

Vascon Engineers Limited
AUDITED CONSOLIDATED AND STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 ST. MARCH, 2015

PART I

Sr. No.	PARTICULARS	CONSOLIDATED				STANDALONE				(Rs in Lakhs)	
		Quarter Ended		Year Ended		Quarter Ended		Year Ended		31st March, 2015	31st March, 2014
		31st March, 2015 (Refer note 13.1) (Audited)	31st March, 2014 (Refer note 13.1) (Audited)	31st March, 2015 (Audited)	31st March, 2014 (Audited)	31st March, 2015 (Refer note 13.1) (Audited)	31st March, 2014 (Refer note 13.1) (Audited)	31st March, 2015 (Audited)	31st March, 2014 (Audited)	31st March, 2015 (Audited)	31st March, 2014 (Audited)
1	Income from operations	17,229	15,610	62,128	61,875	5,287	8,801	7,811	28,515	30,357	
	a) Net Sales/Income from Operations	26	64	125	971	19	152	532	994	2,723	
	b) Other Operating Income	17,255	15,674	62,253	62,846	5,306	8,953	8,343	29,509	33,080	
2	Expenditure										
	a) Construction Expenses / Cost of materials consumed including cost of land	15,202	13,826	51,030	47,651	9,038	8,782	8,338	32,264	29,832	
	b) Purchase of stock-in-trade	72	731	1,534	4	72	731	0	1,534	4	
	c) Changes of inventories of finished goods, work in progress and stock in trade	1,607	127	2,109	(1,233)	(121)	385	(379)	(999)	(2,749)	
	d) Employees benefits expenses	1,694	2,106	7,697	8,021	787	1,293	777	4,079	4,530	
	e) Depreciation and amortisation expenses	1,261	289	2,237	1,877	598	147	382	1,098	1,077	
	f) Other expenses	3,841	2,455	9,387	6,780	1,761	1,323	1,040	4,320	2,666	
	Total Expenses	23,877	19,554	73,994	63,100	12,135	12,661	10,158	42,296	35,360	
3	Profit / (Loss) from Operations before Other Income, Finance costs & Exceptional Items (1-2)	(6,422)	(3,860)	(11,741)	(254)	(6,829)	(3,708)	(1,815)	(12,787)	(2,280)	
4	Other Income	(278)	459	1,440	1,937	427	228	431	1,523	1,422	
5	Profit / (Loss) from ordinary activities before Finance costs, Exceptional Items and Tax (3+4)	(6,700)	(3,401)	(10,301)	1,683	(6,402)	(3,480)	(1,384)	(11,264)	(838)	
6	Finance costs	714	822	2,964	4,197	669	735	1,164	2,675	3,630	
7	Profit / (Loss) from ordinary activities after Finance costs but before Exceptional Items and Tax (5-6)	(7,414)	(4,223)	(13,265)	(2,514)	(7,071)	(4,215)	(2,548)	(13,939)	(4,468)	
8	Exceptional Items	169	1	(390)	1	1	1	1	(223)	1	
9	Profit/(+)/Loss(-) before tax (7+8)	(7,245)	(4,222)	(13,655)	(2,513)	(7,071)	(4,215)	(2,547)	(14,162)	(4,489)	
10	Tax Expenses	196	2	836	1,347	262	282	308	308	308	
11	Net Profit/(+)/Loss(-) after tax (9-10)	(7,441)	(4,225)	(14,491)	(3,860)	(7,333)	(4,215)	(2,547)	(14,470)	(4,489)	
12	Extraordinary Items										
13	Net Profit (+) / Loss (-) after tax (11-12)	(7,441)	(4,225)	(14,491)	(3,860)	(7,333)	(4,215)	(2,547)	(14,470)	(4,489)	
14	Share of profit / (loss) of Associates	(170)	2	14	(458)						
15	Less: Minority Interest (includes Rs 98.66 Lakhs being adjustments towards prior periods)	(49)	(29)	(73)	73						
16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13-14)	(7,562)	(4,194)	(14,404)	(4,391)	(7,333)	(4,215)	(2,547)	(14,470)	(4,489)	
17	Paid-up Equity Share Capital (Face Value Rs. 10/- per share)	9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048	9,048	
18	Reserves excluding Revaluation Reserves			42,802	56,955				39,289	53,441	
19	Earnings Per Share (EPS)										
	a) Basic EPS (in Rs.)	(8.39)	(4.65)	(15.97)	(4.87)	(8.10)	(4.66)	(2.82)	(16.03)	(4.98)	
	b) Diluted EPS (in Rs.)	(8.39)	(4.65)	(15.97)	(4.87)	(8.10)	(4.66)	(2.82)	(16.03)	(4.98)	

204

W

Vascon Engineers Limited

AUDITED CONSOLIDATED AND STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2015

Consolidated Segment wise Revenue, Results and Capital Employed for the quarter and year ended 31st March, 2015

Particulars	Quarter Ended		Year Ended	
	31st March, 2015 (Refer note 13.1) (Audited)	31st December, 2015. (Unaudited)	31st March, 2014 (Refer note 13.1) (Audited)	31st March, 2014 (Audited)
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
1. Segment Revenue				
EPC (Engineering, Procurement and Construction)	4,526	6,803	6,650	25,205
Real Estate Development	5,202	4,821	5,590	17,530
Hotel	184	187	602	546
Manufacturing & BMS (Building Management System)	7,780	4,924	23,963	22,776
Total	17,692	16,735	18,691	66,057
Less: Inter-Segment Revenue	(607)	(1,059)	(1,854)	(3,669)
Share of profit / loss of Associates	170	(2)	(14)	458
Net Sales/Income from operations	17,255	15,674	16,835	62,846
2. Segment Results				
EPC (Engineering, Procurement and Construction)	(5,317)	(2,820)	(1,260)	(502)
Real Estate Development	(231)	1,114	1,734	3,828
Hotel	44	47	130	125
Manufacturing & BMS (Building Management System)	(67)	(390)	33	1,215
Subtotal	(5,561)	(2,049)	637	4,666
Less: Interest	(715)	(833)	(1,363)	(4,135)
Other unallocable expenditure net off unallocable income	(1,139)	(1,339)	(1,398)	(4,850)
Share of profit / loss of Associates	170	(2)	(14)	458
Total Profit / (Loss) before Tax	(7,245)	(4,223)	(2,126)	(2,513)
3. Capital Employed (Segment Assets - Segment Liabilities)				
EPC (Engineering, Procurement and Construction)	3,353	8,670	4,084	3,353
Real Estate Development	47,813	44,652	40,341	40,341
Hotel	1,137	2,704	4,099	1,137
Manufacturing & BMS (Building Management System)	9,659	9,698	10,027	9,659
Unallocable	(10,113)	(6,446)	7,422	(10,113)
Total	51,849	59,278	65,973	51,849

ADP

94

Vascon Engineers Limited
AUDITED CONSOLIDATED AND STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 ST MARCH, 2015

Statement of Assets & Liabilities :	CONSOLIDATED		STANDALONE	
	As At		As At	
	31st March, 2015 (Audited)	31st March, 2014 (Audited)	31st March, 2015 (Audited)	31st March, 2014 (Audited)
EQUITY AND LIABILITIES				
Shareholders' Fund :				
a) Share Capital	9,048	9,048	9,048	9,018
b) Reserves and Surplus	42,802	56,955	39,289	53,441
	51,850	65,973	48,337	62,459
Minority Interest	1,131	1,543		
Non Current Liabilities				
a) Long Term Borrowings	3,009	7,698	2,515	5,940
b) Deferred Tax Liabilities (net)	29	27		
c) Other Long Term Liabilities	123	514		
d) Long Term Provisions	542	170	317	
	3,703	8,409	2,832	5,940
Subtotal Non Current Liabilities				
Current Liabilities				
a) Short Term Borrowings	23,061	23,747	20,201	20,492
b) Trade Payables	22,123	20,301	15,987	15,764
c) Other Current Liabilities	32,843	25,767	23,517	18,945
d) Short Term Provisions	818	1,742	488	833
	78,845	71,557	60,193	56,054
Subtotal Current Liabilities				
Total equity and liabilities	135,529	147,482	111,362	124,453
ASSETS				
Non Current Assets				
a) Fixed Assets				
- Tangible assets	11,551	11,463	6,232	4,560
- Intangible assets	41	19		
- Capital work in progress	213	2,539	213	74
	11,805	14,021	6,445	4,634
b) Goodwill on Consolidation	7,306	7,299		
c) Non Current Investments	2,753	1,481	18,173	14,848
d) Deferred Tax Asset (Net)	351	200		
e) Long Term Loans & Advances	26,909	33,310	28,230	30,225
f) Other Non Current Assets	188	127	2	1
	49,312	56,438	52,850	49,708
Subtotal Non Current Assets				
Current Assets				
a) Current Investments	3,362	5,359	2,765	5,359
b) Inventories	30,321	35,493	22,533	23,554
c) Trade Receivables	25,688	26,323	14,665	20,066
d) Cash and bank balances	5,839	4,976	2,724	2,972
e) Short Term Loans & Advances	9,130	5,399	5,126	11,467
f) Other Current Assets	11,876	13,493	10,700	11,327
	86,216	91,043	58,513	74,745
Subtotal Current Assets				
Total Assets	135,529	147,482	111,362	124,453

M

AOR

Vascon Engineers Limited

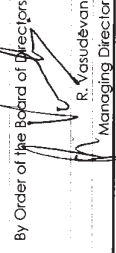
AUDITED CONSOLIDATED AND STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 ST MARCH, 2015

Notes:

1. The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 12th May, 2015.
2. The above financial results are in accordance with the accounting policies followed by the Company in preparation of Statutory Financials Statements.
3. The Consolidated financial results have been prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statement", AS - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 - "Financial Reporting of Interests in Joint Ventures".
4. For the purpose of Consolidated Results, the Company has identified in line with Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, four primary reporting business segments as follows:
 - a) Engineering, Procurement and Construction (EPC)
 - b) Real Estate Development
 - c) Hotel
 - d) Manufacturing and BMS (Building Management System)
5. The Company / group has engaged in its business mainly within India. Accordingly, no separate geographical disclosures are considered necessary.
6. During the year the Company has accrued bank guarantee commission payable to managing director amounting to Rs. 554.00 lakhs.
7. Effective 1st April, 2014, the Company has revised the useful life of fixed assets based on schedule II of the Companies Act, 2013 ("the Act") except Plant & Machinery for the purpose of provision of depreciation. Useful life of Plant & Machinery has been revised to 15 years based on the Chartered Engineer's evaluation. Accordingly, the carrying amount of the fixed assets as on 1st April, 2014 has been depreciated over the remaining revised useful life. Consequently, the depreciation charge for the year ended 31st March, 2015, is higher by Rs.210.73 lakhs & Rs 501.14 lakhs and loss is higher to that effect in standalone & consolidated results respectively. Further, an amount of Rs. 32.87 lakhs & Rs. 65.00 lakhs representing the carrying amount of assets with useful life as nil in standalone & consolidated results respectively, has been adjusted against the opening balance of retained earnings (i.e. balance in the statement of profit and loss as permitted under Note 7(b) to Part C of Schedule II of Companies Act, 2013
8. The Company has accrued managerial remuneration to MD amounting to Rs 620.53 lakhs for the year ended in terms of the shareholders resolution, which is in excess of the limits prescribed in Schedule V of the Companies Act 2013. The Company has made necessary application to the Central Government for its approval which is pending.
9. During the year ended 31st March, 2015, the subsidiaries of the Company has sold its equity stake in Caspia Hotels Private Limited (step down subsidiaries) for a consideration of Rs. 1108 Lakhs. Consequently, Caspia Hotels Premises Private Limited has ceased to be a subsidiary of the company.
10. During the year ended 31st March, 2015, the Company has purchased additional 30% equity stake in Vascon Pricol Infrastructure Limited for a consideration of Rs. 370 Lakhs. Consequently, Vascon Pricol Infrastructure Limited has become fully owned subsidiary of the Company.
11. The Consolidated Financial Statements do not include financial position and results of one of the entity in which the Company is a Partner, since there are no operation therein and the entity has become defunct on account of dispute with other Partner. Accordingly the Investment and Receivable in the said entity has been written off and the minority interest has been eliminated.
12. The Company has incurred losses of approximately Rs. 14,469 lakhs in the standalone financial statement during the year ended March 31, 2015 and has continued incurring losses since March, 2013. Further, the Company has incurred cash losses during the year and previous year and there are delays in the payment of statutory dues. Also considering deficit in the Statement of Profit and Loss as at the year-end, 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debentures) Rules, 2014. However, the financial statements have been prepared on a going concern basis in view of the financial support from some of its shareholders and the future business / growth plans of the Company. The Company has plans to augment its resources by going for Rights issue of about Rs. 100 crores and has got the requisite approval from SEBI and to sale certain non core Assets. The main object of the issue is to reduce debts and complete certain projects. These efforts would result in improving cash flow, strengthen the operations of the Company and reduce the interest burden.
13. Subsidary Company has receivable amounting to Rs. 500 lakhs from third party (given as a part of Joint Development Agreement) against which notice for recovery of advance including interest and other charges have served on the third party due to delay in project. The Group is in the process of recovering the advances given to third party, hence in the opinion of the management the said advance is fully recoverable, and hence no provision is made as on March 31, 2015.
14. Further, the Company has given advances amounting to Rs. 674.28 lakhs to the above mentioned subsidiary. This subsidiary has accumulated losses and its net worth has been fully eroded and incurred a net loss during the current year and previous year. Repayment from subsidiary is dependent upon receipt of advance paid to this party. The Subsidiary is in the process of recovering the advances including interest and other charges given to third party, hence in the opinion of the management the said advance is fully recoverable, and hence no provision is made as on March 31, 2015.
15. The financial results for the quarter ended 31st March, 2015 and 31st March, 2014 are balancing figures between audited results for the full financial year and the published year to date figure upto third quarter of the respective financial years.
16. The figures for the corresponding years have been regrouped and rearranged wherever necessary to make them comparable.

Place: Mumbai

Date: 12th May, 2015

By Order of the Board of Directors

 R. Vasudevan
 Managing Director

AVP

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF VASCON ENGINEERS LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **VASCON ENGINEERS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") and its share of the profit / (loss) of its associates for the year ended March 31, 2015 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 7 below. This Statement has been prepared on the basis of the related annual consolidated financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 read with Rule 7 Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of 9 subsidiaries and a jointly controlled entity included in the consolidated financial results, whose financial statements reflect total assets of Rs. 15,012 lakhs as at March 31, 2015, total revenues of Rs. 4,438 lakhs for the year ended March 31, 2015, and total profit/(loss) after tax of Rs. (65) lakhs for the year ended March 31, 2015, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint controlled entity, is based solely on the reports of the other auditors.
4. The consolidated financial results includes the financial statements of 1 subsidiary and 2 joint controlled entities which have not been audited by their auditors, whose financial statements reflect total assets of Rs. 6,614 lakhs as at March 31, 2015, total revenue of Rs. 4,550 lakhs for the year ended March 31, 2015, and total profit / (loss) after tax of Rs. 15 lakhs for the year ended March 31, 2015, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit / (loss) after tax of Rs. 14 lakhs for the year ended March 31, 2015, respectively, as considered in

Deloitte Haskins & Sells LLP

the consolidated financial results, in respect of 2 associates, based on their financial statements which have not been audited by their auditors.

5. In our opinion and 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 paragraph 3 above and except for the possible effects of the matter described in paragraph 4 above, the Statement:

(i) includes the results of the following entities:

Sr. No.	Name of the Entity	Relationship
a)	Vascon Engineers Limited	Holding Company
b)	Marvel Housing Private Limited	Subsidiary Company
c)	Vascon Dwelling Private Limited	Subsidiary Company
d)	IT - Citi Infopark Private Limited	Subsidiary Company
e)	Greystone Premises Private Limited	Subsidiary Company
f)	Vascon Pricol Infrastructure Limited	Subsidiary Company
g)	Floriana Properties Private Limited	Subsidiary Company
h)	Windflower Properties Private Limited	Subsidiary Company
i)	GMP Technical Solutions Private Limited	Subsidiary Company
j)	Almet Corporation Limited	Subsidiary Company
k)	Marathawada Realtors Private Limited	Subsidiary Company
l)	Just Homes (India) Private Limited	Subsidiary Company
m)	Phoenix Ventures	Joint Venture
n)	Cosmos Premises Private Limited	Joint Venture
o)	Ajanta Enterprises	Partnership Firm
p)	Angelica Properties Private Limited	Associates
q)	Mumbai Estate Private Limited	Associates
r)	GMP Technical Solutions Middle East (FZE)	Step down Subsidiary

(ii) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and

(iii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net loss and other financial information of the Group for the quarter and the year ended on March 31, 2015.

6. We draw attention to:

- Note 11 to the statement which indicates that the Company has incurred cash losses during the year and previous year and there are delays in the payment of statutory dues and that 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debentures) Rules 2014. However, the financial statements have been prepared on a going concern basis in view of the financial support of its shareholders and the future business / growth plans of the Company as further explained in the said note.

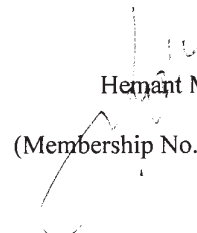
Deloitte Haskins & Sells LLP

- Note 12 to the statement regarding uncertainty related to outcome of the notice served on the third party for Rs. 500 lakhs receivable by one of subsidiary company. The subsidiary is in the course of realisation of advances given to third party, hence in the opinion of the management the said advance is fully recoverable.
- Note 13 to the statement regarding figures for the quarter ended March 31, 2015 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current year.

Our opinion is not qualified in respect of these matters.

7. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints in Part II – Select Information for the quarter and year ended March 31, 2015, from the details furnished by the Management / Registrars.

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


Hemant M. Joshi
Partner
(Membership No. 38019)

Mumbai, May 12, 2015

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF VASCON ENGINEERS LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **VASCON ENGINEERS LIMITED** ("the Company") for the year ended March 31, 2015 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 5 below. This Statement has been prepared on the basis of the related annual financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges, and
 - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net loss and other financial information of the Company for the year ended on March 31, 2015.
4. We draw attention to:
 - Note 11 to the statement which indicates that the Company has incurred cash losses during the year and previous year and there are delays in the payment of statutory dues and that 15% of the debenture amounts repayable during the year ending March 31, 2016 has not been maintained in one or more methods as prescribed under the Companies (Share Capital and Debentures) Rules 2014. However, the financial statements have been prepared on a going concern basis in view of the financial support from some of its shareholders and the future business / growth plans of the Company as further explained in the said note.

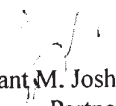
Deloitte Haskins & Sells LLP

- Note 12 to the statement regarding loan and advances amounting to Rs. 674 lakhs given to a subsidiary, which is continuously incurring losses. The realisation of this advances is dependent upon recovery of further advances given by the subsidiary to the third party for which a claim is made by the subsidiary. The subsidiary is in the course of realisation of above advances, hence in the opinion of the management the said advance from the subsidiary is fully recoverable.
- Note 13 to the statement regarding figures for the quarter ended March 31, 2015 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current year.

Our opinion is not qualified in respect of these matters.

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints in Part II – Select Information for the quarter and year ended March 31, 2015, from the details furnished by the Management / Registrars.

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


Hemant M. Joshi
Partner
(Membership No. 38019)

Mumbai, May 12, 2015