0%	(14.97)	9%	39.97	0%	-	8%	39.97
GMP Technical Solutions Private Limited	9%	6,195.11	-125%	(581.94)	50%	29.12	-106%	(552.81)
Almet Corporation Limited	1%	347.41	-3%	(13.18)	0%	-	-3%	(13.18)
Marathawada Realtors Private Limited	1%	660.73	-3%	(14.48)	0%	-	-3%	(14.48)
<b>Joint Ventures</b>								
Cosmos Premises Private Limited	0%	168.50	-1%	(2.40)	0%	-	0%	(2.40)
<b>Non Controlling Interest</b>	2%	1,093.48	-22%	(102.70)	9%	5.14	-19%	(97.56)
<b>Total</b>	100%	66,806.21	100%	465	100%	58	100%	523

b) As at and for the year ended March 31, 2017 :

(₹ 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	82%	51,533.93	361%	436.67	97%	58.34	273%	495.01
<b>Subsidiaries</b>								
Marvel Housing Private Limited	0%	153.47	-17%	(20.87)	0%	-	-12%	(20.87)
GMP Technical Solutions Private Limited	10%	6,613.04	-206%	(249.62)	3%	1.65	-137%	(247.97)
Almet Corporation Limited	2%	1,483.07	-17%	(20.84)	0%	-	-11%	(20.84)
Marathawada Realtors Private Limited	3%	2,192.73	-18%	(22.02)	0%	-	-12%	(22.02)
<b>Joint Ventures</b>								
Cosmos Premises Private Limited	0%	251.46	64%	77.78	0%	-	43%	77.78
<b>Non Controlling Interest</b>	2%	1,191.04	-66%	(80.12)	0%	0.29	-44%	(79.83)
<b>Total</b>	100%	63,419	100%	121	100%	60	100%	181

Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

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-18	31-Mar-17	
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

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-18	31-Mar-17
Current assets	5,349.58	902.45
Non-current assets	2,793.33	1,689.25
Current liabilities	4,126.03	462.34
Non-current liabilities	-	36.90
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	273.23	573.35
Current financial liabilities (excluding trade and other payables and provisions)	3,237.06	161.86
Non-current financial liabilities (excluding trade and other payables and provisions)	-	23.29
Revenue	7,398.57	1,687.10
Profit (loss) for the year	1,621.55	177.47
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1,621.55	177.47
Dividends received from the joint venture during the year	-	-
<b>The above profit (loss) for the year includes the following:</b>		
Depreciation and amortisation	17.57	154.87
Interest income	-	-
Interest expense	5.86	4.11
Income tax expense (income)	832.89	79.50

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-18	31-Mar-17
Net assets of Ajanta Enterprise	4,016.88	6,887.23
Proportion of the Company's ownership interest in Ajanta Enterprise	50%	50%
Receivables / (Payable) from / to Partners	(71)	15
Goodwill	3,953.24	3,953.24
<b>Carrying amount of the Company's interest in Ajanta Enterprise *</b>	<b>5,890.28</b>	<b>7,412.33</b>

\* Includes Partner's Fixed and Current Capital

## Notes to the Consolidated financial statements for the year ended 31st March, 2018

(₹ in Lakhs)

Summarised financial information in respect of Phoenix Venture is set out below.

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Current assets	1,438.48	1,066.80
Non-current assets	833.78	833.37
Current liabilities	1,929.18	1,431.16
Non-current liabilities	9.26	10.26
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	103.35	2.22
Current financial liabilities (excluding trade and other payables and provisions)	173.23	314.51
Non-current financial liabilities (excluding trade and other payables and provisions)	9.26	10.26
Revenue	454.70	614.78
Profit (loss) for the year	(35.43)	(174.49)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(35.43)	(174.49)
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	57.42	0.52
Income tax expense (income)	-	-

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

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Net assets of Phoenix Venture	333.82	458.75
Proportion of the Company's ownership interest in Phoenix Venture	50%	50%
Receivables from Partners	615.13	659.89
<b>Carrying amount of the Company's interest in Phoenix Venture *</b>	<b>782.04</b>	<b>889.27</b>

\* Includes Partner's Fixed and Current Capital

Summarised financial information in respect of Cosmos Premises Private Limited is set out below.

(₹ in Lakhs)

Particulars	31-Mar-18	31-Mar-17
Current assets	970.08	902.45
Non-current assets	1,585.39	1,689.25
Current liabilities	620.22	462.34
Non-current liabilities	32.08	36.90
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	547.05	573.35
Current financial liabilities (excluding trade and other payables and provisions)	438.40	161.86
Non-current financial liabilities (excluding trade and other payables and provisions)	16.07	23.29
Revenue	1,946.07	1,687.10
Profit (loss) for the year	399.63	177.47
Other comprehensive income for the year	-	-
Total comprehensive income for the year	399.63	177.47
Dividends received from the joint venture during the year	170.30	87.81

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

<b>The above profit (loss) for the year includes the following:</b>		
Depreciation and amortisation	156.14	154.87
Interest income	-	-
Interest expense	6.49	4.11
Income tax expense (income)	168.08	79.50

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-18	31-Mar-17
Net assets of the Cosmos Premises Private Limited	1,903.17	2,092.45
Proportion of the Company's ownership interest in Cosmos Premises Private Limited	44%	44%
Capital Reserve	297.75	297.75
<b>Carrying amount of the Company's interest in Cosmos Premises Private Limited</b>	<b>536.41</b>	<b>619.37</b>

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

Particulars	March 31, 2018	March 31, 2017
(i) Principal amount remaining unpaid to MSME suppliers as on	4.90	4.90
(ii) Interest due on unpaid principal amount to MSME suppliers as on	8.53	7.39
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	1.13	0.53
(v) The amount of interest accrued and remaining unpaid as on	8.53	7.39
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	4.90	4.90

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** During the current financial year, the company renegotiated and agreed for full and final payment of Rs 5,864 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non convertible debentures of Rs 6,861 Lakhs.

(₹ in Lakhs)

40 Disclosure of particulars of contract revenue	March 31, 2018	March 31, 2017
Contract Revenue Recognized during the year	24,581.13	19,347.32
Contract costs incurred during the year	18,079.73	14,519.25
Recognized Profit	6,501.40	4,828.07
Advances received for contracts in progress	(1,682.57)	(4,115.11)
Retention money for contracts in progress	2,873.89	4,290.31
Gross amount due from customer for contract work ( assets )	5,581.86	3,657.19
Gross amount due to customer for contract work ( liability )	2,494.58	4,467.37

**41** The company has not performed CSR activities as mentioned in Section 135 read with companies ( Corporate Social responsibility) Rules, 2014 (CSR rules) and Notification and circulars issued by the ministry during the financial year as the company is not within the criteria of 'Qualifying company'.

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

- 42** In June 2012, the Income Tax Department had initiated proceedings against the Company, under Section 132 of the Income Tax Act, 1961. During the year, the Company has received order from the Income Tax Settlement Commission under Section 245D(4), for the assessment years 2007-08 to 2014-15 (except assessment year 2013-14 which is reverted to respective assessing officer for further assessment) and based on which necessary effects has been given in the accounts.
- 43** The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting dates as off the company.  
Following Subsidiaries along with Joint Ventures and Associates have not been audited for the year ended March 31, 2018 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.  
Mumbai Estate Private Limited (Associate)  
GMP Technical Solutions Middle East (FZE)  
Vascon Value Homes Private Limited  
Marvel Housing Private Limited
- 44** During the current financial year, the company renegotiated and agreed for full and final payment of Rs 5,864 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non convertable debentures of Rs 6,861 Lakhs.
- 45** Scheme of Amalgamation:  
The Scheme of amalgamation (Scheme) between the Company (Amalgamated Company) and its eleven wholly owned subsidiaries (Amalgamating Companies) by the name of Vascon Pricol Infrastructures Limited, Vascon Dwellings Private Limited, Wind Flower Properties Private Limited, Floriana Properties Private Limited, IT-Citi Info park Private Limited, Just Homes (India) Private Limited, Greystone Premises Private Limited, Shreyas Strategists Private Limited, Sansara Developers India Private Limited, Sunflower Real Estate Developers Private Limited and Angelica Properties Private Limited as approved by the National Company Law Tribunal has become effective w.e.f the appointed date i.e. 1st April, 2016 on completion of all the required formalities on 21st June, 2017.  
The Scheme envisages transfer of all properties, rights, powers, liabilities and duties of the Amalgamating Companies to the Amalgamated Company.  
Pursuant to the Scheme, during the quarter ended 30th June, 2017, the amalgamation has been accounted under the 'pooling of interests' method in accordance with the "IND AS 103 Business Combinations" and the assets, liabilities and reserves of the Amalgamating Companies have been accounted for at their book value, in the books of the Amalgamated Company. The share capital of the Amalgamating Companies have been cancelled with the Amalgamated Company's Investment in the Amalgamating Companies.  
The net assets and reserves taken over as at 1st April, 2016 amounted to Rs. 8,042.45 lakhs and Rs. 6,719.14 lakhs respectively. Share capital of the amalgamating companies amounting to Rs. 1,323.32 lakhs is netted off against the investment of Rs. 9,080.99 lakhs and the difference of Rs. 7,757.67 Lakhs is debited to reserves.
- 46** During the year ended 31st March 2018, GMP Technical Solutions Private Limited, a subsidiary of the Company had entered into a Business Transfer Agreement (BTA) for sale of certain projects w.e.f. April 01, 2017 on lump sum basis. The BTA provides that the projects are being sold with effect from the aforementioned date. This sale is consistent with the Company's long term strategy to focus on profitable areas of the business. The identifiable assets and liabilities pertaining to the projects have been de-recognized by the Company from the books of account with effect from the aforementioned date. The lump sum consideration is fixed at Rs. 1,800 Lakhs . The consideration shall be paid by way of 8% Non-Convertible Non-Transferable Debentures having validity of 5 years.

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants**For and on behalf of the Board of Directors**R Vasudevan  
Chairman  
(DIN-00013519)Siddharth Vasudevan  
Managing Director  
(DIN-02504124)Dr Santosh Sundararajan  
Chief Executive OfficerHemant M. Joshi  
PartnerM Krishnamurthi  
Company Secretary &  
Compliance OfficerD Santhanam  
Chief Financial OfficerDate : May 28, 2018  
Place : PuneDate : May 28, 2018  
Place : Pune

**Notes to the Consolidated financial statements for the year ended 31st March, 2018**

(₹ in Lakhs)

**Annexure referred to in Note 38 of the notes forming part of consolidated financial statements**

Disclosure of particulars of segment reporting as required by Indian Accounting Standard (Ind AS) 108

**Information about primary business segments**

Particulars	EPC		Real Estate Development		Manufacturing & BMS		Unallocable		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue										
Total Sales including eliminations	24,854.61	19,581.63	7,957.99	3,629.10	20,327.08	25,715.86	-	-	53,139.68	48,926.59
External sales	24,854.61	19,787.74	7,957.99	3,629.10	20,260.79	25,321.61	-	-	53,073.39	48,738.46
Less: Eliminations	-	206.12	-	-	(66.29)	(394.25)	-	-	(66.29)	(188.14)
Other operating income	-	-	809.51	818.27	-	-	175.16	77.78	984.66	896.06
Total Revenue	24,854.61	19,581.63	8,767.50	4,447.38	20,327.08	25,715.86	175.16	77.78	54,124.35	49,822.65
Result										
Segment result	4,900.05	3,980.87	1,209.42	(133.30)	14.31	169.76	-	-	6,123.77	4,017.33
Unallocated expenditure net of unallocated income							(3,873.04)	(3,014.59)	(3,873.04)	(3,014.59)
Operating profit							(3,873.04)	(3,014.59)	2,250.73	1,002.74
Interest expenses							(2,528.18)	(3,273.77)	(2,528.18)	(3,273.77)
Interest and dividend income							777.87	2,541.33	777.87	2,541.33
Income taxes							(35.35)	(149.30)	(35.35)	(149.30)
Profit after tax							(5,658.70)	(3,896.34)	465.07	120.99
Other information										
Segment assets	25,289.29	18,756.55	65,946.08	65,894.56	17,210.64	22,221.87	23,737.13	25,449.19	132,183.14	133,756.18
Segment liabilities	13,493.65	12,755.14	20,189.39	16,505.83	7,734.29	11,604.85	23,959.61	28,041.01	65,376.94	68,906.82
Capital expenditure	757.59	1,005.92	-	-	115.84	1,321.50	-	-	873.43	2,327.41
Depreciation and amortization	481.72	475.99	44.52	45.15	660.70	810.84	244.69	232.41	1,431.64	1,564.40

**Notes :**

1 The business group/Segment comprise of the following

EPC	Construction of Residential, Commercial, Industrial and other constructions
Real Estate Development	Development of Residential, Hotel premises, Industrial park etc
Manufacturing&BMS	Manufacturing of clean room partition & Building Management System (BMS)

2 Revenue and expenses have been identified to segment on the basis of nature of operations of segment. Revenue and expenses which relates to enterprises as whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

3 Segment assets and liabilities represents assets and liabilities in respective segments. Investments, Tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable"

4 The Subsidiaries ,Jointventures and Associates have been included in segment classified as follows

EPC	Vascon Engineers Limited
Real Estate Development	Vascon Engineers Limited, Marvel Housing Private Limited, Vascon Value Homes Private Limited Almet Corporation Limited, Marathwada Realtors Private Limited Ajanta Enterprises, Zircon Ventures, Phoenix Ventures,Mumbai Estate Private Limited
Manufacturing & BMS	GMP Technical Solutions Private limited, GMP Technical Servicers (LLC)

## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 33<sup>rd</sup> Annual General Meeting of Members of Vascon Engineers Limited will be held at MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014, on Monday, 17<sup>th</sup> day of September, 2018 at 1530 hours to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - a) the audited financial statement of the Company for the financial year ended March 31, 2018, 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, 2018 reports of Auditors thereon.
2. To reappoint Ms. Sowmya Moorthy (DIN: 06470039), who retires by rotation and being eligible offers herself for re-appointment.

### SPECIAL BUSINESS:

#### 3. ACCEPTANCE OF UNSECURED FIXED DEPOSIT

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured fixed deposits from members of the Company, on such terms and conditions as the Board of Directors may think proper and beneficial for the Company, up to a limit not exceeding 10% of the aggregate paid up share capital, free reserves of the Company and securities premium amount as prescribed under Rule 3(4)(a) of the Companies (Acceptance of Deposits) Rules, 2014.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to formulate the Scheme, to file necessary forms and to do compliances as required under Companies Act, 2013, the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any.

#### 4. APPOINTMENT OF MR. SIDDHARTH VASUDEVAN MOORTHY (DIN: 02504124) AS A DIRECTOR OF THE COMPANY:

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Siddharth Vasudevan Moorthy (DIN: 02504124) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 29, 2018 and who holds office upto the

date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company

#### 5. APPOINTMENT OF MR. SIDDHARTH VASUDEVAN MOORTHY AS MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and subject to the provisions of sections 196, 197, 198, 203 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule V to the Companies Act, 2013 and the Articles of Association of the Company, approval be and is hereby accorded for appointment of Mr. Siddharth Vasudevan Moorthy as the Managing Director of the Company w.e.f. 1st April 2018 for a period of five years, liable to retire by rotation, and he may be paid remuneration, perquisites and amenities as given below,

- A) Basic Salary: Rs. 15,00,000/- per month in the slab of Rs. 15, 00,000/- to Rs. 25,00,000/-
- B) LTA: One Month's Basic Salary
- C) Rent Free Furnished Accommodation or housing allowance at the rate of 50% of the Basic Salary per month.
- D) Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
- E) Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
- F) Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.
- G) Contribution to Provident Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company.

**FURTHER RESOLVED THAT** in addition to the aforesaid salary, the said Managing Director be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company, including the above remuneration, with liberty to pay such net profits of the Company, in one or more instalments

entirely at the discretion of the Board.

**FURTHER RESOLVED THAT** in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Siddharth Vasudevan, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

**FURTHER RESOLVED THAT** retirement by rotation and his re-appointment thereafter, would not amount to a break in his tenure of five years as Managing Director of the Company.

**FURTHER RESOLVED THAT** the terms and conditions of the appointment of the Managing Director may be altered and varied from time to time within aforesaid limit by the Board, in its discretion and as it deems fit.

**FURTHER RESOLVED THAT** Mr. M. Krishnamurthi, Company Secretary and Compliance Officer and/or Mr. D. Santhanam, Chief Financial Officer and/or Mr. Santosh Sundararajan, Chief Executive Officer and/or any one Director of the Company be and is hereby authorized to do all necessary things including filing requisite forms with Registrar of Companies, Pune.”

### 6. **APPOINTMENT OF MR. R. VASUDEVAN AS WHOLE TIME DIRECTOR (EXECUTIVE CHAIRMAN) OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:-

**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and subject to the provisions of sections 196, 197, 198, 203 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company, approval be and is hereby accorded for appointment of Mr. R. Vasudevan as Whole-time Director of the Company designated as Executive Chairman, w.e.f. 1<sup>st</sup> April 2018 for a period of five years, liable to retire by rotation, and he may be paid remuneration, perquisites and amenities as given below,

- A) Basic Salary: NIL
- B) LTA: Rs. 10,00,000 per year.
- C) Suitable Rent Free Furnished Accommodation
- D) Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
- E) Use of Company's Car for Company's business and

partial private use and telecommunication facilities at residence including broadband, internet and fax.

- F) Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.

**FURTHER RESOLVED THAT** in addition to the aforesaid salary, the said Executive Chairman be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company, including the above remuneration, with liberty to pay such net profits of the Company, in one or more instalments entirely at the discretion of the Board.

**FURTHER RESOLVED THAT** in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. R Vasudevan, the remuneration by way of salary, perquisites, commission or any other allowances as specified above in accordance with the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

**FURTHER RESOLVED THAT** retirement by rotation and his re-appointment thereafter, would not amount to a break in his tenure of five years as Whole-time Director of the Company.

**FURTHER RESOLVED THAT** the terms and conditions of the appointment of the Mr. R. Vasudevan as Whole-time Director may be altered and varied from time to time within aforesaid limit by the Board, in its discretion and as it deems fit.”

**FURTHER RESOLVED THAT** Mr. M. Krishnamurthi, Company Secretary and Compliance Officer and/or Mr. D. Santhanam, Chief Financial Officer and/or Mr. Santosh Sundararajan, Chief Executive Officer and/or any one Director of the Company be and is hereby authorized to do all necessary things including filing requisite forms with Registrar of Companies, Pune.”

### 7. **APPROVAL OF CHARGES FOR SERVICE OF DOCUMENTS ON THE SHAREHOLDERS:**

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 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any shareholder by the Company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the shareholders be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request

made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, director or key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.

**Registered and Corporate Office**

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

Place: Pune

Date: 28<sup>th</sup> May, 2018

**By order of the board of Directors**

Sd/-  
M. Krishnamurthi  
Company Secretary and Compliance Officer

**Notes:**

1. The Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice, is annexed hereto.
2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

The annual report for the financial year 2017-18 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. [www.vascon.com](http://www.vascon.com). The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2017-18, free of cost, upon sending a request to the Company Secretary.

In case any member is desirous to receive communication from the Company in electronic form, they may register their email address with their depository participant or send their consent at [compliance.officer@vascon.com](mailto:compliance.officer@vascon.com) along with their folio no. and valid email address for registration.

## VASCON ENGINEERS LIMITED

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7. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given as a separate attachment to this notice.
  8. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
  9. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of Annual Report would be made available at the AGM. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.
  10. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited if the shares are held by them in physical form.
  11. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend etc. to the members.  
  
Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details, to the Registrar and Transfer Agent, M/s. Karvy Computershare Private Limited.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited.
  13. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the Registrar and Share Transfer Agent (RTA) of the Company. Further, members desirous of cancelling/ varying nomination pursuant to the Rule 19 (9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH- 14, to the RTA of the Company. These forms will be made available on request.
  14. All documents referred to in the accompanying Notice and Statement pursuant Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 33<sup>rd</sup> Annual General Meeting of the Company.

By Order of the Board  
Sd/-

M. Krishnamurthi  
Company Secretary and Compliance Officer

Place: Pune

Date: May 28, 2018

## ANNEXURE TO NOTICE OF AGM

**ITEM NO. 2**

This statement is provided under Secretarial Standard on General Meetings (SS-2) and SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015

Ms. Sowmya Vasudevan Moorthy (Age : 28 years) holds bachelor's degree in Business Administration from Symbiosis International University, Pune and is an Advanced Diploma in Interior Design from Raffles College of Higher Education. She has over 5 years of experience in the Interior Design industry.

She was first appointed on Board on March 31, 2015.

Ms. Sowmya Vasudevan Moorthy is also a partner in Seraphic Design LLP.

She had attended four meetings of the Board held during the financial year 2017-18. She holds the membership of following Committees:

Sr. No	Name of the Company	Name of the Committee
1	Vascon Engineers Limited	1. Nomination and Remuneration Committee 2. Corporate Social Responsibility Committee

Ms. Sowmya Vasudevan Moorthy holds 7,00,294 equity shares in the Company.

No Remuneration was paid/ is proposed to be paid to her in the past/ future except sitting fees for attending Board and Committee Meetings.

None of the Directors or Key Managerial Personnel or their relatives except Mr. R. Vasudevan, Mr. Siddharth Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution set out in item no.3 of the Notice. Ms. Sowmya Vasudevan Moorthy is a daughter of Mr. R. Vasudevan and sister of Mr. Siddharth Vasudevan Moorthy.

The Board recommends the resolution set forth in Item No. 2 of the notice for approval of the members.

**Statement pursuant to Section 102(1) of the Companies Act, 2013 and under Secretarial Standard on General Meetings (SS-2).**

**Item No. 3:**

By virtue of Section 73 read with the Companies (Acceptance of Deposits) Rules, 2014, approval of members by way of ordinary resolution is a prerequisite to accept or renew unsecured fixed deposit by your Company and thus member's approval is sought for accepting unsecured deposit from members. Further the Companies Act, 2013 provides that the deposits raised in terms of provisions of the previous Act shall be repaid as per the term of respective deposit, which is being complied by your Company.

None of the Directors or Key Managerial Personnel of the Company or any of their relatives are in anyway, concerned or

interested, financially or otherwise in the said resolution except to their holding in the Fixed Deposits of the Company.

The Board recommends the Resolution at Item No. 3 for approval by the Members.

**Item no. 4 and 5:**

The Board appointed Mr. Siddharth Vasudevan Moorthy as Additional Director with effect from March 29, 2018. As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director of the Company, A brief profile of Mr. Siddharth Vasudevan Moorthy is given below:

Mr. Siddharth Vasudevan Moorthy (Age 33 years) is a Diploma holder from Pune University. He has completed his Graduation in Bachelor of Applied Science in Construction Management with Honors from Singapore Institute of Management and Royal Melbourne Institute of Technology. With his meticulous approach and enhanced experience of more than ten years in the areas of Project Execution, Quality, Technology, Process IT, Customer Relationship Management, Engineering Design and many other facets of the business, he has spearheaded the organizational growth. His steady work conviction & vision continues to drive the organization into a leadership position in the real estate and construction business.

He has attended one Board Meeting of the Board held during the Financial Year 2017-18 after his appointment. He holds membership of following committees.

Sr. No.	Name of the Company	Name of the Committees
1	Vascon Engineers Ltd.	Nil
2	GMP Technical Solution Pvt. Ltd.	1. Audit Committee 2. Nomination and Remuneration Committee 3. Corporate Social Responsibility Committee

He is also Director on the Board of GMP Technical Solutions Private Limited

Remuneration last drawn by him (In the capacity of Chief Operating Officer): Rs. 204 lakhs

Mr. Siddharth Vasudevan Moorthy holds 700294 equity shares in the Company.

The Nomination and Remuneration Committee has recommended appointment of Mr. Siddharth Vasudevan Moorthy as Managing Director of the Company with effect from April 1, 2018 with the following Remuneration and the Board also has approved the same on March 29, 2018.

## VASCON ENGINEERS LIMITED

The recommended remuneration is as under:

- A. Basic Salary: Rs. 15,00,000/- per month in the slab of Rs. 15, 00,000/- to Rs. 25,00,000/-
- B. LTA: One Month's Basic Salary
- C. Rent Free Furnished Accommodation or housing allowance at the rate of 50% of the Basic Salary per month.
- D. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
- E. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
- F. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.
- G. Contribution to Provident Fund and payment of Gratuity, other retirement benefits and leave encasement as per the Rules of the Company.

In addition to the aforesaid salary, the said Managing Director be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company

None of the Directors or Key Managerial Personnel or their relatives except Mr. R. Vasudevan and Ms. Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution set out in Item no. 4 and 5 of the Notice. Mr. Siddharth Vasudevan Moorthy is the Son of Mr. R. Vasudevan and brother of Ms. Sowmya Moorthy.

The Board recommends the Resolutions at Item no 4 and 5 for approval by the Members.

### ITEM No 6

Mr. R. Vasudevan (Age : 66 years) holds a Bachelor's degree in Civil Engineering from the University of Pune. He has also completed an 'Owner President' Management Program from the Harvard Business School. He has been a Promoter Director on the Board of the Company since January 1, 1986. He is responsible for the overall management of our Company. He has over 33 years of experience in the Construction Company. He has been awarded several awards for his contribution in the field of construction and Real Estate Industry.

Mr. R Vasudevan has been instrumental in bringing the company from scratch to the position of eminence over the last 30 years. He has been our director since January 1, 1986. He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature. The EPC and Real Estate Business requires special skill set for timely execution of projects and monitoring on continuous basis. Mr. R. Vasudevan possesses these special skills due to which the Company has grown tremendously. The Nomination and Remuneration Committee has recommended appointment

of Mr. R. Vasudevan as Executive Chairman of the Company on March 29, 2018 and the Board also has approved the same on March 29, 2018.

1. Basic Salary: NIL
2. LTA: Rs. 10,00,000 per year.
3. Suitable Rent Free Furnished Accommodation
4. Reimbursement of Domiciliary medical treatment expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
5. Use of Company's Car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax
6. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.

In addition to the aforesaid salary, the said Executive Chairman be and is hereby entitled to additional payment by ex-gratia, bonus, commission or otherwise in any other manner a sum not exceeding five percent of the net profits of the Company.

Subject to the provision of Articles of Association of the Company approval of the Board in its Meeting held on March 29, 2018 was accorded for appointment of Mr. R. Vasudevan as Chairman (Chairperson) of the Board of Company w.e.f. April 1, 2018 and designated him as "Executive Chairman" of the Company. He shall continue to remain Chairman of the Board until he resigns as such or the Board appoints some other person as Chairman in his place. He has attended 8 Meetings of Board held during the Financial Year 2017-18. He holds the membership of following Committees.

Sr. No.	Name of the Company	Name of the Committees
1	Vascon Engineers Ltd.	a. Audit Committee b. Stakeholders Grievance Committee c. Corporate Social Responsibility Committee
2	Any other Company	NIL

He is also a Director on the Boards of the following Companies

1. Ascent Hotels Private Limited
2. Novacare Drugs Specialities Private Limited
3. Vasumangal Constructions LLP (Designated Partner)
4. Uday Gujar Foundation

The last remuneration drawn by him (as Managing Director) : Rs. 120 lakhs Mr. R Vasudevan holds 41897701 equity shares in the Company.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Siddharth Vasudevan Moorthy and Ms.

Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution. Mr. R. Vasudevan is the father of Mr. Siddharth Vasudevan Moorthy and Ms. Sowmya Vasudevan Moorthy.

The Board recommends the Resolutions at Item No. 6 for approval by the Members.

**Item No. 7:**

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the company.

None of the Director of the Company, Key Managerial Personnel or their relatives respectively is in any way concerned or interested in the proposed resolution.

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No. 7 of this Notice.

**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.

**By order of the board of Directors**

Sd/-  
M. Krishnamurthi  
Company Secretary and Compliance Officer

Place: Pune

Date: May 28, 2018





**Vascon Engineers Limited**

**Registered and Corporate Office:** Vascon Weikfield Chambers, Behind Hotel Novotel,  
Opposite Hyatt Hotel, Pune-Nagar Road, Pune-411014.

**Tel No.:** +91 20 3056 2200, **Fax No.:** +91 20 30562600.

**Contact Person:** Mr. M. Krishnamurthi, Company Secretary and Compliance Officer

**E-mail:** compliance.officer@vascon.com, **Website:** www.vascon.com.

**Corporate Identity Number:** L70100PN1986PLC175750

**ATTENDANCE SLIP**

Folio No./DP ID and Client ID:

No. of Shares:

Name and address of  
First/Sole Member:

I, hereby record my presence at the 33<sup>rd</sup> Annual General Meeting of the Company to be held on Monday, 17<sup>th</sup> day of September, 2018 at 1530 hours at MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014

\_\_\_\_\_  
Name of the Member/Proxy  
(Block Letters)

\_\_\_\_\_  
Signature of the Member/Proxy

Notes :

- a. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
- b. Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- c. Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.





### Vascon Engineers Limited

**Registered and Corporate Office:** Vascon Weikfield Chambers, Behind Hotel Novotel,  
Opposite Hyatt Hotel, Pune-Nagar Road, Pune-411014.

**Tel No.:** +91 20 3056 2200, **Fax No.:** +91 20 30562600.

**Contact Person:** Mr. M. Krishnamurthi, Company Secretary and Compliance Officer

**E-mail:** compliance.officer@vascon.com, **Website:** www.vascon.com.

**Corporate Identity Number:** L70100PN1986PLC175750

Form No. MGT-11 **PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]*

**Day, Date & Time :** Monday, 17<sup>th</sup> September, 2018 at 1530 hours

**Venue of the Meeting:** MonarcQ Hall, Royal Orchid Hotels, Opp. Cerebrum IT Park, Kalyaninagar, Pune – 411 014

**Please fill attendance slip and hand it over at the entrance of the meeting venue**

<b>Name</b>	
<b>Registered Address</b>	
<b>Email ID</b>	
<b>DP ID*</b>	
<b>Client ID*</b>	
<b>Folio No</b>	

\*Applicable for investors holding shares in Electronic form.

I/We, being the member(s) of Vascon Engineers Limited, as my/our Proxy to attend vote (for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company to be held on \_\_\_\_\_ at \_\_\_\_\_ pm and at any adjournment thereof) in respect of such resolutions as are indicated below;

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

\*\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Affix  
Revenue  
Stamp

Signature of Member

\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy holder

\_\_\_\_\_  
Signature of 2<sup>nd</sup> proxy holder

\_\_\_\_\_  
Signature of 3<sup>rd</sup> proxy holder

## VASCON ENGINEERS LIMITED

Sr. No.	Resolutions	No. of Shares Held	For	Against	Abstain
1	Consider and adopt: a. Audited Financial Statement for Financial Year Ended March 31, 2018, Reports of the Board of Directors and Auditors b. Audited Consolidated Financial for Statement Financial Year Ended March 31, 2018, Reports of the Board of Directors and Auditors				
2	Re-appointment of Ms. Sowmya Moorthy, who retires by rotation, and being eligible offers herself for re-appointment.				
<b>SPECIAL BUSINESS:</b>					
3	Acceptance of unsecured Fixed Deposit from Members				
4	To appoint Mr. Siddharth Vasudevan (DIN: 02504124) as Director of the Company				
5	Appointment of Mr. Siddharth Vasudevan Moorthy as Managing Director of the Company				
6	Appointment of Mr. R. Vasudevan as Whole time Director (Executive Chairman) of the Company				
7	Approval of Charges For Service Of Documents On The Shareholders				

\*\* This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

\_\_\_\_\_  
Signature (s) of Member(s)

### Notes:

- The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- The form of Proxy confers authority to demand or join in demanding a poll.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.
- Appointing a proxy doesn't prevent a member from attending a meeting in person if he/she wishes. When a member appoints a proxy and both member and proxy attend the meeting, proxy will stand automatically revoked.
- Undated proxy forms will not be considered.







**VASCON**

**Registered & Corporate Office:** Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune - 14.  
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