



Vascon Engineers Limited

CIN: L70100MH1986PLC038511

Registered Office: 15/16, Hazari Baugh, L.B.S. Marg, Vikhroli, Mumbai-400083

Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel,

Opposite Hyatt Hotel, Pune - Nagar Road, Pune-411014.

September 3, 2015

To,

National Stock Exchange India Limited,

Listing Department,

Exchange Plaza,

5th Floor, Plot No. C/1, G Block,

BandraKurla Complex,

Bandra (E), Mumbai – 400 051

Ref: Symbol: **VASCONEQ**

Subject: Notice of Annual General Meeting and Annual Report of the Company.

Dear Sir/ Madam,

Please find attached Notice of Annual General Meeting and Annual Report of the Company.

Thanking you,

For Vascon Engineers Limited,

M. Krishnamurthi

Company Secretary and Compliance Officer

Enclosures: As above



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5th Floor, Plot No. C/1, G Block,

BandraKurla Complex,

Bandra (E), Mumbai – 400 051

Ref: Symbol: **VASCONEQ**

Ref: Clause 31 of Listing Agreement

Sub: Copy of Annual Report of Vascon Engineers Limited for financial year 2014-15.

Dear Sir/ Madam,

The Company has completed dispatch of Notice of AGM along with Annual Report for financial year 2014-15 on Thursday, September 3, 2015.

We are enclosing soft copy of the Annual Report containing Notice of Annual General Meeting and of the Company Report for your records.

Pursuant to Clause 31 of the Listing Agreement we have also dispatched six copies of Annual Report of Vascon Engineers Ltd. for the financial year 2014-15, for your records.

Thanking you,

For Vascon Engineers Limited,

M. Krishnamurthi

Company Secretary and Compliance Officer

Enclosures: As above



VASCON[®]

Development with Conscience

ANNUAL REPORT 2014-2015





VASCON ENGINEERS LIMITED

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COMPANY INFORMATION

BOARD OF DIRECTORS

V. Mohan

Chairman and Independent Director

R. Vasudevan

Managing Director

K. G. Krishnamurthy

Independent Director

R. Kannan

Independent Director

Sowmya Vasudevan Moorthy

Additional Director

KEY MANAGERIAL PERSONNEL

Dr. Santosh Sundararajan

Chief Executive Officer

M. Krishnamurthi

Company Secretary & Compliance Officer

D. Santhanam

Chief Financial Officer

COMMITTEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE

V. Mohan, Chairman

R. Kannan, Member

R. Vasudevan, Member

NOMINATION & REMUNERATION COMMITTEE

R. Kannan, Chairman

V. Mohan, Member

K.G. Krishnamurthy, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

V. Mohan, Chairman

R. Vasudevan, Member

K.G. Krishnamurthy, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

R. Vasudevan, Chairman

V. Mohan, Member

R Kannan, Member

RISK MANAGEMENT COMMITTEE

R. Kannan, Chairman

R. Vasudevan, Member

V. Mohan, Member

RIGHTS ISSUE COMMITTEE

V. Mohan, Chairman

R Kannan, Member

R. Vasudevan, Member

OFFICE ADDRESSES

REGISTERED OFFICE

15/16, Hazari Baug, LBS Marg, Vikhroli (West),
Mumbai 400 083

Tel: +91 (22) 25781143

Fax: +91 (20) 26131071

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.

MAJOR BRANCH LOCATIONS

AHMEDABAD

C/o. Adani Township & Real Estate Co, CBD,
Shantigram, Near Vaishnodevi Circle, S. G.
Highway, Ahmadabad - 382421

BANGALORE

C/O Godrej E-City, Doddethogar, Village-
Bettadaspura main road, Electronic city, Phase-1,
Pin code-560100.

UTTER PRADESH

Sector 18, Everest Enclave, Vrindavan Yogana 4,
Raibareli Road, Lucknow, U P, Pin code- 226025.

CHENNAI

No. 91, 3rd Floor, Opposite to "Pothys", Behind
Hotel Vasanta Bhavan & Turakhia Optician,G.N.
Chetty Road, Chennai - 17.

LUDHIANA

Old Dayanand Medical College & Hospital,
Hambran Road, Civil Lines, Near Fountain Chowk,
Opposite Lovely Sweet, Ludhiana - 141001 (India).

PUNJAB

Flat No. 805, 8th Floor, Complex Savitry Greens-1,
Near Nirmal Chhaya Tower, Village Bishanpura, VIP
Road, Zirakpur, Punjab

MUMBAI

Neelkanath Business park, 'C' wing, 502, 5th floor,
Near Vidyavihar, bus stop, Nathani Road,
Vidyavihar (W), Mumbai-400086

PUNE

Vascon Wiekfield Chamber, Behind Hotel Novotel,
Opposite Hyatt Hotel, Pune-Nagar Road Pune-
411014.

GOA

511, Shiv Tower, 5th Floor, Patto plaza, Panji,
Goa - 403001

REGISTRAR & SHARE TRANSFER AGENTS

KARVY COMPUTERSHARE PRIVATE LIMITED

Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Telephone: +91 40 6716 2222

LISTED ON

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

BANKERS & LENDERS

Central Bank of India,
ICICI Bank Limited
HDFC Bank Limited
State Bank of India
Standard Chartered Bank
The Hong Kong and Shanghai Banking
The Saraswat Co Operative Bank Ltd

LEGAL ADVISORS

M/s Hariani & Company

AUDITORS

DELOITTE HASKINS & SELLS LLP

706, B Wing, 7th floor,
ICC Trade Tower,
Senapati Bapat Road,
Pune, Maharashtra, 411 016

WEBSITE

www.vascon.com

CIN: L70100MH1986PLC038511

MESSAGE BY MANAGING DIRECTOR

Dear Members,

The financial year 2014-15 has been a year of change. The EPC sector has seen one of the difficult periods. It has also seen an improvement in the quality of contracts and the way of functioning. The market has matured and more full service contracts are being given by the clients. Your company's contracts profile has also improved with more contracts from quality clients. With focus of the Indian Government in the improvement of the infrastructure like roads, railways and power, we expect a perceptible improvement in the new acquisition of contracts and this shall enable our surplus capacity to be used.

The real estate scenario in the country did not improve much. The expected reduction in the interest rate has not been fully realized. Hence the off take has not seen any perceptible increase. However our project at Kharadi, Pune has seen very good progress in Phase II. We expect that other projects shall also see good improvement in the current financial year. With the macroeconomic parameters showing very good improvement, the interest rates reducing further, the pickup in housing can be expected.

Our subsidiary GMP Technical Solutions Ltd had a CAGR of over 25% percent growth in the top line in the years after our acquisition. However, the bottom line in the company has not seen a growth in these years. This is due to increase expansion of the company and the failure of the wooden business to take off. In the last year and the current year, we are refocusing on improving the bottom line. We expect that the momentum of growth shall pick up in the next financial year 2016-17.

Having seen continuous three difficult years, there has been a lot of change in the way, we operate. The bidding process has been improved. The creditworthiness of the clients is being evaluated. The legal contracts with the clients are carefully negotiated. Bidding is done for design and build contracts rather than pure structures. In the real estate side of the business also various innovations are taking place. The technological up gradation shall bring in more machine intensive construction thereby reducing the labour component which is becoming scarce. In order to improve the office productivity, we have shifted to a very modern office in the upcoming business district of Nagar Road. It provides more space for the employees and excellent environment for higher productivity.

In order to improve the long term resources of the company, we have concluded the rights issue for an amount of Rs. 100 Crores at a price of Rs. 15/- per equity share of Rs. 10/- paid up. This shall definitely improve the cash flow position of the company and shall enable to improve the speed of execution of the real estate projects and bidding for higher value EPC contracts. This shall bring a new era in the history of Vascon with next level of Growth.

I thank the Board of Directors for their able guidance to the company in this difficult period. A special thanks to State Bank of India and other banks who has stood by us in the time of need. I thank our suppliers who have extended continued support to us. I thank our shareholders who have stood by us in this difficult time. I am sure; with all your support we shall reach new highs in the near future.

R. Vasudevan,
Managing Director.

MESSAGE BY CHIEF EXECUTIVE OFFICER***Dear Members,***

I feel great every time I am able to reach to you. We have passed through onemore tougher year. The company has taken the challenge in its stride and has come out with more strength.

The new found optimism of the country has not yet translated into growth drivers at the ground level. Though macro parameters have improved, performance at ground level shall take few more quarters to catch up.

In the year ending March 2015, we were able to take a call on the non performing contracts in EPC area. While we could complete many contracts, we exited from some of the contracts and were able to recover the overdue amount from the major clients. As we closed most of the contracts, we had to reverse the revenue recognized earlier to the extent of Rs. 72 Crores bringing down the revenue to that extent. This has also resulted a net loss in the P & L a/c also. With this, almost all the past non remunerative contracts have been completely dealt with and we shall be having a next gen contracts with good profitability.

We have also established a presence in Qatar in the Gulf region and is expecting beginning of contract in the current financial year. Your company has focused on acquisition of quality contracts with good margin. We had been very careful in choosing the clients for bidding. We have added Rs. 74.14 Crores contract from clients like Godrej and Nahar. The company's strategy of focusing on full service contracts in select areas has started yielding results. Recently the company has acquired an additional

contract in Lucknow to the extent of Rs. 286 Crores and work is expected to begin shortly.

We have also concentrated on rationalizing the expenses and have been successful in achieving the same. We were able to achieve continuous reduction in the overhead cost and manpower cost and have seen reduction of 6.90 % in them.

I would like to take this opportunity to thank each and every employee along with the management team for their support to us during these tough times. I take this opportunity to thank our Board of Directors for their able guidance. I also thank the banks who have stood with us in these difficult times.

I am sure that the performance shall improve substantially in the next few quarters and we shall be back to our golden days.

Dr. Santosh Sundararajan.

Chief Executive Officer

REPORT OF BOARD OF DIRECTORS

Dear Members,

We have pleasure in presenting the 30th Annual Report on the business and operations of the Company together with the audited results for the financial year ended March 31, 2015.

1. FINANCIAL HIGHLIGHTS

PARTICULARS	CONSOLIDATED		STANDALONE	
	FY 2015	FY 2014	FY 2015	FY 2014
Net Sales /Income from Business Operations	6,226,653,209	6,238,773,486	2,950,862,935	3,307,984,462
Other Income	143,938,167	193,619,751	152,326,481	142,234,004
Total Income	6,370,591,376	6,432,393,237	3,103,189,416	3,450,218,466
Profit /(loss)before Interest and Depreciation	(844,050,994)	310,258,126	(1,038,836,434)	21,970,672
Less Interest	296,422,893	419,727,776	267,451,625	362,983,572
Profit /(loss)before Depreciation	(1,140,473,887)	(109,469,650)	(1,306,288,059)	(341,012,900)
Less Depreciation and amortisation	223,654,335	187,700,225	109,764,361	107,742,189
Profit / (loss) after depreciation and Interest	(1,364,128,222)	(297,169,875)	(1,416,052,420)	(448,755,090)
Less Current Income Tax	64,957,313	138,636,793	-	-
Less Previous year adjustment of Income Tax	33,807,757	(429,707)	30,863,929	-
Less Deferred Tax	(15,126,963)	(3,470,673)	-	-
Net Profit after Tax	(1,447,766,329)	(431,906,288)	(1,446,916,349)	(448,755,090)
Dividend (including Interim if any and final)	Nil	Nil	Nil	Nil
Net Profit after dividend and Tax	(1,447,766,329)	(431,906,288)	(1,446,916,349)	(448,755,090)
Amount transferred to General Reserve	Nil	Nil	Nil	Nil
Balance carried to Balance Sheet	(1,447,766,329)	(431,906,288)	(1,446,916,349)	(448,755,090)
Earning per share (Basic)	(15.97)	(4.87)	(16.03)	(4.98)
Earning per Share(Diluted)	(15.97)	(4.87)	(16.03)	(4.98)

Notes: FY2015 represents fiscal year 2014-15, from 1 April 2014 to 31 March 2015, and analogously for FY2014 and other such labeled years.

2. BUSINESS PERFORMANCE

The company had a yet another challenging year. The difficult market conditions had contributed to the tough environment. Total Revenue for the year is at Rs. 3,10,31, 89,416 compared to Rs. 345,02,18,466 for the previous year. The company has incurred a net loss of Rs. 141, 60, 52,420 in the current year as against a net loss of Rs.44,87,55,090 in the previous year. The company has taken necessary steps to improve the performance in the next year.

3. CONSOLIDATED RESULTS

Due to the drop in profitability of the standalone accounts, the consolidated profit and loss account also shows a negative growth in profitability and revenue.

Consolidated Revenue of Vascon Group is Rs. 6,37,05,91,376 as compare to Rs.6,43,23,93,237 for the previous period of 12 months. Net Loss is Rs. 1,36,41,28,222 for the year. Diluted Earnings per Share (EPS) on consolidated basis is Rs. (15.97) for the year.

4. BUSINESS OPERATIONS & FUTURE OUTLOOK

Company has successfully concluded the rights issue for an amount of Rs. 100 Crores at a price of Rs. 15/- per equity share of Rs. 10/- paid up. This shall definitely improve the cash flow position of the company and shall enable to improve the speed of execution of the real estate projects and bidding for higher value EPC contracts. This shall bring a new era in the history of Company with next level of Growth.

Company has also established its presence in Qatar in the Gulf region and is expecting beginning of contract in the current financial year. Company is focused on acquisition of quality contracts with good margin and good clients. Company's strategy of focusing on full service contracts in select areas has started yielding results, recently the company has acquired an additional contract in Lucknow to the extent of Rs. 286 Crores and work is expected to begin shortly.

In the Real Estate segment company has total ongoing projects of 2.5 million sq. ft of which company has sold 1.84 million sq. ft amounting to

Rs 972 Crores; company is also planning to launch new projects in current financial year.

5. TRANSFER TO RESERVES

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

6. DIVIDEND

In view of the losses incurred in the current year, we do not recommend any dividend for the year under review.

7. SHARE CAPITAL

The Company has allotted 2, 93,377 equity shares of Rs. 10/- each fully paid on December 30, 2014. Further, the Company's Rights Issue has been successful and it has allotted 6, 66, 66,666 equity shares of Rs. 10/- each fully paid on August 1, 2015.

Accordingly the total paid-up share of the Company has increased to 15,74,35,970 equity shares, amounting to 157, 43, 59,700/- as on the date of this Report.

Change in Capital

➤ Increase in Authorised Capital:

Pursuant to the provisions of Sections 13, 61 and 64 and any other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment hereof) and the rules framed there under as may be applicable and the Articles of Association of the Company, the existing Authorised Share Capital of the Company of Rs.150,00,00,000/- (Rupees One Hundred and Fifty Crore only) divided into 15,00,00,000 (Fifteen Crore) Equity Shares of Rs.10/- (Rupees Ten only) each, has been increased to Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) divided into 20,00,00,000 (Twenty Crore) Equity Shares of Rs.10/- (Rupees Ten only) each by creation of 50,00,000 (Five Crore) Equity Shares of Rs. 10 (Rupees Ten Only) each ranking pari passu in all respects with the existing Equity Shares of the Company, vide Members resolution passed on September 15, 2014.

8. FIXED DEPOSITS

The details of deposits accepted/renewed during the year (FY 2014-15) under review are as below:

Sr. No	Particulars	Amount (In Rs.)
1.	Amount accepted during the year	126,200,000
2.	Amount remained unpaid or unclaimed as at the end of the year.	No
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

9. 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.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The Company has procured an EPC contract from UP Housing and Development Board for an amount of Rs. 286 Crs, to build 13.50 lac sq. ft. consisting of 10 buildings.

The Company has concluded the Rights Issue of Equity Shares to an extent of Rs. 100 Crores to the existing shareholders of the company.

The company has filed a petition with the settlement commission for completing assessment of Income Tax for the Assessment years from 2007-2008 to 2014-2015.

11. 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.

12. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has 13 subsidiaries and 5 joint venture companies as on March 31, 2015. During FY 2016, i.e after April 1, 2015, Angelica Properties Private Limited has become Subsidiary of Vascon.

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 Mumbai, India. These will also be available on our website.

13. 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.

14. CORPORATE GOVERNANCE AND ADDITIONAL SHAREHOLDERS' INFORMATION

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

15. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the *Management Discussion and Analysis* is provided as a separate chapter in the annual report.

16. BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

As per the provisions of Sections 149 and 152 of the Companies Act, 2013, the shareholders at their 29th Annual General Meeting held on September 15, 2014, had approved the re-appointment of all the existing Independent Directors of the Company for tenure of up to five consecutive years. None of the Independent Directors are liable to retire by rotation. In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed to the Company that he meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Further, in accordance with provisions of Section 152 of the Companies Act, 2013.

At the forthcoming Annual General Meeting scheduled on September 29, 2015, Mr. R. Vasudevan, Whole time Director of the Company, retires by rotation and being eligible, seeks re-appointment. A brief profile of Mr. R. Vasudevan is given in the Corporate Governance section of the annual report for reference of the shareholders.

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 Sunderarajan, Chief Executive Officer;
Mr. D. Santhanam, Chief Financial Officer; and
Mr. M. Krishnamurthi, Company Secretary.

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

A. BOARD EVALUATION

As per provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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.

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.

17. 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 Clause 49 of the Listing Agreement.

In accordance with Section 178(3) of the Companies Act, 2013, Clause 49(IV) (B) of the Listing Agreement 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.

B. NUMBER OF BOARD MEETINGS

The Board of Directors met nine times during the year, including a separate meeting of Independent Directors. Details of Board meetings are laid out in Corporate Governance report, which forms a part of this annual report.

18. AUDIT COMMITTEE

The Audit Committee of the Board of Directors consists of two Independent Directors and one Whole Time Director. Presently, the Committee comprises of Mr. V. Mohan, Chairman of the Committee and Independent Director, Mr. R. Kannan, Independent Director and Mr. R. Vasudevan, Managing Director

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

19. BUSINESS RISK MANAGEMENT

The Company has a Risk Management Committee of the Board, consisting of two Independent Directors and one Whole Time Director. The details of the Committee and its terms of reference are set out in the Corporate Governance section, which forms a part of this Report.

The Audit and Risk Management Committees review the key elements of the Company's business, finance, operations and compliance risk(s) and respective mitigation strategies. The Risk Management Committee review the risk identification and management process developed by management to confirm it is consistent with the Corporation's strategy and business plan.

During FY 2015, focus areas of the management and the Board included progress on strategy execution, quality and regulatory, while process safety and health continued to remain a priority for the Company.

20. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. applicable accounting standards have been followed in the preparation of the annual accounts;
2. accounting policies have been selected and applied consistently. Judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the

Company at the end of FY 2015 and of the profit of the Company for that period;

3. proper and sufficient care has been taken to maintain 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. annual accounts have been prepared on a going concern basis;
5. adequate internal financial controls for the Company to follow have been laid down and these are operating effectively; and
6. proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

21. 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.

22. 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

23. 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 29th AGM.

In terms of first proviso of Section 139 of the Companies Act, 2013, the appointment of the auditors is subject to ratification by the shareholders at every subsequent AGM. Accordingly, the statutory auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, have confirmed their eligibility under Section 141 of the Companies Act, 2013, Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and Clause 41(I)(h) of the Listing Agreement.

The Audit Committee and the Board of Directors recommend the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as statutory auditors of the Company from the conclusion of the 30th AGM till the conclusion of the 31st AGM, to the shareholders for ratification.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Dr. K R Chandratre, practicing Company Secretary was appointed to conduct the secretarial audit of the Company for FY 2015. The secretarial audit report for FY 2015 is attached as “Annexure III”.

For FY 2016, 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 2016.

24. BOARD'S RESPONSE ON AUDITORS QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

Information and explanation on remark in the Auditor's Report: if any:

Auditor's emphasis matters of the Report:

(i) Preparation of Accounts on Going Concern Basis:

Reply: The Company has already taken steps to augment the long term resources by issue of Rights shares to the existing shareholders of the Company. The issue has been completed and the Company is in process of clearing liabilities.

(ii) Loans and Advances to Subsidiary

Reply: As mentioned in the note, the management is confident of recovering advances.

(ii) Auditor's comment on delay in payment of statutory dues and loans, in their Annexure to the Report

Reply: The Company has increased the long term resources by issuing rights shares to the members to an extent of Rs. 100 crores. These funds along with the realization of proceeds from noncore assets shall enable company to pay the dues on time.

Secretarial Auditors remarks in the Report:

- The notice of book closure was published in English newspaper in English instead of in vernacular.

Reply: The Board has noted this remark, and ensures Compliance in future.

- The notice of e-voting was published in English language in English instead of in vernacular.

Reply: The Board has noted this remark, and ensures Compliance in future.

- The e-voting for the annual general meeting was not completed three days prior to the date of annual general meeting.

Reply: The Board has noted this remark, and ensures Compliance in future.

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS

During FY 2015, 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.

26. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Vascon has been 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 and Managing Director, Mr. V. Mohan, Independent Director, Mr. R Kannan, Independent Director.

During the year, the Committee formulated and recommended a CSR policy to the Board. 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”**

27. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, 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 pursuant to Section 205C of the said Act.

28. EMPLOYEES STOCK OPTION SCHEMES

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

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.

29. 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.

30. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	2013-2014	2013-2014
Foreign Exchange Earning	-	-
Expenditure in Foreign Exchange	-	-

31. 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”**.

32. ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the significant contribution made by our employees through their dedication, hard work and commitment, as also for the trust reposed on us by our clients. We also acknowledge the support extended to us by the analysts, bankers, government agencies, media, customers, suppliers, shareholders and investors at large.

For and on behalf of the Board of Directors

V. Mohan
Chairman

Place: Mumbai
Date: August 11, 2015

ANNEXURES TO THE REPORT OF BOARD OF DIRECTORS

ANNEXURE 1- AOC- 1

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

PART-A Subsidiary

Name of the subsidiary	Reporting period for the subsidiary	Reporting currency and Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
Marvel Housing Private Limited	No	N.A.	100,000	(3,455,059)	134,693	3,589,752	-	-	(127,178)	-	(127,178)	-	100
Vascon Dwelling Private Limited	No	N.A.	100,000	(26,691,692)	646,615,292	673,306,984	-	435,596,199	1,065,028	2,738,355	(1,673,327)	-	100
IT-Citl Infopark Private Limited	No	N.A.	100,000	98,543,448	101,508,471	2,965,023	-	-	(127,899)	-	(127,899)	-	100
Greystone Premises Private Limited	No	N.A.	100,000	(34,922,269)	468,175	35,390,444	-	-	(98,149)	-	(98,149)	-	65
Vascon Pricol Infrastructure Limited	No	N.A.	71,000,000	(48,004,856)	279,255,474	327,260,330	15,016,349	213,352,430	(70,561,986)	-	(70,561,986)	-	100
Floriana Properties Private Limited	No	N.A.	100,000	(3,639,153)	63,986,257	67,625,410	-	-	(102,919)	-	(102,919)	-	100

Name of the subsidiary	Reporting period for	Reporting currency	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholdin
Windflower Properties Private Ltd	No	N.A.	100,000	796,974	7,403,189	6,606,215	-	3,569,866	69,512	-	295,187	-	100
GMP Technical Solutions Private Limited	No	N.A.	149,300	773,811,171	2,030,915,470	1,257,104,299	2,450,985	2,414,385,742	(8,319,111)	8,669,930	350,819	-	85
GMP Technical Solutions Middle East (FZE)	No	N.A.	2,352,000	5,571,485	38,901,800	33,330,315	2,499,456	17,257,129	(1,457,185)	-	(1,457,185)	-	85
Almet Corporation Limited	No	N.A.	5,882,400	32,934,969	42,603,941	9,668,972	-	703,612	(1,481,648)	-	(1,481,648)	-	100
Marathawada Realtors Private Limited	No	N.A.	3,921,600	67,533,959	77,575,579	10,041,620	-	182,041	(2,354,718)	930	(2,355,648)	-	100
Just Homes (India) Pvt. Ltd	No	N.A.	100,000	93,635,652	142,331,765	48,696,113	87,895,714	(396,997)	(796,509)	-	(796,509)	-	100

PART-B Associates and Joint Ventures

PART D Associates and Joint Ventures									
Name of associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year Considered in Consolidation	Profit/Loss for the year Not Considered in Consolidation
		No.	Amount of Investment in Associates/Joint Venture	Extend of Holding%					
ASSOCIATES									
Angelica Properties Private Limited	31.03.2014	605,131	6,051,310	26%	Significant influence due to % of Share Capital		13,708,221	1,357,978	-
Mumbai Estate Private Limited	31.03.2014	99,999	999,990	45%	Significant influence due to % of Share Capital	Value of Investment Nil as per Equity Method of Accounting for Investments in Associates.	(2,920,994)	-	-
JOINTLY CONTROLLED ENTITIES									
Phoenix Ventures	31.03.2015	Not Applicable	20,000,000	50%	Joint Control over economic activity of the entity	-	44,393,759	(1,977,980)	-
Cosmos Premises Private Limited	31.03.2015	177,401	36,790,610	43.83%	Joint Control over economic activity of the entity	-	82,019,075	8,761,345	-
Ajanta Enterprise	31.03.2015	Not Applicable	427,293,552	50%	Joint Control over economic activity of the entity	-	112,041,630	93,278,910	-

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. & Investment	Extend of Holding%					
Zenith Venture	31.03.2015	N.A.	Share of the Company's assets and liabilities in such Jointly Controlled Entities (JCE) are considered for consolidation based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture Partners.	Joint Control over economic activity of the entity	-	(21,935,766)	(1,844,606)	-
Zenith Venture	31.03.2015	N.A.	Share of the Company's assets and liabilities in such Jointly Controlled Entities (JCE) are considered for consolidation based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture Partners.	Joint Control over economic activity of the entity	-	50994715.41	3037161.66	-

ANNEXURE II : FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under 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 & nature of relationship	Not Applicable
2.	Nature of contracts/ arrangements/ transaction	
3.	Duration of the contracts / arrangements / transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Justification for entering into such contracts or arrangements or transactions'	
6.	Date of approval by the Board	
7.	Amount paid as advances, if any	
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS.

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT IN RUPEES
Windflower Premises Private Limited	Subsidiary	FY 2015	Sales and work	4,33,500
Vascon Pricol Infrastructure Limited	Subsidiary	FY 2015		13,26,15,866
Ajanta Enterprises	Joint Venture	FY 2015		11,92,00,129
Phoenix Ventures	Joint Venture	FY 2015		6,09,924
Zircon Ventures	Joint Venture	FY 2015		62,001
Angelica Properties Pvt. Ltd.	Associates	FY 2015		2,60,000
Dr Santosh Sundararajan	Key management Personnel	FY 2015		42,29,701
Flora Facilities Private Limited	Enterprise where KMP's & Relatives of KMP's have significant influence	FY 2015		1,36,15,530
Cherry Constructions Private Limited		FY 2015		4,95,67,844
Vascon Dwellings Private Limited	Subsidiary	FY 2015	Interest Income	3,54,34,082
Vascon Pricol Infrastructure Limited	Subsidiary	FY 2015		74,56,990
GMP Technical Solutions Pvt. Ltd.	Subsidiary	FY 2015		90,88,835
Almet Corporation Limited	Subsidiary	FY 2015	Interest Expense	7,03,612
Marathawada Realtors Pvt. Ltd.	Subsidiary	FY 2015	Interest Expense	1,82,041

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT IN RUPEES
Ajanta Enterprises	Joint Venture	FY 2015	Interest Expense	35250916
Stresstech Engineers Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2015		257,240
Vastech Consultants Private Limited		FY 2015		1,173,770
Mr. Siddarth Vasudevan		FY 2015		39,945
Mrs. Mathangi Krishnamurthi	Relatives of Key Management Personnel	FY 2015		111,544
Ms. Sailaxmi Santhanam Mudaliar		FY 2015		72,481
Mrs. Thangam Moorthy		FY 2015		365,753
Mr. R. Vasudevan	Key Management Personnel	FY 2015		6,138,186
Mr. Santosh Sundararajan		FY 2015		2,363,764
D Santhanam		FY 2015		547,202
GMP Technical Solution Pvt Ltd	Subsidiaries	FY 2015	Purchase of Goods / Work	82,885,871
Bellflower Premises Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2015		3,600,000
Vatsalya Enterprises Private Limited		FY 2015		3,600,000
Flora Facilities Private Limited		FY 2015		12,623,530
Stresstech Engineers Private Limited		FY 2015		24,512,389
Vastech Consultants & Engineers LLP		FY 2015		726,552
Mr R Vasudevan	Key Management Personnel	FY 2015	Receiving of Services	117,452,862
Dr Santosh Sundararajan		FY 2015		32,518,000
Mr. D.Santhanam		FY 2015		7,318,840
Mr.M.Krishnamurthi		FY 2015		5,827,000
Siddharth Vasudevan	Relatives of Key Management Personnel	FY 2015		9,320,000
Mrs. Sailaxmi Santhanam Mudaliar		FY 2015		18,000
Mrs.Shilpa Sivram		FY 2015		277,420
Flora Facilities Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2015		399,431
Vastech Consultants Private Limited		FY 2015		13,339,005
Zircon Ventures	Joint Ventures	FY 2015	Share of Profit from AOP/Firm	3,037,162
Ajanta Enterprises	Joint Ventures	FY 2015		100,841,242
Phoenix Ventures	Joint Ventures	FY 2015		1,977,980
Weikfield ITCITI Info Park (AOP)	Joint Ventures	FY 2015		1,099,844
Zenith Ventures	Joint Ventures	FY 2015		1,844,606
Vascon Pricol Infrastructures Limited	Subsidiary	FY 2015	Reimbursement of expenses	5,704,854
Windflower Properties private Limited	Subsidiary	FY 2015		57,671
Dr Santosh Sundararajan	Key Management Personnel	FY 2015		57,800

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT IN RUPEES
M. Krishnamurthi	Key Management Personnel	FY 2015	Reimbursement of expenses	70,275
D Santhanam		FY 2015		69,561
GMP Technical Solution Private Limited	Subsidiaries	FY 2015	Outstanding corporate / bank guarantees given	1,065,000,000
Phoenix Ventures	Joint Ventures	FY 2015		100,000,000
Cosmos Premises Private Limited	Joint Ventures	FY 2015		100,000,000
Florian Properties Private Limited	Subsidiaries	FY 2015	Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	103,781
IT Citi Infopark Private Limited	Subsidiaries	FY 2015		177,123
Marathawada Realtors Private Limited	Subsidiaries	FY 2015		624,958
Almet Corporation Limited	Subsidiaries	FY 2015		310,944
Vascon Dwellings Private Limited	Subsidiaries	FY 2015		66,151,687
Vascon Pricol Infrastructure Limited	Joint Ventures	FY 2015		5,518,756
Just Homes (India) Private Limited	Joint Ventures	FY 2015		25,590
Phoenix Ventures	Joint Ventures	FY 2015		4,594,418
Zenith Ventures	Joint Ventures	FY 2015		984,160
Ajanta Enterprises	Joint Ventures	FY 2015		164,965,134
Zircon Ventures	Joint Ventures	FY 2015		8,532,955
Mumbai Estate Private Limited	Associates	FY 2015		1,000,000
Angelica Propertiers Private. Limited.	Associates	FY 2015		19,895,242
Stresstech Engineers Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2015		6,025,724
Vastech Consultants Private Limited		FY 2015		13,317,377
Venus Ventures		FY 2015		5,000,000
Sunflower Real Estate Developers Pvt. Ltd.		FY 2015		352,413,079
Siddharth Vasudevan	Relatives of Key Management Personnel	FY 2015		39,945
Ms. Mathangi Krishnamurthi		FY 2015		1,319,138
Ms. Sailaxmi Santhanam Mudaliar		FY 2015		83,454
Mrs. Thangam Moorthy		FY 2015		365,753
Mr. R. Vasudevan	Key Management Personnel	FY 2015		6,138,186
Mr. Santosh Sundararajan		FY 2015		9,880,433
D Santhanam		FY 2015		627,587

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT IN RUPEES
Floriana properties Private Limited	Subsidiary	FY 2015	Finance availed /Received back(including equity contributions in cash or in kind)	10,000
IT Citi Info Park Private Limited	Subsidiary	FY 2015		2,040,324
Just Homes (India) Private Limited	Subsidiary	FY 2015		60,000,000
GMP Technical Solution Private Limited	Subsidiary	FY 2015		12,960,104
Vascon Dwellings Private Limited		FY 2015		25,295,764
Phoenix Venture	Joint Ventures	FY 2015		500,000
Vastech Consultants Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2015		14,000,000
Stresstech Engineers Private Limited		FY 2015		7,500,000
Venus Ventures		FY 2015		27,430,000
Sunflower Real Estate Developers Pvt. Ltd.		FY 2015		128,570,614
Mr. Siddharth Vasudevan	Relatives of Key Management Personnel (Through Fixed Deposit)	FY 2015		600,000
Mr. R. Vasudevan	Key Management Personnel	FY 2015		115,000,000
D Santhanam		FY 2015		1,800,000
GMP Technical Solution Private Limited	Subsidiaries	FY 2015	Sundry Debtors: Receivable to Vascon Engineers Limited	5,111,657
Caspia Hotels Private Limited	Subsidiaries	FY 2015		-
Vascon Dwellings Private Limited	Subsidiaries	FY 2015		251,110,400
Vascon Pricol Infrastructure Limited	Subsidiaries	FY 2015		84,449,908
Vascon Renaissance EPC Limited Liability Partnership	Subsidiaries	FY 2015		-
Windflower Properties Private Limited	Subsidiaries	FY 2015		230,084
Floriana Properties Private Limited	Subsidiaries	FY 2015	Loans & Advances / Project Advances	67,427,505
GMP Technical Solution Private Limited	Subsidiaries	FY 2015		142,879,268
Just Homes (India) Private Limited	Subsidiaries	FY 2015		29,894,780
IT Citi Info Park Private Limited	Subsidiaries	FY 2015		177,124
Vascon Dwellings Private Limited	Subsidiaries	FY 2015		245,551,504
Vascon Pricol Infrastructure Limited.	Subsidiaries	FY 2015		132,770,122

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT IN RUPEES
Vascon Pricol Infrastructure Limited	Subsidiaries	FY 2015	Expenses reimbursement	1,380,778
Phoenix Ventures	Joint Ventures	FY 2015	Sundry Debtors	62,731,671
Zircon Ventures	Joint Ventures	FY 2015	Sundry Debtors	721,504
Phoenix Ventures	Joint Ventures	FY 2015	Loans & Advances	12,600,574
Phoenix Ventures	Joint Ventures	FY 2015	Balance in capital and current accounts	68,518,798
Ajanta Enterprises	Joint Ventures	FY 2015		76,779,012
Zircon Ventures	Joint Ventures	FY 2015		50,994,715
Angelica Properties Pvt. Ltd.	Associates	FY 2015	Sundry Debtors	266,136
Mumbai Estate Private Limited	Associates	FY 2015	Loans & Advances	256,300,010
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	Enterprise where KMP & Relatives of KMP significant influence	FY 2015	Sundry Debtors Sundry Debtors	14,608,267
Cherry Constructions Private Limited.		FY 2015		28,254,969
Vastech Consultants Private Limited		FY 2015	Loans & Advances	40,000,000
Bellflower Premises Private Limited		FY 2015		5,000,000
Vascon Infrastructure Limited		FY 2015		-
Vatsalya Enterprises Private Limited		FY 2015		14,900,000
Sunflower Real Estate Developers Pvt. Ltd.		FY 2015		252,124,601
Venus Ventures		FY 2015		39,898,984
Syringa Engineers Private Limited		FY 2015		195,424
Mr. Santosh Sundararajan	Key Management Personnel	FY 2015	Sundry Debtors	4,917,456
Almet Corporation Limited	Subsidiaries	FY 2015	Security Deposit / other payables	8,216,642
Marathawada Realtors Private Limited	Subsidiaries	FY 2015		1,730,157
GMP Technical Solution Pvt Ltd		FY 2015	Sundry Creditors	122,758,746
Just Homes (AOP)	Joint Ventures	FY 2015	Loans & Advances	362,400,585

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	DURATION OF CONTRACT	SALIENT TERMS	AMOUNT IN RUPEES
Zenith Ventures	Joint Ventures	FY 2015	Balance in current account	21,935,767
Mr. R Vasudevan	Key Management Personnel	FY 2015	For Services Received	76,292,024
Santosh Sundararajan		FY 2015		4,981,107
M. Krishnamurthi		FY 2015		1,028,603
D Santhanam		FY 2015		1,270,330
Mr. R Vasudevan		FY 2015	For Deposit Received	115,000,000
Dr.Santosh Sundararajan		FY 2015		27,742,000
D Santhanam		FY 2015		5,000,000
M. Krishnamurthi		FY 2015	Expenses reimbursement	39,565
D Santhanam		FY 2015		16,809
Mr.Santosh Sundararajan		FY 2015		145,750
Vatsalya Enterprises Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2015	Sundry Creditors	2,904,942
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)		FY 2015	Sundry Creditors	9,777,678
Stresstech Engineers Private Limited		FY 2015	Sundry Creditors	15,633,179
Bellflower Premises Private Limited		FY 2015	Sundry Creditors	3,024,719
Vastech Consultants & Engineers LLP		FY 2015	Sundry Creditors	653,897
Vastech Consultants Private Limited		FY 2015	Sundry Creditors	9,194,978
Stresstech Engineers Private Limited		FY 2015	Loans/(Advances)	1,731,516
Vastech Consultants Private Limited		FY 2015	Loans/(Advances)	10,009,360
Mr. Siddarth Vasudevan	Relatives of Key Management Personnel	FY 2015	Deposits Received	600,000
Mrs. Sailaxmi Santhanam Mudaliar		FY 2015		400,000
Mrs. Thangam Moorthy		FY 2015		3,000,000
Siddharth Vasudevan		FY 2015	For services received	1,567,553

ANNEXURE III: SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

*[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
15/16, Hazari Baug, LBS Marg, Vikhroli (West),
Mumbai 400 083

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 2015 ('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 2015 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;

(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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- (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)**.

No law is specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not applicable to the Company during the Audit Period)**

(ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

Specific non compliances/observations/audit qualification/reservation or adverse remarks under the Companies Act, 2013 and the allied Rules:

- The notice of book closure was published in English newspaper in English instead of in vernacular.
- The notice of e-voting was published in English language in English instead of in vernacular.
- The e-voting for the annual general meeting was not completed three days prior to the date of annual general meeting.

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 period under review 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 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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee 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:

- (a) The Board has passed a resolution for rights issue upto 66666666 equity shares on 20 October 2014.

Dr. K R Chandratre

Place:Pune

FCS No. 1370, C P No: 5144

Date: 11 August, 2015

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://vascon.com/investor_services.asp

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. It comprises of

- Mr. R. Vasudevan, Whole time Director,
- Mr. V. Mohan, Independent Director,
- Mr. R Kannan, Independent Director.

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

The Company has incurred losses in last two years.

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,
Managing Director and
Chairman of CSR Committee

EXHIBIT 1: CSR ACTIVITIES REPORT

Vascon Moorthy Foundation ('VMF') completed 7 years of long and meaningful journey contributing tirelessly towards the well being of community of construction workers, working on Vascon sites.

Activities undertaken by VMF during the year are as follows:

EYE CHECKUP CAMP:

Eye Check up camp at Godrej Horizon Site and on Forest Country Site. 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 two eye checkup camps at Godrej Horizon, Undri and Forest Country, Kharadi site on 9th June, 2014 and on 6th September, 2014, respectively, in association with H.V.Desai Eye Hospital, Mohamadwadi, Hadapsar. Total 198 workers took benefit of eye check up camp including children. Four workers received spectacles at a concessional rate. Doctors of H.V. Desai Eye Care Hospital also explained to the labourers about the care to be taken during welding.

We are grateful to Dr. Shruti Shah, Dr. Pankaj Shinde and Dr. Komal Arora of H.V. Desai Eye Care Hospital for their valuable time spent with our labourers.

IMMUNIZATION:

Prevention is better than cure!

Preventive Health Care is one of the major components of the extensive Health Care Programme implemented by VMF on all the construction sites. Due to continuous migration, labourers and their children are deprived of preventive health care programme. 359 children from construction sites have been immunized in the year 2014-2015, against Polio, Triple vaccine, Jaundice, BCG, Measles etc. It has been possible with the help of Niramay -NGO, PMC, PCMC & Zilha Parishad Pune(Z.P.) health Units. 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 labourers continuously keep wandering in the urban centers in search of work. This is considered to be a high risk population, as far as, HIV & AIDS is concerned. They have very little awareness about it and have many misconceptions about the illness. With the help of National AIDS Research Institute, Soudamini NGO and VMF staff covered 3 Sites for the scientific awareness programme at Forest Country, SVEC and Godrej Horizon; a total of 270 workers were covered. It was surprising that many people asked for the referral services available in Pune. They were given referral cards.

After the HIV & AIDS Awareness programme, 1 HIV Voluntary counseling and testing camp was also organized by Soudamini NGO at Forest Country on 5th December, 2014. Total 79 workers come forward for the voluntary counseling, Testing.

PREVENTIVE AND CURATIVE HEALTH CAMPS:

In the year 2014-15, VMF focused on the preventive and curative health care of the construction workers, with the help of existing Government health services.

Health Units of PCMC, PMC and the Zilla Parishad Pune enthusiastically extended help. A total of 87 health checkup camps were held on all the sites in Pune. Totally 4738 Workers benefited from these camps. 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. 1782 workers were given T. T. This will be an ongoing programme every month. In these health camps 280 children got De-worming doses and 105 children received Vitamin A doses. Teams of PMC and PCMC Health department from various hospitals come to site on regular basis. Dengue and Malaria Checkup camps were held at two sites, Godrej Horizon and Sadhu Vasvani Educational Campus, Bhosari; a total of 50 workers were covered.

Blood testing for Anaemia was done at Lake District site on 14/7/2014 and 15 women received iron 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 Day Care Centers at construction sites with the help of Tara Mobile Crèches and Ashakiran Shelter Foundation at 4 sites 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, toys to play, animated movies for entertainment and of course they get pre primary formal education, too.

ACTIVITIES FOR CHILDREN:

Education has been always VMF's first priority. In order to get continuous education to children of ever- migrating construction site workers, VMF started a hostel at Phulgaon in a joint venture with Ishwarapuram Trust. Currently, this hostel only has boys staying. In the academic year 2014-2015, 16 students were enrolled in the hostel from standard

5th to 10th. Two of them successfully passed the 10th standard exam with 1st class.

A trip was organized at the Historical place, Tulapur, as a part of recreation for the children.

A RECREATIONAL SUMMER CAMP FOR THE CHILDREN:

The children of the labourers are used to staying in different labour camps of construction sites. Some of them go to the crèches on site, few of them are studying in different schools around the site and few of them are staying in Ishwarapuram hostel which is specially run by VMF. Most of these children do not have access to recreational facilities available near the labour camp. They do not have easy access to gardens, museums or zoos.

During vacations they do not get many pleasures as the other children in the city due to their financial condition. Hence they eagerly await the summer camp organized by Vascon Moorthy Foundation. A day full of fun and games!! It was held on 22nd May, 2015, at Agakhan Palace, Nagar Road.

Total 61 children participated and had fun at the summer camp.

Ramya Siddharth Moorthy

Trustee

ANNEXURE – V: EMPLOYEES STOCK OPTION SCHEME

The details of stock options as on 31 March 2015 under the Vascon Employee Stock Option Scheme 2013 ('ESOS, 2013') and Vascon Employee Stock Option Scheme 2014 ('ESOS, 2014') are as under:

SR. NO	DESCRIPTION	ESOS, 2013	ESOS, 2014
1.	Total Options granted	22,50,000	22,50,000
2.	Pricing formula	Intrinsic value	Intrinsic value
3.	Options vested as at 31 March 2015	22,50,000	22,50,000
4.	Total options exercised	2,93,377	-
5.	Total number of shares arising as a result of exercise of options	2,93,377	-
6.	Total Options lapsed	NIL	NIL
7.	Variation of terms of Options	N.A.	N.A.
8.	Total Money realized by exercise of options	29,33,770	-
9.	Total number of options in force	19,56,623	22,50,000
10.	Employee-wise details of options granted during the year to:		
	Senior managerial Personnel		
	Name	Exercise Price	No. of Options
			ESOS, 2013
			ESOS, 2014
	Santosh Sundararajan	At par	7,20,000
	M.Krishnamurthi	At par	1,50,000
	D Santhanam	At par	1,50,000
11.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year		
	Name	Exercise Price	No. of Options
			ESOS, 2013
			ESOS, 2014
	Santosh Sundararajan	At par	7,20,000
	M.Krishnamurthi	At par	1,50,000
	D Santhanam	At par	1,50,000
12.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None
13.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share	(16.03)	(16.03)
14.	The difference between the employee compensation cost computed under Intrinsic Value Method and the employee compensation cost that shall have been recognized if the Company had used the Fair Value Methods and its impact on profits and on EPS of the Company	There is no impact on the profits and EPS	There is no impact on the profits and EPS
15.	Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	10.00	N. A.
16.	Description of the method and significant assumptions used during the year to estimate the fair values of options	Binomial lattice Model	Binomial lattice Model
17.	Risk-free interest rate	9.29%	8.40%
18.	Expected life	1 Year	1 Year
19.	Expected volatility	55.60%	61.10%
20.	Expected dividends	2%	2%
21.	The price of the underlying share in market at the time of option grant	19.75	29.75

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 FY2015 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 FY2015	COMPARISON OF REMUNERATION KMP's AGAINST PERFORMANCE OF THE COMPANY
V. Mohan	Chairman and Independent Director	*Not Applicable	-	-
R. Vasudevan	Managing Directors	408	(-3.58)%	Revenue: 1.89% Net Profit: N.A.
K. G. Krishnamurthy	Independent Director	*Not Applicable	-	-
R. Kannan	Independent Director	*Not Applicable	-	-
Sowmya Moorthy	Additional Director	**Not Applicable	-	-
Santosh Sundararajan	CEO	113	***38.88%	Revenue: 0.52% Net Profit: N.A.
M. Krishnamurthi	Company Secretary	20	***19.63%	Revenue: 0.09% Net Profit: N.A.
D. Santhanam	CFO	21	***19.73%	Revenue: 0.13% Net Profit: N.A.

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

**Ms. Sowmya Moorthy was appointed on March 31, 2015

KMPs includes our CEO, CFO and CS.

The average increase in remuneration paid to employees is Rs. 5,800/- for FY 2015 as compared to FY 2014. Compared to FY2014, the revenue in FY2015 decreased by Rs 34.70 crs and EBITDA decreased by Rs. 106.08 Crores.

The remuneration philosophy of the Company is to provide market competitive compensation which drives a high performance culture. Every year, the salary increases 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 increase by Rs. 1.13 Crores while the revenue in FY2015 decrease by Rs 34.07 Crores and EBITDA decreased by 106.08 Crores. The increase in the remuneration of managerial personnel is reflecting due to the arrears paid for past year and in case of Dr. Sundararajan it is due to the terms and conditions mentioned in the letter of appointment, which is according to the Remuneration policy of the Company.

Particulars	31.3.2015	31.3.2014
Market Capitalization	208.32	169.99
Price Earnings Ratio	-	-
The closing price of the Company's equity shares on the NSE and BSE as on 31 March 2015 was Rs. 18.85 and Rs. 19.15 respectively.		

- b) Average percentage increase in the salaries of employees other than KMPs for FY2015 was 14% as compared to FY2014. There was an increase of Rs 1.13 Crores in the total remuneration of KMPs for the same period.
- c) The median remuneration of employees increased to 2, 88,000 per annum in FY2015.
- d) None of the employees (who are not directors) receive remuneration in excess of the highest paid director.
- e) It is hereby affirmed that the remuneration paid during FY2015 is as per the remuneration policy of the Company.

Annexure VII
EXTRACT OF ANNUAL RETURN
As on Financial Year Ended On March 31,2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:	
CIN	L70100MH1986PLC038511
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	15/16, Hazari Baugh, L.B.S. Marg, Vikhroli, Mumbai-400083
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited 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	38.81
2	Real Estate Development	4100 - Construction of buildings	23.79
3	Hospitality	55101	0.94
4	Manufacturing & BMS	25111	37.18

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SR. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Almet Corporation Limited 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai-400083	U29290MH1960PLC059367	Subsidiary	100	2(87)(ii)
2.	Angelica Properties Private Limited 301, Phoenix, Bund Garden Road, Residency Club, Pune-411001	U70102PN2006PTC128857	Subsidiary	100	2(87)(ii)
3.	Floriana Properties Private Limited 301, Phoenix, Bund Garden Road, Opposite to Residency Club, Pune-411001	U45209PN2006PTC128875	Subsidiary	100	2(87)(ii)
4.	GMP Technical Solutions Private Limited 3rd Floor, Swastik Disa Business Park, Lbs Marg, Behind Wadhani Indl Estate, Ghatkopar West, Mumbai-400086	U74999MH2003PTC142312	Subsidiary	85.00	2(87)(ii)
5.	GMP Technical Solutions Middle East (Fze) P.O. Box 9134, Sharjah, (U.A.E.)	Foreign Company	Subsidiary	85.00	2(87)(ii)
6.	Greystone Premises Private Limited 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	U70101PN2008PTC131237	Subsidiary	65.00	2(87)(ii)
7.	It-Citi Infopark Private Limited 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai-400080	U72200MH2001PTC133725	Subsidiary	100.00	2(87)(ii)
8.	Marathawada Realtors Private Limited 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai -400083	U24110MH1984PTC034809	Subsidiary	100.00	2(87)(ii)
9.	Marvel Housing Private Limited 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai -400083	U45200MH2005PTC154682	Subsidiary	100.00	2(87)(ii)
10.	Vascon Dwelling Private Limited 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai-400083	U45200MH2005PTC154825	Subsidiary	100.00	2(87)(ii)
11.	Vascon Pricol Infrastructures Limited Sf No. 555/1, Hindustan College Road, Sowripalayam, Tamil Nadu, 641028	U45201TZ2007PLC013596	Subsidiary	100.00	2(87)(ii)

SR. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
12.	Wind Flower Properties Private Limited 301, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	U45209PN2006PTC128883	Subsidiary	100.00	2(87)(ii)
13.	Just Homes (India) Pvt. Ltd S. no 15 Vadgaon Sheri, Kalyani Nagar, Pune-411014	U45201PN2001PTC019652	Subsidiary	100.00	2(87)(ii)
14.	Vascon Renaissance LLP 16 D , Hazari Baug L B S Marg, Vikhroli, Next To Cipla/ Opposite Uday House, Mumbai	AAA-5346	Subsidiary (LLP)	65.00	2(87)(ii)
15.	Mumbai Estate Private Limited 401, Rajendra Chambers, 19, Nanabhai Lane, Fort, Mumbai	U45201MH2006PTC163672	Associates	44.44	2(6)
16.	Sita Lakshami Mills Limited Mill Premises, Tiru Nagar, Madurai 625006	U17111TN1956PLC003364	Associates	26.00	2(6)
17.	Viorica Hotels Private Limited Holiday Inn Pune Hinjewadi ,Pune-Bangalore Highway, Next to Balewadi Sports Complex, Tal-Mulshi, Pune	U55101PN2005PTC020138	Associates	29.76	2(6)
18.	Phoenix Ventures 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	AOP	Joint Venture	50.00	2(6)
19.	Ajanta Enterprises M/1, M/2, Clover Center, Moledina Road, Camp, Pune- 411001	AOP	Joint Venture	50.00	2(6)
20.	Zenith Ventures 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	AOP	Joint Venture	Refer Note 37	2(6)
21.	Zircon Ventures 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	AOP	Joint Venture	Refer Note 37	2(6)
22.	Cosmos Premises Private Limited 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune-411001	U70100PN1997PTC133546	Joint Venture	43.83	2(6)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year As on 31-March-2014				No. of Shares held at the end of the year As on 31-March-2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total	
A. PROMOTERS									
(1) Indian									
a) Individual/ HUF	12891057	-	12891057	14.29	12891057		12891057	14.25	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21978766		21978766	24.37	2978766	-	2978766	24.29	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	34869823	-	34869823	38.67	34869823	-	34869823	38.54	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	34869823	-	34869823	38.67	34869823		34869823	38.54	
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	2032518		2032518	2.25	1838095	-	1838095	2.03	0.22
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	774523	-	774523	0.86	774523	-	774523	0.86	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1):-	2807041	-	2807041	3.11	2612618	-	2612618	2.89	0.22
2. NON-INSTITUTIONS									
a) Bodies Corp.	47000178	1370910	48371088	53.64	46209995	1370910	47580905	52.59	1.05
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1784073	2	1784075	1.98	1782639	2	1782641	1.97	0.1
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2164555	-	2164555	2.40	3133162	-	3133162	3.46	1.6
c) Others (specify)									
HUF	136213	-	136213	0.15	188960	-	188960	0.21	0.06
Non Resident Indians	23430	-	23430	0.03	295812	-	295812	0.33	0.30
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	26325		26325	0.03	12006		12006	0.01	
Trusts	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-		-	-	-
Sub-Total (B)(2):-	51134774		52505686	58.22	51622574		52993486	58.57	
Total Public (B)	53941815	1370912	55312727	61.33	54235192	1370912	55606104	61.46	0.13
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	88811638	1370912	90182550	100	89105015	1370912	90475927	100.00	-

(II) SHAREHOLDING OF PROMOTER AS ON MARCH 31, 2015

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	
1	Golden Temple Pharma Private Limited	9783273	10.81	0	9783273	10.81	0	0.00
2	Vasudevan Rammoorthy	7,615,528	8.42	0	7,615,528	8.42	0	0.00
3	Premratan Exports Pvt Ltd	6,667,637	7.37	0	6,667,637	7.370	0	0.00
4	Vatsalya Enterprises Private Limited	5,227,273	5.78	0	5,227,273	5.78	0	0.00
5	Lalitha Vasudevan	2669128	2.95	0	2669128	2.95	0	0.00
6	Vasudevan Ramamoorthy	1800001	1.99	0	1800001	1.99	0	0.00
7	Sowmya Vasudevan Moorthy	403200	0.45	0	403200	0.45	0	0.00
8	Siddharth Vasudevan Moorthy	403200	0.45	0	403200	0.45	0	0.00
9	Bellflower Premises Private Limited	300583	0.33	0	300583	0.33	0	0.00

(iii) PROMOTERS SHAREHOLDING AS ON AUGUST 11, 2015*(including changes during April 1, 2015 to August 11, 2015 ('Period'))*

Sr. No.	Shareholder's Name	Shareholding As On April 1, 2014		Date Of Change	Reason	Change During Period	Shareholding As On August 11, 2015	
		No. Of Shares	% Of Total Shares				No. Of Shares	% Of Total Share
1.	Vasudevan Ramamoorthy	1800001	2.00	1.8.2015	Rights Issue	26659616	28459617	18.11
2.	Vatsalya Enterprises Private Limited.	5227273	5.80	1.8.2015	Rights Issue	3851674	9078947	5.78
3.	Lalitha Vasudevan	2669128	2.96	18.5.2015	*IPT	2000000	8109538	5.16
				1.8.2015	Rights Issue	3440410		
4.	Golden Temple Pharma Private Limited	9783273	10.85		Interse Promoters Transfer	(2000000)	7783273	4.95
5.	Vasudevan Rammoorthy	7615528	8.44	1.8.2015	Rights Issue	5611441	13226969	8.42
6.	Premratan Exports Pvt Ltd	6667637	7.39	-	No Change	-	6667637	4.24
7.	Sowmya Vasudevan Moorthy	403200	0.45	1.8.2015	Rights Issue	297094	700294	0.45
8.	Siddharth Vasudevan Moorthy	403200	0.45	1.8.2015	Rights Issue	297094	700294	0.45
9.	Bellflower Premises Private Limited.	300583	0.33	23.6.2015	*IPT	(1000)	520328	0.33
				1.8.2015	Rights Issue	220745		
10.	Vasumangal Constructions LLP.	-	-	23.6.2015	*IPT	1000	211115	0.13
				1.8.2015	Rights Issue	210115		
	TOTAL	34869823	38.67	-	-	-	75458012	48.02

***IPT= Interse Promoter Transfer**

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS AS ON MARCH 31, 2015*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SR. NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	DATE	REASON	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
				NO. OF SHARES	% OF TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARE
1.	NAME :HDFC VENTURES TRUSTEE COMPANY LIMITED						
	At the beginning of the year	-	-	11612407	12.88	11612407	12.88
	Changes during the year	-	-	-	-	-	-
	At the end of the year	-	-	11612407	12.88	11612407	12.88
2.	NAME: DREAMZ IMPEX PVT LTD						
	At the beginning of the year	-	-	9783273	10.85	9783273	10.85
	Changes during the year	-	-	-	-	-	-
	At the end of the year	-	-	9783273	10.85	9783273	10.85
3.	DNA PHARMA PVT LTD						
	At the beginning of the year	-	-	8968000	8968000	8968000	9.94
	Changes during the year	-	-	-	-	-	-
	At the end of the year	-	-	8968000	8968000	8968000	8968000
4.	NAME: MEDICREAMS INDIA PVT LTD						
	At the beginning of the year	-	-	6667637	7.39	6667637	7.39
	Changes during the year	-	-	-	-	-	-
	At the end of the year	-	-	6667637	7.39	6667637	7.39
5.	NAME : ORION LIFE SCIENCES PVT LTD						
	At the beginning of the year	-	-	6112000	6.78	6112000	6.78
	Changes during the year	-	-	-	-	-	-
	At the end of the year	-	-	6112000	6.78	6112000	6.78
6.	NAME: OKASA PVT. LTD.						
	At the beginning of the year	-	-	1370910	1.52	1370910	1.52
	Changes during the year	-	-	1370910	1.52	1370910	1.52
	At the end of the year	-	-	1370910	1.52	1370910	1.52

SR. NO.	FOR EACH OF THE TOP 10 SHAREHOLDERS	DATE	REASON	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
				NO. OF SHARES	% OF TOTAL SHARE	NO. OF SHARES	% OF TOTAL SHARES
7.	NAME: SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND						
	At the beginning of the year			1159297	1.29	1159297	1.29
	Changes during the year	11.4.14	Sale	-	-	-59297	1.22
		18.4.14	Sale	-	-	-12670	1.21
		25.4.14	Sale	-	-	-27295	1.18
		2.5.14	Sale	-	-	-10910	1.16
		16.5.14	Sale	-	-	-53217	1.10
		23.5.14	Sale	-	-	-10000	1.09
		1.8.14	Sale	-	-	-2082	1.09
	At the end of the year	-	-	-	-	983826	1.09
8.	Name: IDFC Limited						
	At the beginning of the year			864225	0.96	864225	0.96
	Changes during the year			-	-	-	-
	At the end of the year			864225	0.96	864225	0.96
9.	NAME: AADI FINANCIAL ADVISORS LLP						
	At the beginning of the year			843519	0.94	843519	0.94
	Changes during the year			-	-	-	-
	At the end of the year			843519	0.94	843519	0.94
10.	NAME: REEMA BUSINESS SERVICES PVT LTD						
	At the beginning of the year			800000	0.89		
	Changes during the year	28/11/14	Sale			-800000	0
	At the end of the year			0	0	0	0

(V) SHAREHOLDING DIRECTORS AND KEY MANAGERIAL PERSONNEL AS ON MARCH 31, 2015

Sr. No .	Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding At The Beginning of The Year		Cumulative Shareholding During The Year	
				No. of Shares	% of Total Share	No. of Shares	% of Total Shares
1	NAME:. V MOHAN, INDEPENDENT DIRECTOR						
	At the beginning of the year	1.4.2014	-	-	-	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.3.2015	-	-	-	-	-
2	NAME: R. VASUDEVAN, MANAGING DIRECTOR						
	At the beginning of the year	1.4.2014	-	9415529	10.41	9415529	10.41
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.3.2015	-	9415529	10.41	9415529	10.41
3	NAME: K G KRISHNAMURTHY, INDEPENDENT DIRECTOR						
	At the beginning of the year	1.4.2014	-	-	-	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.3.2015	-	-	-	-	-
4	NAME: R KANNAN, INDEPENDENT DIRECTOR						
	At the beginning of the year	1.4.2014	-	-	-	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.3.2015	-	-	-	-	-
5	NAME: SOWMYA VASUDEVAN MOORTHY , ADDITIONAL DIRECTOR						
	At the beginning of the year	1.4.2014	-	403200	0.45	403200	0.45
	Changes during the year	-	-				
	At the end of the year	31.3.2015	-	403200	0.45	403200	0.45
6.	NAME: SANTOSH SUNDARARAJAN , CEO						
	At the beginning of the year	1.4.2014	-	38634	0.04	38634	0.04
	Changes during the year	-	-	-			
	At the end of the year	31.3.2015	-	38634	0.04	38634	0.04
7	*NAME: M. KRISHNAMURTHI, COMPANY SECRETARY						
	At the beginning of the year	1.4.2014	-	13500	0.01	13500	0.01
	Changes during the year		-				
	At the end of the year	31.3.2015	-	13500	0.01	13500	0.01

8	NAME: D. SANTHANAM, CFO						
	At the beginning of the year	1.4.2014		31134			
	Changes during the year	29.10.2014	Sell	-	-	-500	
		3.11.2014	Sell	-	-	-500	
		7.11.2014	Sell	-	-	-500	
		13.11.2014	Sell	-	-	-23	
		12.1.2015	Sell	-	-	-6897	
		13.1.2015	Sell	-	-	-4000	
	At the end of the year	31.3.2015		-	-		18498
V. INDEBTEDNESS							

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.

(AMT. RS./LACS)

PARTICULARS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNE S
INDEBTEDNESS AT THE BEGINNING OF THE FINANCIAL YEAR				
i) Principal Amount	1,993,100,596	94,22,60,475	11,54,36,999	3,05,07,98,070
ii) Interest due but not paid	1,22,92,908	24,37,423	-	1,47,30,331
iii) Interest accrued but not due	3,06,973	15,37,23,003	-	15,40,29,976
Total (i+ii+iii)	2,00,57,00,477	1,09,84,20,901	11,54,36,999	3,219,558,377
CHANGE IN INDEBTEDNESS DURING THE FINANCIAL YEAR				
* Addition	-	-	8,12,05,001	-
* Reduction	(16,428,685)	(89,090,925)	-	-
Net Change	(16,428,685)	(89,090,925)	8,12,05,001	(24,314,608)
INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR				
i) Principal Amount	1983157049	787010061	196642000	2,966,809,111
ii) Interest due but not paid	6114742	48074434	-	54,189,176
iii) Interest accrued but not due	-	174,245,481	-	174,245,481
Total (i+ii+iii)	1,989,271,792	1,009,329,976	196,642,000	3,195,243,768

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN	PARTICULARS OF REMUNERATION	NAME AND DESIGNATION		TOTAL AMOUNT
	Name	R. Vasudevan, Managing Director		(Rs/Lac)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			6,34,92,862
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			72,39,600
	(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			-
	Total (A)	-	-	7,07,32,462
	Ceiling as per the Act			*

*The Company has made application to the Central Government pursuant to sections 196, 197 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

In addition to the above, Mr. R. Vasudevan was paid a commission of Rs. 5,54,00,000/- for providing promoters personal guarantee for the loans obtained by the Company from banks and financial institutions.

B. REMUNERATION TO OTHER DIRECTORS

S N	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS			TOTAL AMOUNT (RS/LAC)
		V. Mohan	K.G. Krishnamurthy	R. Kannan	
1	Independent Directors				
	Fee for attending board committee meetings	1,75,000	1,50,000	1,50,000	4,75,00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	1,75,000	1,50,000	1,50,000	4,75,000
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings	-	-	-	-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1,75,000	1,50,000	1,50,000	4,75,000
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT					
S. N.	PARTICULARS OF REMUNERATION	NAME OF KEY MANAGERIAL PERSONNEL			TOTAL AMOUNT
	Name	Santosh Sundararajan	D. Santhanam	M. Krishnamurthi	(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,25,18,000	73,18,840	58,27,000	4,56,63,840
	(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	-	-	-	-
	Total	3,25,18,000	73,18,840	58,27,000	4,56,63,840

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF FFENCES:				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)
A. COMPANY					
Penalty	N.A.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	N.A.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.				
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), 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 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. The Compliance Report on Corporate Governance herein signifies

compliance of all mandatory requirements of Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

A. COMPOSITION

Composition of Board of Directors of Vascon Engineers Limited as on March 31, 2015 is as mentioned in Table A.

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.

Table A

Sr. No/	Name of the Director	DIN	Position	Status
1.	V. Mohan	00071517	Chairman	Independent Non-Executive Director
2.	R. Vasudevan	00013519	Director	Managing Director (Promoter Executive)
3.	K. G. Krishnamurthy	00012579	Director	Independent Non-Executive Director
4.	R. Kannan	00017321	Director	Independent Non-Executive Director
5.	Sowmya Vasudevan Moorthy	06470039	Additional Director	Additional Director (Promoter Non-Executive)

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.

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, 2015

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	March 6, 2007	None	5	9	1	1
R. Vasudevan	Managing Director	January 1, 1986	Related to Sowmya Vasudevan Moorthy	1	2	-	-
K. G. Krishnamurthy	Independent Director	June 21, 2006	None	5	2	3	2
R. Kannan	Independent Director	September 19, 2007	None	-	5	-	-
Sowmya Vasudevan Moorthy	Additional Director	March 31, 2015	Related to R. Vasudevan	-	1	-	-

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 have 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, who is the daughter of our Managing Director, Mr. R Vasudevan, none of our Directors on the Board are related to each other.

B. 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 32 years of experience in the construction industry.

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.

Mr. V. Mohan is also a fellow member of the Institute of Chartered Accountants of India. He is a practicing 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. R. Kannan holds a bachelor's degree in commerce from the Mumbai University. He has over 21 years of experience in the pharmaceutical industry. He is currently the Managing Director of Novacare Drug Specialties Private Limited in addition to being appointed on the board of various other companies. He has been appointed as a Director on the Board of our Company since September 19, 2007.

Ms. Sowmya Vasudevan Moorthy 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 3 years of experience in the interior design industry. She has been appointed as an Additional Director on the Board of our Company since March 31, 2015.

2) Nature of relationship between Directors

Other than Sowmya Vasudevan Moorthy, who is the daughter of our Managing Director, Mr. R Vasudevan, none of our 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.

C. TERM OF BOARD MEMBERSHIP

The Board, on the recommendations of the Nomination, Governance and Compensation

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 term ranging from 1-5 years at the 29th Annual General Meeting.

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, Mr. R. Vasudevan, Whole-time Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks reappointment.

D. SELECTION AND APPOINTMENT OF NEW DIRECTORS

Induction of a new member on the Board of Directors is the responsibility of the Nomination, Governance and Compensation Committee, consisting entirely of Independent Directors. Considering the existing composition of the Board and requirement of new domain expertise, if any, the Nomination, Governance and Compensation 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 Clause 49 of the Listing Agreement. 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

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.

Updates on relevant statutory changes and judicial pronouncements around important industry related laws are regularly circulated to the Directors. Each director of the Company has complete access to any Company's information and freedom to interact with the senior management. The policy is attached as an **annexure C** to the Corporate Governance report.

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 appointment of Independent Directors are available on the Company's website http://vascon.com/investor_corporate_updates.asp.

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 Clause 49 of the Listing Agreement.

In accordance with Section 178(3) of the Companies Act, 2013, Clause 49(IV) (B) of the Listing Agreement and on recommendations of the Nomination & Remuneration Committee, the Board adopted a

remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The policy is attached as an annexure A to the Corporate Governance report.

I. REMUNERATION PAID OR PAYABLE TO THE DIRECTORS FOR FY 2015:

Sr No	Name of the Director	Salary Paid	Sitting Fees Paid	Shareholding in the Company
1.	V. Mohan	-	1,65,000	-
2.	R. Vasudevan	70,732,462	-	94,15,529
3.	K. G. Krishnamurthy	-	1,50,000	-
4.	R. Kannan	-	1,50,000	-
5.	Sowmya Vasudevan Moorthy	N.A.	N.A.	4,03,200

5. MEETINGS

A. 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 eight times during the financial year under review: on May 16, 2014, August

12, 2014, October 20, 2014, November 14, 2014, December 30, 2014, February 7, 2015, February 7, 2015 and March 31, 2015.

The Company has a well-defined process of placing vital sufficient information before the Board such that the information earmarked under Clause 49 of the Listing Agreement(s) 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 2015

Sr. No.	Name of the Director	Meetings held during year	Number of Board Meetings Attended	Attendance in Last AGM held on September 15, 2014
1.	V. Mohan	8	7	Present
2.	R. Vasudevan	8	7	Present
3.	K. G. Krishnamurthy	8	6	Present
4.	R. Kannan	8	6	Present
5.	Sowmya Vasudevan Moorthy	N.A.	N.A.	N.A.

B. MEETING OF INDEPENDENT DIRECTORS

During FY2015, 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

assess the quality and adequacy of the information between the Company's management and the Board.

The Independent Directors also discuss 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.

C. ANNUAL GENERAL MEETING/ EXTRA ORDINARY GENERAL MEETING:**Last Three Annual General Meetings of the Company**

The special resolutions in the Annual General Meetings held in 2012 and 2013 were passed through show of hands.

In an Annual General Meeting held in 2014, pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the facility of e-voting was provided to the Members of the Company. There was no demand of poll.

DATE AND TIME	VENUE	SPECIAL RESOLUTIONS PASSED
September, 12, 2012 at 3.30 P.M.	Babasaheb Dhanakur Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	1. To remove the lock in period in respect of the shares already issued/allotted on exercised options or may be issue/allotted in the future on exercise of the options granted pursuant to this Scheme. Pursuant to Clause 22.2A (2) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guideline, 1999. 2. Pursuant to section 163 of the Companies Act, 1956 to keep the Register of Members, Index of Members, Register & Index of Debenture holders, copies of Annual Return and other related books at the office of the R & T agent, M/s Karvy Computershare Private Limited, situated at Andheri (East) Mumbai - 400 099 in place of registered office of the Company.
September, 12, 2013 at 4.00 P.M.	Vascon Engineers Limited, Neelkanth Business Park, "C" Wing ,502/503, 5th floor, Near Vidyavihar bus depot, Vidyavihar (West), Mumbai 400 086	1. Resolution for implementation of 'Employees Stock Options Scheme 2013' ('ESOS- 2013') 2. Resolution under sub-section (1B) of the section 314 read with Director's Relatives (Office or Place of Profit) Amended Rules, 2011 for appointment of Mr. Siddharth Moorthy to hold an office or place of profit of the Company on the mentioned remuneration. 3. Resolution under Article 125 of Articles of Association of the Company to be amended by deleting the word "Jointly" 4. Resolution for granting rights to IDFC to convert the loan amount and other monies due to it ('due amount') into the equity shares of the Company in the event of default of payment of said due amount by the Company as per Loan Agreement between the company and IDFC.
September 15, 2014 at 4.00 P.M.	Babasaheb Dhanakur Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	1. Employee Stock Option Scheme, 2013 ('ESOS, 2013'): to the Board to use the intrinsic value method to value its Options granted under the ESOS Scheme 2013. 2. Resolution for implementation of 'Employees Stock Options Scheme 2014' ('ESOS, 2014') 3. Increase in the Authorised Share Capital and alteration to the Memorandum of Association of the Company. 4. To approve the payment of remuneration to Managing Director for the financial year 2014- 15 and 2015-16

D. EXTRA ORDINARY GENERAL MEETING:

During the financial year 2014, Company did not conduct any extra ordinary general meeting or a postal ballot.

Till the date of this Report Company does not propose to conducted postal ballot for passing of a special resolution.

6. 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.

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.

7. 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

8. 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
- d) 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: http://vascon.com/investor_services.asp.
- e) 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 FY2015, no personnel has been denied access to the Audit Committee.

9. 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
http://vascon.com/investor_services.asp

10. 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 Clause 49 of the Listing Agreement. 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
http://vascon.com/investor_services.asp

11. DISCLOSURE ON ACCOUNTING TREATMENT

In the preparation of financial statements for FY 2015, 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.

12. 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.

13. PROHIBITION OF 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.

E. COMMITTEE MEETINGS

Following are Committees of Board:

The Company has Board Level Committees, namely:

- I. Audit Committee,
- II. Nomination and Remuneration Committee,
- III. Stakeholders Relationship Committee,
- IV. Corporate Social Responsibility Committee,
- V. Risk Management Committee and
- VI. Rights Issue Committee

I. AUDIT COMMITTEE:

The Audit Committee has been constituted as per provisions of section 292A of the Companies Act, 1956 and clause 49 of the listing agreement. It was constituted on February 17, 2007 and reconstituted on September 16, 2009. It now comprises of three directors.

During the year the Audit committee met four times.

Given in the table below is the constitution of committee and attendance records of members:

II. AUDIT COMMITTEE:

The Audit Committee has been constituted as per provisions of section 292A of the Companies Act, 1956 and clause 49 of the listing agreement. It was constituted on February 17, 2007 and reconstituted on September 16, 2009. It now comprises of three directors.

During the year the Audit committee met four times.

Given in the table below is the constitution of committee and attendance records of members:

Sr. No.	Name	Status	No of Meeting Attended
1.	V. Mohan	Chairman	4
2.	R. Kannan	Member	4
3.	R. Vasudevan	Member	4

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

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

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

1. If the remuneration to Auditors is not fixed by shareholders and is delegated to the Board then the Audit Committee should make a suitable recommendation to the Board.
2. Where the Audit Committee finds the quality, efficiency and contribution of the Auditor is not satisfactory then, the Audit Committee shall take up the matter with the Auditor and in case he does not resign, the Audit Committee shall find a suitable replacement and recommend his appointment to the Board, including terms & conditions as to remuneration or otherwise.
3. To approve payment to the Auditor for services other than Audit.
4. To approve the bill of the Auditor for services in any other capacity.
5. To examine any changes in accounting policies and the reasons thereof.
6. To examine major accounting entries based on the exercise of judgment by management.
7. Where the Auditor made some qualifications in his draft report, to examine the details causing such qualification and suggest suitable addendum in the Director's Report.
8. Reviewing with the management, the quarterly financial statement before submission to the board for approval.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
11. To carry out such other functions as may be specifically referred to by the Board from time to time.

12. Relationships with Suppliers and Customers: The Directors and senior management employees of the Company during the course of interaction with suppliers and customers shall neither receive nor offer or make, directly and indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended or perceived to obtain business or uncompetitive favors for the conduct of its business. However this is not intended to include gifts of customary nature.

13. Interaction with Media: The Directors and senior management employees other than the designated spokespersons shall not engage with any member of press and media in matters concerning the Company. In such cases, they should direct the request to the designated spokespersons.

14. Safety and Environment: The Directors and senior management employee shall follow all prescribed safety and environment-related norms.

III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted on June 11, 2007 and was reconstituted on September 16, 2009 now comprises of three directors.

During the year the Remuneration/Compensation Committee met May 20, 2013, August 13, 2013, November 11, 2013 and February 12, 2014.

The current composition of the Remuneration Committee is as follows:

Name	Status	No of Meeting Attended
R. Kannan	Chairman	4
V. Mohan	Member	4
K.G. Krishnamurthy	Member	4

The Company Secretary acts as Secretary to the Remuneration/Compensation 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. The NRC shall identify persons who are qualified to become directors and who may be

appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance

2. The NRC shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

3. The NRC shall 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

4. The NRC shall ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

5. The NRC shall ensure that remuneration to directors, key managerial personnel 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

6. The NRC shall discharge the Board's responsibilities relating to compensation to the Company's Executive Directors.

7. The NRC shall formulate, administer and adopt the Employees' Stock Option Plan (ESOP) of the Company

8. The NRC shall determine the quantum of option to be granted under an ESOP per employee and the total number in aggregate.

9. The NRC shall determine at such intervals, as the Committee considers appropriate, the persons to whom shares or options may be granted.

10. The NRC shall decide the conditions under which option vested in employees may lapse in case of termination of employment for misconduct.

11. The NRC shall determine the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period.

12. The NRC shall determine the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee.

13. The NRC shall determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.

14. The NRC shall determine the procedure for making a fair and reasonable adjustment to the

number of options and to the exercise price in case of corporate actions such as rights issue, bonus issue, merger, sale of division and others. In this regard the following shall be taken into consideration by the committee-

i. The number and the price of the ESOP shall be adjusted in a manner such that the total value of the ESOP remains the same after the corporate action.

15. The NRC shall determine the grant, vest and exercise of option in case of employees who are on long leave.

16. The NRC shall determine the procedure for cashless exercise of options.

17. The NRC shall construe and interpret the plan and to establish, amend and revoke rules and regulations for its administration. The Compensation Committee may correct any defect, omission or inconsistency in the plan or option and/or vary/amend the terms to adjust to the situation that may arise.

18. The NRC shall approve the transfer of the shares in the name of the employee at the time of exercise of options by such employee under ESOP.

19. The NRC shall review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or directors' compensation.

20. The NRC shall obtain such outside or professional advice as it may consider necessary to carry out its duties

21. The NRC shall invite any employee or such document as it may deem fit for exercising of its functions.

22. The NRC shall attend to such matters with respect to the remuneration of senior and other employees as may be submitted to it by the Managing Director.

23. The NRC shall attend to any other responsibility as may be entrusted by the Board.

It is confirmed by the NRC that, Non-Executive Directors of the Company are paid sitting fees.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Shareholders Grievance Committee was constituted on June 11, 2007 and reconstituted on September 16, 2009 to specially oversee & redress the issues pertaining to Investor Grievances.

During the year the Stakeholders Relationship Committee met four times.

The current composition of the Stakeholders Relationship Committee is as follows:

Name	Status	No of Meetings Attended
V. Mohan	Chairman	4
R. Vasudevan	Member	4
K. G. Krishnamurthy	Member	4

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

During the year Company received total 6 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. Transfer/ Transmission of shares
2. Issue of duplicate share certificate
3. Review of dematerialized shares and all related matters
4. Non receipt of Annual Report and dividend
5. Monitors expeditious redressed of investors grievance
6. All others matters related to shares/Debentures

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The current composition of the Corporate Social Responsibility Committee is as Follows:

NAME	STATUS	NO OF MEETINGS ATTENDED
R. Vasudevan	Chairman	4
V. Mohan	Member	4
R Kannan	Member	4

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.

VI. RISK MANAGEMENT COMMITTEE

The current composition of the Risk Management Committee is as follows:

NAME	STATUS	NO OF MEETINGS ATTENDED
R. Kannan	Chairman	4
V. Mohan	Member	4
R. Vasudevan	Member	4

1. Review the risk identification and management process developed by management to confirm it is consistent with the Corporation's strategy and business plan;

2. Review management's assessment of risk at least annually and provide an update to the Board in this regard;

3. Inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk;

4. Oversee and monitor management's documentation of the material risks that the corporation faces and update as events change and risks shift;

5. Assess the steps management has implemented to manage and mitigate identifiable risk, including the use of hedging and insurance;

6. Oversee and monitor management's review, at least annually, and more frequently if necessary, of the corporation's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks); and

7. Review the following with management, with the objective of obtaining reasonable

assurance that financial risk is being effectively managed and controlled:

- a. management's tolerance for financial risks;
- b. management's assessment of significant financial risks facing the Corporation;
- c. the Corporation's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks; and
- d. to review with the Corporation's counsel, legal matters which could have a material impact on the Corporation's public disclosure, including financial statements.

VII. RIGHTS ISSUE COMMITTEE

The current composition of the Rights Issue Committee is as follows:

NAME	STATUS	NO OF MEETINGS ATTENDED
V. Mohan	Chairman	1
R. Vasudevan	Member	1
R Kannan	Member	1

Rights Issue Committee is authorized to do all such acts, deeds and things in relation to the Rights Issue, in its absolute discretion, deems fit and proper in the best interests of the Company, without requiring any further approval of the Board or the equity shareholders of the Company, and be and is hereby authorized to give effect to these resolutions, including, without limitation, the following:

1. Offer, issue and allot the Rights Equity Shares or any/all of them, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion, including inter alia, (a) terms for issue of additional Rights Equity Shares and for disposal of Rights Equity Shares which are not subscribed to by issuing them to banks/financial institutions/mutual funds or otherwise, (b) terms as are provided in domestic and/or international offerings of this nature, and, (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into equity shares, pricing, variation of the price or period of conversion, and/or finalizing the objects of the Rights Issue and the monitoring of the same;
2. Approve, finalize and execute any offer document, (including inter alia any draft letter of offer, offering circular, registration statement, prospectus or placement document), and to approve and finalize any term sheets in this

regard;

3. Approve, finalize and execute any number of powers of attorney;
4. Approve, finalize and execute agreements and documents, including lock-up letters, agreements in connection with the creation of any security, and agreements in connection with the appointment of any intermediaries and/or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s)/merchant banker(s), guarantor(s), depository(s), custodian(s), stabilizing agent(s), escrow collection bank(s) or banker(s) to the Rights Issue, advisor(s), registrar(s), paying and conversion agent(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other outgoings in connection therewith;
5. To provide such declarations, affidavits, certificates, consents and/or authorities as required from time to time, to amend or modify any of the above agreements powers or documents, as required;
6. Seek any consents and approvals, including, inter alia, the consent from the Company's lenders, parties with whom the Company has entered into agreements with, and from concerned statutory and regulatory authorities;
7. Determine and fix a record date for determining the holders of equity shares eligible to participate in the Rights Issue;
8. File requisite documents with the SEBI, stock exchanges, the Government of India, the Reserve Bank of India, and any other statutory and/or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
9. Seeking the listing of the Rights Equity Shares on any stock exchange/s, submitting the listing application to such stock exchange/s and taking all actions that may be necessary in connection with obtaining such listing approvals, (both in principle and final approvals);
10. Open one or more bank accounts(inter-alia including resident and nonresident escrow collection and refund accounts) in the name of the Company in Indian currency or foreign currency(ies) as required, subject to requisite approvals from Reserve Bank of India, if any, and the director/s and/or officer/s of the Company as authorized by the Board who shall be authorized to sign and execute the application form and other documents required for opening the said account/s, to operate the said account/s, and to give such instructions including closure thereof as may be required and deemed appropriate by the

said signatories, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid signatories on behalf of the Company;

11. Affix the common seal of the Company, as required, on any agreement, undertaking, deed or other document, in the presence of anyone or more of the directors of the Company or anyone or more of the officers of the Company as may be authorized by the Board in accordance with the Articles of the Association of the Company;

12. Do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Rights Equity Shares and utilization of the Rights Issue proceeds;

13. Settle any issues, questions, difficulties or doubts that may arise;

14. Finalize the basis of allotment of the Rights Equity Shares on the basis of the bids/applications and over-subscription thereof as received;

15. Acceptance and appropriation of the proceeds of the issue of the Rights Equity Shares; and

16. Further authorize any committee and/or director/s and/or officer/s of the Company to seek the aforementioned consents and approvals, and/or to execute and/or file the above documents and/or to carry out any/all of the aforesaid actions.

14. 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, Navashakti.

These are made available on the corporate website:

http://vascon.com/investor_quarterly_financials_and_presentation.asp.

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.

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

d) Annual Report:

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

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

e) Reminder to Investors:

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

f) Compliances with Stock Exchanges:

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

g) Designated Exclusive Email ID:

In terms of Clause 47(f) of the Listing Agreement, Vascon has designated an email exclusively for investor service: compliance.officer@vascon.com.

15. 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 http://vascon.com/investor_services.asp

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, 2013.

A copy of the Code of Conduct has been hosted on the Company's website www.vascon.com

In terms of Clause 49 of the Listing Agreement, a declaration signed by the Managing Director is stated hereunder:

I hereby confirm that:

All members of the Board & Senior Management Personnel of the Company have affirmed compliance with Vascon's Code of Conduct for the financial year 2014-2015.

Sd/-

Managing Director
Mumbai

May 12, 2015

16. SHAREHOLDERS INFORMATION

a) Details of Annual General Meeting

30th Annual General Meeting of Vascon Engineers Limited

Venue: Babasaheb Dhanakur Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001

Date : Tuesday, September 29, 2015

Time : 4.00 p.m.

b) 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

Website www.vascon.com

c) Financial year

The Financial year is 1st April to 31st March.

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. Presentations to analysts, as and when made, are immediately placed on the website for the benefit of the shareholders and public at large.

e) Book Closure

The register of Shareholders of the Company shall be closed from September 23, 2015 to September 29, 2015 for the purposes of Annual General Meeting.

f) 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 for both the stock exchanges.

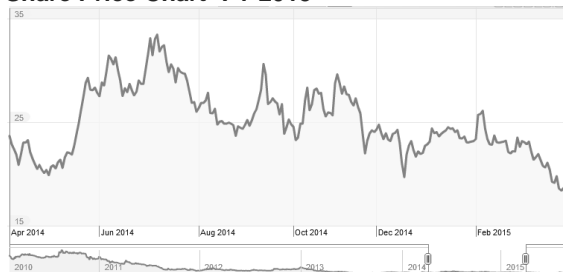
g) Master Price Data

Company shares are listed on Bombay Stock Exchange and National Stock Exchange. High and Low in the share price during FY 2015 are mentioned below:

a) Master Price Data

Company shares are listed on Bombay Stock Exchange and National Stock Exchange. High and Low in the share price during FY 2015 are mentioned below:

Month and Year	BSE		NSE	
	High	Low	High	Low
April 2014	24.00	20.00	24.00	19.70
May 2014	30.35	19.80	29.50	20.00
June 2014	32.95	27.25	32.20	27.10
July 2014	34.95	26.15	35.15	25.70
August 2014	28.85	23.15	28.75	22.50
September 2014	31.90	22.05	32.00	21.25
October 2014	29.50	23.00	29.80	23.00
November 2014	31.50	21.10	31.50	21.70
December 2014	25.00	19.00	24.70	19.05
January 2015	25.00	22.30	25.00	20.45
February 2015	27.45	21.85	28.00	20.65
March 2015	23.90	18.00	23.90	17.90

Share Price Chart- FY 2015**Comparison with Sensex****Indicator**

Vascon: Sensex

Distribution of shareholding of the Company as on March 31, 2015 is as follows:

No. of Equity Shares held	Shareholders		Equity shares held	
	No. of shareholders	% to Total	No. of Shares	% To Equity
001-500	4645	81.73	5,89,046	0.65
501-1000	550	9.68	3,83,535	0.42
1001-2000	181	3.18	2,69,951	0.30
2001-3000	80	1.41	2,03,840	0.23
3001-4000	30	0.53	1,05,905	0.12
4001-5000	37	0.65	1,73,602	0.19
5001-10000	61	1.07	4,33,210	0.48
10001 & Above	99	1.74	8,83,16,838	97.61
Total	5683	100	9,04,75,927	100

b) Shareholding pattern of the Company as on 31st March, 2015

Category	No. of Shares held	% to Total
Promoters Holdings	3,48,69,823	38.54
Public Share holding:	-	-
Mutual Funds	18,38,095	2.03
Banks, Financial Institutions & others	-	-
Insurance companies	-	-
Foreign Institutional Investors	7,74,523	0.86
Bodies Corporate	4,77,81,871	52.81
NRI/Foreign Nationals	2,95,812	0.33
Indian Public	49,15,803	5.43
Total	9,04,75,927	100.00

Shareholding pattern of the Company as on 31st March, 2015

Category	No. of Shares held	% to Total
Promoters Holdings	34869823	38.54
Public Share holding:	-	-
Mutual Funds	1838095	2.03
Banks, Financial Institutions & others	-	-
Insurance companies	-	-
Foreign Institutional Investors	774523	0.86
Bodies Corporate	47781871	52.81
NRI/Foreign Nationals	295812	0.33
Indian Public	4915803	5.43
Total	90475927	100.00

c) Investors Complaint

During the year total 6 complaints were received from shareholders/investors and were resolved.

Investors' complaint status as on 31.3.2015

No. of compliant received	No. of Complaints resolved	No. of complaints pending
April 1, 2014 to June 30, 2014		
NIL	NIL	NIL
July 1, 2014 to September 30, 2014		
5	5	NIL
October 1, 2014 to December 31, 2014		
1	1	NIL
January 1, 2015 to March 31, 2015		
NIL	NIL	NIL

d) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issues any GDRs/ADRs/Warrants

e) Stock Code/ Symbol:

National Stock Exchange of India Ltd – VasconEQ
BSE Ltd – 533156
ISIN No. - INE893I01013

f) Details of unclaimed shares

At the being of the year		During the year		At the end of the year	
Aggregate number of shareholders	Outstanding shares in the suspense account lying at the beginning of the year	Number of shareholders approached for transfer of shares from suspense account	Number of shareholders to whom shares are transfer from suspense account	Aggregate number of shareholders	Outstanding shares in the suspense account lying at the end of the year
01.04.2014					
Nil	Nil	Nil	Nil	Nil	Nil

g) Registrar and Transfer Agents & Share Transfer System:**Karvy Computershare Private Limited**

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

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.

h) Shareholders' Correspondence:

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

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

Website: www.karvy.com

Contact Person: Mr. S V Raju,
SEBI Registration No.: INR000000221

Or

Vascon Engineers Limited

Mr. M. Krishnamurthi

Company Secretary and Compliance Officer
Vascon Wiekfield Chamber, Behind Hotel Novotel,
Opposite Hyatt Hotel, Nagar Road, Pune-411014.

Tel: +91 (20) 30562 100/ 200

Fax: +91 +91 20 30562600.

Website: www.vascon.com

Email: 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:

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

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

2. Definitions:

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

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

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

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

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

5.1 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 / Wholetime 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 / Wholetime 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.

5.2 Term:

The Term of the Directors including Managing / Wholetime 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 / Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

5.3 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.

5.4 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. 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 / Wholetime 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.

7. 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 Clause 49, 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 Clause 49, 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 performance as a Board in order to identify its strengths 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:

1. 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;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
 - 2.1 Knowledge to perform the role;
 - 2.2 Time and level of participation;
 - 2.3 Performance of duties and level of oversight; and
 - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, 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 Clause 49, the Independent Directors of the Company shall hold at least 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 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**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Company is required to develop a Familiarisation Programme for the Independent Directors of the Company.

The Company will impart Familiarisation Programmes for new Independent Directors inducted on the Board of the Company.

The Familiarisation Programme of the Company will provide information relating to the Company, wind energy / renewable energy industry, business model of the Company, geographies in which Company operates, etc. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company.

The Managing Director or such other authorised officer(s) of the Company shall lead the Familiarisation Programme on aspects relating to business / industry. The Chief Financial Officer or such other authorised officer(s) of the Company may participate in the programme for providing inputs on financial performance of the Company and budget, control process, etc.

Performance Evaluation of Independent Directors**Background:**

Clause 49 of the Listing Agreement entered into by the Company with the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") requires the Nomination and Remuneration Committee of the Board to lay down evaluation criteria for performance evaluation of Independent

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

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties. The evaluation scale is a simple three point scale i.e. Below Expectations (1), Meets Expectations (2) and Surpasses Expectations (3).

Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned herein below.

Scale	Performance
3	<i>Surpasses Expectations</i>
2	<i>Meets Expectations</i>
1	<i>Below Expectations</i>

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

Independent Directors

Some of the specific issues and questions that should be considered in the performance evaluation of an Independent Director, (the exercise in which the concerned director being evaluated shall not be included) are set out below :

Sr. No.	Assessment Criteria
1.	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
2.	Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
3.	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
4.	Interpersonal relations with other directors and management
5.	Objective evaluation of Board's performance, rendering independent, unbiased opinion
6.	Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
7.	Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information

Based on the above criteria each of the Independent Directors has to be assessed by the other directors (including other Independent Directors) by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating.

Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to Board.

Non-Independent Director

Some of the specific issues and questions that should be considered in a performance evaluation of Non-Independent Director /WTD/ CMD are set out below.

Sr. No.	Assessment Criteria
1.	Attendance, participations in the Meetings and timely inputs on the minutes of the meetings
2.	Contribution towards growth of the Company including actual vis-à-vis budgeted performance.
3.	Leadership initiative, like new ideas and planning towards growth of the Company

	and steps initiated towards Branding of the Company
4.	Adherence to ethical standards & code of conduct of Company
5.	Team work attributes and supervising & training of staff members
6.	Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest.
7.	Safeguarding of interest of whistle blowers under vigil mechanism and Safeguard of confidential information

Based on the above criteria each of the Non – Independent Directors / CMD / WTD has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by Independent Directors only. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

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 out below:

S. No.	Assessment Criteria
1.	Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy?
2.	Members of the board meet all applicable independence requirements.
3.	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
4.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
5.	The Company's systems of control are effective for identifying material risks and

	reporting material violations of policies and law and The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.
6.	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.
7.	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?
8.	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.
9.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.
10.	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.
11.	Nomination and appointment of Board members and their Remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.
12.	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance (through its Audit Committee).
13.	Company has a system for Corporate Social Responsibility, Stakeholder Relationships and for prohibition of insider trading.
14.	Company has necessary Committees which are required and these Committees are working effectively

Based on the above criteria Board has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by Independent Directors only. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

The performance of Committees of Board shall also be reviewed from time to time.

EXHIBIT

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 2014-15.

R. Vasudevan
Managing Director

Place Mumbai
Date May 12, 2015

**CEO AND CFO CERTIFICATE TO THE BOARD
PURSUANT TO CLAUSE 49**

We, Santosh Sundararajan, CEO, and D. Santhanam, CFO, to the best of our knowledge and belief, certify that:

A. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31 March 2015 and that these statements:

- i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Business Conduct and Ethics.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

D. We have disclosed, wherever applicable, to the auditors and the Audit Committee:

- i. that there were no deficiencies in the design or operations of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data including any corrective actions;
- ii. that there are no material weaknesses in the internal controls over financial reporting;
- iii. that there are no significant changes in internal control over financial reporting during the year;
- iv. all significant changes in the accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
- v. that there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Santosh Sundararajan, CEO

D. Santhanam, CFO

Place Mumbai, Date 12 May 2015

**CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF
THE LISTING AGREEMENT BY VASCON ENGINEER
LIMITED**

I have examined compliance by Vascon Engineers Limited (the Company) with the requirements under Clause 49 of the Listing Agreement entered into by the Company with the National Stock Exchange of India Limited and BSE Limited for the year ended on 31 March 2015.

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 in Clause 49 of the Listing Agreement.

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 Clause 49. 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 state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Stakeholder's Relationship Committee.

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.

Dr. K R Chandratre

Practising Company Secretary

FCS No. 1370.

Certificate of Practice No. 5144

Date: 11 August 2015

Place: Pune

MANAGEMENT DISCUSSION AND ANALYSIS

Vascon Engineers Ltd with a strong track record of 29 years in EPC and Real Estate operations has created a number of projects of eminence and splendor on a timely basis. EPC operations span on diverse areas like pharma, hospitals, factory buildings, educational institutional buildings, Government buildings, MES (Military Engineering Services Building), hospitality building etc. On other hand Real Estate wing is embossing its mark with projects of residential and commercial complexes as well as shopping malls, multiplexes, hospitality properties and IT parks

MACRO ECONOMIC REVIEW

The Indian GDP grew at 7.3% in FY15 as against 6.9% in FY14. Industry growth increased to 5.9% and services sector growth increased to 10.6% in FY15. Agricultural sector growth slipped to 1.1% mainly on account of erratic monsoon. Private consumption recorded a growth of 7.1%. Declining oil prices, weakening food inflation, improved job prospects, and a stable currency helped to lift the consumer confidence. The growth in capital formation was increased from 3.0% in FY 14 to 4.1% in FY15.

Overall, the macroeconomic situation in India improved during FY15. Also, in view of the Government's commitment to reforms, the economic outlook for FY16 looks positive and a GDP growth of over 8% is expected in FY16 as per the projections of the Government.

INDIA'S INFRASTRUCTURE AND CONSTRUCTION SECTOR

The infrastructure and construction sector remained stressed in FY15 and struggled to deal with structural issues and macro economic factors. Issues such as delays in land acquisition, delays in approvals, delays in payments, delays in settlement of claims, long working capital cycle etc., affected the progress of the projects and Companies. Most Companies have been struggling with liquidity crunch and with their highly leveraged balance sheets. In FY15, the tone of companies across the sector was to deleverage their balance sheets and regain financial strength. Several Companies raised funds through asset monetization, stake sale in subsidiaries, rights issues and Qualified Institutional Placements. Despite the tough ride in FY15, the sector is likely to gradually emerge out of the difficult

phase partly on account of the gradual economic recovery expected in FY16 and partly because of the initiatives taken by the new Government. The new Government rolled out initiatives including easing of FDI norms for Construction, Railways, and Defense, liberalization of ECB policy, and providing incentives to promote Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs).

REAL ESTATE

During the past few years, the Indian real estate sector had to confront tough times; difficult economic and business environment and high inflation that affected all stakeholders- investors, developers and buyers. AS a result, significant unsold inventory and execution delays were prevalent in almost all real estate classes. The year 2014 was a mixed year for the Real Estate Sector as though the sector registered subdued sales; it was quite fruitful in terms of business sentiment, mostly due to the formation of new Government as it boosted the investor and business confidence in the Indian economy. The policy makers have taken several initiatives to revive the real estate sector and improve investor and buyer confidence.

A number of regulatory changes and policy measures have been initiated and are likely to bear a positive impact on the Indian real estate sector. Some of them include relaxation of FDI rules, establishment & rationalization of REITs, redefining affordable housing, Housing for all by 2022, tax incentive on home loans, Smart City projects and setting up of National Industrial Corridor Authority.

FDI inflow in construction development sector has been depleting in the last couple of years. To help attract foreign funds in construction of townships, hospitals and hotels, the Government has relaxed the FDI policy for this sector by easing exit norms and reducing built-up area and capital needs. India allows 100% FDI in the sector through the automatic route.

The new policy has done away with the three-year lock in period for repatriation of investment. The investor can exit on completion of the project or after development of trunk infrastructure, that is, roads, water supply, street lighting, drainage and sewerage. Under the new policy, the minimum floor area requirement has been reduced to 20,000 sq. mts from 50,000 sq. mts earlier. It also brought down the minimum capital requirement to USD 5 million from USD 10 million. To boost the development of affordable homes, Government has

exempted the conditions of minimum floor area as well as capital requirement if an investee / joint venture companies commit at least 30% of the total project cost for low-cost housing. All these measures are likely to result in enhanced inflows into the construction development sector and creation of much needed low cost affordable housing in the country and development of smart cities.

One factor consistently contributing to tepid end-user and investor interest in realty offerings has been the high interest rate regimen. With inflation dropping to record lows in recent months, the RBI had cut the benchmark repo rate in two installments of 25 basis points each to 7.5%, we expect more reduction in interest rate in near future. These developments will arouse buyer interest and trigger better sales in residential units compared to previous years.

COMPANY PERFORMANCE:

During the 2014-15, the total turnover on consolidated basis was Rs. 637.06 crores as against Rs. 643.24 crores in 2013-14 resulting in reduction of turnover and profitability due to overall market scenario.

The Company is taking concrete steps for a healthier EPC order book and new launches in the existing Real Estate projects to improve overall revenue and profitability of the company.

EPC

Last year is yet another year of a slow down for EPC operations which contributed Rs. 227.38 crores as against Rs. 236.72 crores in previous year. Company exited some contracts and had to reverse the revenue recognized in earlier years to the extent of Rs 72 crores, this also resulted in net loss in P&L a/c to that extent. With this, almost all the past non remunerative contracts have been completely dealt with and Company is having new contracts with good profitability.

Our EPC order inflow during the year amounted to Rs. 74.14 crores, Order book as on 31st March 2015 is Rs 710.04 crores.

REAL ESTATE

During the year, total revenue from Real Estate was Rs 153.35 crores against 165.56 crores in previous year.

ONGOING PROJECTS:

Xotech:

Xotech is situated at Hinjewadi, Pune, which is IT and BT Hub of Pune. Total saleable area of the project is 0.12 msft. The project comprises of smart 2 and 3 BHK apartment, which intends to provide modest and quality solutions to its buyers. The project is surrounded by a number of IT/BT companies, famous restaurants and hang-out places, colleges, bank and Hotels.

The project has latest amenities like club house, landscaped garden with children play zones, swimming pool, rain water harvesting, solar water heating, garbage chute, sewage treatment plant, etc.

ELA:

The residential project is in Hadapsar, a most rapidly developing area of Pune. The total saleable area of the project is 0.12 msft. The project comprises of 2 and 2.5 BHK with sizes ranging from 1115 Sq to 1595 Sq.ft of lavish apartments.

The project has features latest amenities like club house which includes gymnasium, carom/card room / play station well designed landscaped garden with kids play area and swimming pool, solar water heating, sewage treatment plant, rain water harvesting .etc

WINDERMERE:

Windermere 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 0.46 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 3000 Sq.ft, 3800 Sq.ft & 8500 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.

FOREST COUNTY (PHASE I & II)

This is a mixed development project located in the most rapidly developing area of Pune – Kharadi. The total area of the site is 51.34 acres and will be developed in phases.

The total saleable area of the project is 3.03 msft. The saleable area of phase I & II of the project is 1.36 msft comprises of 2 and 3 BHK apartments with sizes ranging from 1215 Sq.ft to 2720 Sq.ft.

The Project is one of the premium projects of the Company with all the latest amenities like well designed landscape, green belt with water body, spacious and fully furnished club house, dedicated children play area, water fall, amphitheatre, senior citizen area, jogging track, water foundation etc and incorporates environmental consideration at every stage of building construction.

WILLOWS – PHASE II

The residential project is located in one of the most sought after locations in Pune – Baner which is home to Pune new elite.

The total saleable area of the willows ph II project is 0.16 msft comprises of 2,3 BHK and Duplex apartment with sizes ranging from 1228 Sq.ft to 4021 Sq.ft.

The project houses three sides open eco friendly homes with latest amenities like 2 level car park area, cool blue swimming pool, multi activity club house, gym, landscape garden, children play area, fire fighting systems, sewage treatment plant, rain water harvesting etc.

TULIP PHASE II

The project is the tallest premium residential project in one of the most sought location of Coimbatore-Avinashi road.

The project has saleable area of 0.13 msft, comprise of lavish 2, 3 and 4 with sizes BHK ranging from 1270 Sq.ft to 2250 Sq.ft.

The project has features latest amenities like club house with pool table, card / caram room, cool blue swimming pool, fully equipped gym, multipurpose hall, coffee, lounge, children play area, sewage treatment plant, rain water harvesting etc. It is expected to be completed by 2014.

CLEAN ROOM PARTITION & BMS BUSINESS:

As a part of backward integration the Company has acquired GMP technical solutions, a Integrated provider of Engineering services, in August 2010. GMP is one of the largest manufacturers of Clean Room Partitioning Systems and Turnkey Solution Provider within the Indian subcontinent.

GMP is also specialized in **Turnkey Jobs** & has expertise in giving **one window solution** to the clientele in the fields such as:

- Project Management
- HVAC (Design, Supply & Installation)
- Integrated Building Management System (IBMS)
- Clean room Validation Services

GMP had a CAGR of over 25% percent growth in the top line in the years after our acquisition. However, the bottom line in the company has not seen a growth in these years. This is due to increase expansion of the company and the failure of the wooden business to take off. In the last year and the current year, we are refocusing on improving the bottom line. We expect that the momentum of growth shall pick up in the coming years.

STRENGTH, OPPORTUNITIES, STRATEGY

Optimise business mix of two verticals of business operations viz: EPC and Real Estate wherein the Company intends to take advantage of the significant growth opportunities in the Indian economy by not only diversifying into new locations for real estate development but also by optimising EPC operations and resources.

Capital Light Model for Real Estate Business whereby the company enters in to Joint Development Agreement with land owners to acquire development rights against predetermined percentage in revenue. This model brings along capital efficiency and allows the company to rapidly grow the business without blocking large amounts of capital in land purchases. This model helps the company de-risking itself from cyclical down turn in business.

The Company intends to continue to focus on performance and quality and timely project execution. It has built up a team mainly of engineers who are backed up by highly qualified specialists from various fields of management, for activities from planning and procurement to testing and execution which follows well-documented system

and procedures in order to seek to maximise customer satisfaction in both our EPC operations and real estate development businesses.

The current land bank of the Company comprises of 31.87 msft of developable area under various stages of planning or construction across various cities and of 29.37 msft yet to be developed. Unlocking this portfolio in future will add significant value to our real-estate business segment.

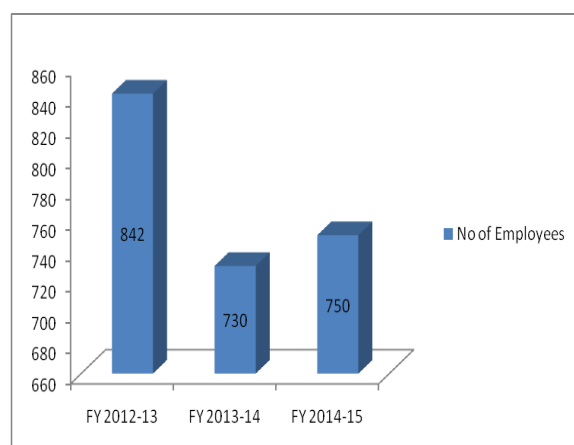
THREATS, RISKS, CONCERNS

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

There has been a strenuous effort at right sizing the organisation and creating a lean workforce. This leads us to a promotion of efficient processes, emphasising on reduction in duplication of roles and enhancing the efficiencies of each role. 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 organisation'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.

FINANCIAL HIGHLIGHTS ON

A. STANDALONE BASIS

- During the year 2014-15, the Company reported income of Rs. 310.32 crores
- Loss before Interest, Depreciation and Tax stood at Rs. 103.88 crores
- Loss before tax from ordinary activities reported at Rs 141.61 crores
- Net Loss stood at Rs 144.69 crores
- Net Debt to Equity stood at 0.61 times

B. CONSOLIDATED BASIS

- During the year 2014-15, the Company reported income of Rs. 637.06 crores
- Loss before Interest, Depreciation and Tax stood at Rs. 84.40 crores
- Loss before tax from ordinary activities reported at Rs 136.41 crores
- Net Loss stood at Rs 144.05 crores
- Net Debt to Equity stood at 0.64 times .

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VASCON ENGINEERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **VASCON ENGINEERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements based on 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such control. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes forming part to the financial statements:

- (i) Note 46 to the financial statements 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.

- (ii) Note 48 to the financial statements 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.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion,

may have an adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 35 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.

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

ANNEXURE REFERRED TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
- 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 explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories comprising of building material, components and spares, project under construction / development (work in progress) and stock of units in completed projects.
- a) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories 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 or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. In respect of such loans:
- a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
 - b) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year end.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and 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 detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a) There were delays by the Company in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and

other material statutory dues applicable to it with the appropriate authorities.

- b) There were no undisputed amounts payable in respect Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax,

Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except for as given below:

Statute	Nature of dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax deducted at source (TDS)	44,376,963	April – August, 2014	7 th of every following month
Finance Act, 1994	Service Tax	79,344,086	Dec 13 to August 2014	6 th of every following month
Profession Tax Act, 1975	Profession Tax	494,324	April – August, 2014	20 th of every following month
Employee Provident Fund Act, 1952	Provident Fund	7,908,153	April – August, 2014	20 th of every following month

- c) Details of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess, which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Related	Amount Involved (Rs.)
Sales Tax Act	Sales Tax/ Value Added Tax/ Central Sales Tax	Deputy Commissioner of Sales Tax	Financial Year 2005-06	2,607,591
			Financial Year 2008-09	13,161,098
			Financial Year 2010-11	13,414,461
Income Tax Act, 1961	Income Tax	The Deputy Commissioner of Income Tax	Assessment Year 1998 - 99	6,768,009
			Assessment Year 2008 – 09	7,138,821
			Assessment Year 2009 - 10	46,407,820
Finance Act, 1994	Service Tax	Commissioner Appeals Service Tax, Pune	April & May 2006	6,988,858
		Service Tax Tribunal,	January 2007 to	530,008

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Related	Amount Involved (Rs.)
		Delhi	December, 2007	
		Service Tax Tribunal, Mumbai	January 2008 to September, 2008	317,044
		Service Tax Tribunal, Mumbai	October 2007 to December, 2008	4,793,967

- d) There were no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- (ix) According to the information and explanation given to us, there were delays in repayment of due to bank and debenture holders (including during the year) as given below:

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
18.25% Non -Convertible Debentures	108,749,397	1 to 44 days
Term loans from banks	9,732,173	3 to 110 days

There were no delays in repayment of dues to financial institutions.

- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loan have been applied by the Company during the year for the purposes for which they were obtained during the year.
- (xii) 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 has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. - 117366W / 100018)

Hemant M. Joshi
Partner
(Membership No. 038019)

Mumbai, May 12, 2015

Vascon Engineers Limited
Balance Sheet as at 31st March 2015

		(Amount in Rupees)	(Amount in Rupees)
Particulars		As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	90,47,59,270	90,18,25,500
Reserves and surplus	4	3,92,89,36,643	5,34,40,77,568
		<u>4,83,36,95,913</u>	<u>6,24,59,03,068</u>
Non current liabilities			
Long term borrowings	5	25,14,95,188	59,39,63,786
Long term provisions	6	3,17,18,072	-
		<u>28,32,13,260</u>	<u>59,39,63,786</u>
Current liabilities			
Short term borrowings	7	2,02,01,25,368	2,04,92,01,293
Trade payables	8	1,59,87,05,072	1,57,63,73,287
Other current liabilities	9	2,35,16,83,717	1,89,65,45,302
Short term provisions	10	4,87,64,137	8,32,70,459
		<u>6,01,92,78,294</u>	<u>5,60,53,90,341</u>
Total equity and liabilities		<u><u>11,13,61,87,467</u></u>	<u><u>12,44,52,57,195</u></u>
Assets			
Non current assets			
Fixed assets			
- Tangible assets	11	62,31,84,676	45,60,31,368
- Intangible assets	11	-	-
- Capital work in progress		2,12,50,578	74,07,406
Non current investments	12	1,81,73,42,235	1,48,47,52,177
Deferred tax assets (net)	13	-	-
Long term loans and advances	14	2,82,30,15,186	3,02,24,63,954
Other non current assets	15	1,88,215	88,008
		<u>5,28,49,80,890</u>	<u>4,97,07,42,913</u>
Current assets			
Current investments	16	27,65,31,478	53,59,37,553
Inventories	17	2,25,32,61,444	2,35,53,60,227
Trade receivables	18	1,46,65,29,756	2,00,65,58,695
Cash and bank balances	19	27,24,01,741	29,71,52,013
Short term loans and advances	20	51,26,20,474	1,14,66,60,430
Other current assets	21	1,06,98,61,684	1,13,28,45,364
		<u>5,85,12,06,577</u>	<u>7,47,45,14,282</u>
Total assets		<u><u>11,13,61,87,467</u></u>	<u><u>12,44,52,57,195</u></u>

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

Place : Pune
Date : 12th May 2015

For and on behalf of the Board of Directors

R Vasudevan
Managing Director

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary & Compliance
Place : Mumbai
Date : 12th May 2015

V Mohan
Chairman

D Santhanam
Chief Financial Officer

Vascon Engineers Limited
Statement of Profit and Loss for the year ended 31st March 31, 2015

Particulars	Note No	(Amount in Rupees)	(Amount in Rupees)
		For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from operations	22	2,95,08,62,935	3,30,79,84,462
Other income	23	15,23,26,481	14,22,34,004
Total revenue		3,10,31,89,416	3,45,02,18,466
Construction expenses	24	3,22,64,36,381	3,02,56,98,393
Purchases of stock-in-trade	25	15,33,66,871	4,13,071
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(9,99,15,286)	(31,73,82,713)
Employee benefit expense	27	40,78,51,853	45,30,45,439
Finance costs	28	26,74,51,625	36,29,83,572
Depreciation and amortization expense	11	10,97,64,361	10,77,42,189
Other expenses	29	43,19,61,445	26,65,57,778
Total expenses		4,49,69,17,250	3,89,90,57,729
Loss before exceptional Items and tax		(1,39,37,27,834)	(44,88,39,263)
Exceptional items	30	(2,23,24,586)	84,173
Loss before tax		(1,41,60,52,420)	(44,87,55,090)
Tax expense:			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
(Excess) / Short provision for tax of earlier years	31	3,08,63,929	-
		3,08,63,929	-
Loss after tax for the year		(1,44,69,16,349)	(44,87,55,090)
Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :			
Basic		(16.03)	(4.98)
Diluted		(16.03)	(4.98)

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

R Vasudevan V Mohan
Managing Director Chairman

Hemant M. Joshi
Partner

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary & Compliance
Officer
Place : Mumbai
Date : 12th May 2015

D Santhanam
Chief Financial
Officer

Place : Pune
Date : 12th May 2015

Vascon Engineers Limited
Cash Flow Statement for the year ended March 31,2015

	(Amount in Rupees) For The Year Ended March 31, 2015	(Amount in Rupees) For The Year Ended March 31,2014
Particulars		
Profit/(loss) before taxation	(1,41,60,52,420)	(44,87,55,089)
Adjustments for:-		
- Depreciation and amortisation expense	10,97,64,361	10,78,78,626
- Finance costs	26,74,51,625	36,29,83,572
- Dividend income	(5,67,246)	(53,22,296)
- Expense employee stock option scheme	3,50,62,500	1,27,96,875
- Reversals of employee stock option compensation	-	(84,173)
- Provision for Dimunition in value of investment	3,71,50,950	-
- Interest income	(8,16,71,538)	(13,24,44,402)
- Provision for doubtful debt and advances	5,44,78,125	74,99,275
- Bad debts and other receivables, loans and advances written off	8,52,02,377	-
- Decline in value of Investment (exceptional items)	2,23,24,586	-
- Provision no longer required wriitten back	(4,26,66,062)	-
- Provision for unapproved sales	22,11,480	(58,55,690)
- (Profit) loss on sale of assets	(2,45,56,497)	-
- (Profit) loss on sale of investments	-	(16,46,27,948)
Operating Profit/(loss) before working capital changes	(95,18,67,759)	(26,59,31,250)
Adjustments for (increase)/ decrease in operating assets		
Inventories before capitalisation of borrowing cost	32,11,26,884	(2,47,03,511)
Trade receivables (Refer note 2 below)	23,64,91,489	66,63,19,273
Unbilled revenues and unearned receivables	37,17,48,527	26,18,40,137
Long term loans and advances	32,17,27,866	(82,03,87,328)
Other non current assets	(1,00,207)	90,42,487
Short term loans and advances (Refer note 3 below)	6,41,97,522	(14,29,00,491)
Other current assets	14,04,64,927	(11,15,55,908)
Adjustments for (increase)/ decrease in operating liabilities		
Current trade payables	6,46,47,090	(47,58,67,384)
Provisions	(15,69,767)	1,03,49,846
Other current liabilities (Refer note 2 below)	9,91,59,079	6,22,07,169
Cash generated from operations	66,60,25,652	(83,15,86,960)
Net Income tax (paid)/refund	(9,34,71,245)	(5,96,21,668)
Net Cash flow from/(used in) operating activities	57,25,54,407	(89,12,08,627)
Cash flow from investing activities		
Purchase of fixed assets including capital work in progress (Refer note 2 below)	(6,56,80,817)	(2,25,15,045)
Dividend received	5,67,246	53,22,296
Proceeds on disposal of fixed assets	3,28,36,518	64,01,947
Proceeds on disposal of securities/investments (Refer note 3 below)	4,81,63,894	90,47,620
Purchase of Long Term investments	(3,70,00,000)	(9,68,32,098)
Share application money (given)/ refund	(1,08,12,800)	4,14,39,070
Investments in fixed deposits with banks	(1,99,46,370)	2,27,36,765
Investments in liquid mutual funds	(4,44,46,555)	(48,87,093)
Net Cash generated / (used) in investing activities	(9,63,18,884)	(3,92,86,538)
Cash flow from financing activities		
Proceed from issue of Equity shares	29,33,771	24,000
Share application money received	-	(24,000)
Proceed / repayment from/to long term borrowing	(5,35,79,523)	(45,67,89,908)
Increase / (decrease) in Non Convertible Debentures	-	65,00,00,000
Proceed / repayment from/to Short term borrowing	(2,90,75,926)	34,97,02,126
Decrease / (increase) in intercorporate deposits	-	81,75,09,447
(Increase) / decrease in advances to joint venture, subsidiaries	(3,56,09,694)	4,62,22,734
Interest income	7,94,82,659	13,24,44,402
Finance cost including capitalised to qualifying assets	(48,51,98,166)	(54,73,09,471)

Net Cash generated / (used) in financing activities	(52,10,46,878)	99,17,79,330
Net cash inflow / (outflow)	(4,48,11,355)	6,12,84,164
Cash and cash equivalents at the beginning of the year (Refer note - 19)	17,88,62,771	11,75,78,606
Cash and Cash equivalent taken over on merger of AOP	1,14,713	-
Cash and cash equivalents at the end of the year (Refer note - 19)	13,41,66,129	17,88,62,770
Net (decrease) / increase in cash and cash equivalents	(4,48,11,355)	6,12,84,164

See accompanying notes forming part of the financial statements

Notes :-

1. Figures in brackets represent outflows of cash and cash equivalents.
2. During the year, the Company has received building worth Rs. 2,150 lakhs from customer in lieu of trade receivable of Rs. 1,750 lakhs and balance is shown under advance from customer against other projects. This being a non-cash transaction, the same has been appropriately excluded from purchase of fixed assets, trade receivable and other current liabilities.
3. Purchase of investment and short term loans & advances excludes Rs. 1,428.79 lakhs being conversion of loan to preference shares capital.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

R Vasudevan
Managing Director

V Mohan
Chairman

Hemant M. Joshi
Partner
Place : Pune
Date : 12th May 2015

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi D Santhanam
Company Secretary & Chief Financial Officer
Compliance Officer
Place : Mumbai
Date : 12th May 2015

Vascon Engineers Limited
Notes forming part of the financial statements

1 Corporate Information

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

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liability) at the date of the financial statements and the reported amounts of revenues and expenses during the year. 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.

2.3 Tangible Asset, Intangible asset and capital work in progress

- a) Fixed assets are carried at cost less accumulated depreciation/amortisation. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.
- b) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and disclosed separately.
- c) Capital Work in Progress - Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Revenues earned if any, before capitalization from such capital project are adjusted against capital work in progress.
- d) Borrowing cost relating to acquisition / construction /development of tangible asset and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such asset are ready to be put to use.

2.4 Impairment of fixed assets

At the end of each year, the management reviews the carrying values of assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of individual asset, the management estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets are tested for impairment every financial year even if there is no indication that the asset is impaired.

If the recoverable amount of an asset of cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or the cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset of cash generating unit is increased to the revised estimate of a recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is

2.5 Depreciation / Amortisation / Diminution

- a) Depreciation on tangible fixed assets is provided for on written down value method based on estimated useful life of fixed assets.

Assets	Useful Life
Leasehold Land	Over the period of the lease
Building*	60 years
Plant and machinery	15 years
Furniture and fixtures*	10 years
Vehicles*	8 years
Office equipments*	3 to 6 years

* Estimated useful life of assets consistent with the useful life specified in Schedule II of the Companies Act, 2013.

The economic useful life of assets has been assessed based on technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history etc.

- b) Intangible assets are amortised on the written down value method over their estimated useful life.
c) Fixed assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.
d) 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.
e) Cost of acquisition of share in partnership firm is amortised on systematic manner. Adjustments are made for any permanent impairment in value, if any.

2.6 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.7 Recognition of Revenue / Cost

a) Construction contracts

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

The Company provides for cost to be incurred during warranty period for servicing warranties on the completed projects. Such amount, net of the obligations on account of sub-contractors, is determined on the basis of technical evaluation and past experience of meeting such costs.

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) 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 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) 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.
- d) Interest Income – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.
- e) Dividend Income – Dividend income is recognized as and when the right to receive the same is established.
- f) 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.
- g) Income from services rendered is recognised as revenue when the right to receive the same is established.
- h) 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.

2.8 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 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.

2.9 Retirement 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**
 - i) **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.
 - ii) **Defined Benefit Plan** -
The Company's liability towards gratuity is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service costs is recognised on a straight line basis over the average period until the benefits become vested. To the extent the benefits are vested, the past service cost is recognised immediately in the Statement of Profit and Loss.

The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation adjusted for unrecognised past service cost and as reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

- c) **Other Long-term Employee Benefits** -
The Company's liability towards compensated absence which are not expected to accrue within twelve months after the end of the period in which employee renders the related service is determined by using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

2.10 Borrowing Cost

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 upto 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.

2.11 Leases

- a) Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to statement of profit and loss on accrual basis.
- b) Assets leased out under operating leases are capitalized. Rental income recognized on accrual basis over the lease term.

2.12 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the financial statements unless the probability of outflow of resources is remote. A contingent asset is neither recognised nor disclosed in the financial statements.

2.13 Taxes on Income

- a) Tax expense comprises of current tax and deferred tax.
- b) Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates and tax laws.
- c) Deferred tax is recognised on timing differences between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future income will be available against which these can be realised. Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.
- d) Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115JAA of the Income Tax Act, 1961 is recognised if there is convincing evidence that the Company will pay normal tax during the specified future period. The Company reviews the carrying amount of MAT credit entitlement at each balance sheet date and writes-down the carrying amount to the extent there is no longer convincing evidence that the Company will pay normal tax during the specified future period.

2.14 Joint Venture Projects

- a) **Jointly Controlled Operations -**
In respect of joint venture contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions, as may be belonging to the Company, under respective heads in the financial statements.
- b) **Jointly Controlled Entities -**
 - i) **Integrated Joint Ventures -**
Company's share in profits or losses of Integrated Joint Ventures is accounted on determination of the profits or losses by the joint venture.
Investments in Integrated Joint Ventures are carried at cost net of company's share in recognised profits or losses.
 - ii) **Incorporated Jointly Controlled Entities -**
 - Income on investments in incorporated Jointly Controlled Entities is recognised when the right to receive the same is established.
 - Investment in such Joint Ventures are carried at cost after providing for diminution in value considered other than temporary in nature in the opinion of the management, if any.

2.15 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 executive Management 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".

2.16 Employee Stock Option Scheme

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The Company accounts the employee stock based compensation under intrinsic value method. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

2.17 Foreign currency transaction

a) Initial Recognition

Transactions in foreign currency are initially recorded at the exchange rate prevailing on the date of the transaction.

b) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary foreign currency items are carried at their historical costs and not retranslated. Gains and losses arising on translation and settlement of foreign currency monetary assets and liabilities are recognised in the Statement of Profit and Loss.

c) Exchange Difference

Exchange differences on forward exchange contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised in the Statement of Profit and Loss.

2.18 Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Vascon Engineers Limited
Notes forming part of the Financial statements

(Amount in Rupees)

(Amount in Rupees)

**As at March 31,
2015**

**As at March 31,
2014**

3 Share capital

Authorised capital
200000000 (150000000) equity shares of Rs. 10/- each

2,00,00,00,000

1,50,00,00,000

Issued, subscribed and paid up
90475927 (90182550) equity shares of Rs. 10/- each fully paid up

2,00,00,00,000
90,47,59,270

1,50,00,00,000
90,18,25,500

90,47,59,270

90,18,25,500

The company has only one class of equity shares having a par value of Rs 10 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.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Description	No of shares	(Amount in Rupees)	No of shares	(Amount in Rupees)
No of shares outstanding at the beginning of the Year	9,01,82,550	90,18,25,500	9,01,80,150	90,18,01,500
Fresh allotment			-	
Bonus shares			-	
Shares issued on exercise of employee stock options	2,93,377	29,33,770	2,400	24,000
Initial public offer			-	
Conversion of debentures			-	
No of shares outstanding at the end of the Year	<u>9,04,75,927</u>	<u>90,47,59,270</u>	<u>9,01,82,550</u>	<u>90,18,25,500</u>
Shareholders holding more than 5 percent shares in the Company				
Name of the shareholder	No of shares	% of Equity Shares Held	No of shares	% of Equity Shares Held
HDFC Ventures Trustee Company Limited	1,16,12,407	12.83	1,16,12,407	12.88
Golden Temple Pharma Pvt Ltd	97,83,273	10.81	97,83,273	10.85
Dreamz Impex Pvt Ltd	97,83,273	10.81	97,83,273	10.85
R Vasudevan	94,15,529	10.41	94,15,529	10.44
Dna Pharma Pvt Ltd	89,68,000	9.91	89,68,000	9.94
Prematan Exports Pvt Ltd	66,67,637	7.37	66,67,637	7.39
Medicreams India Pvt Ltd	66,67,637	7.37	66,67,637	7.39
Orion Life Sciences Pvt Ltd	61,12,000	6.76	61,12,000	6.78
Vatsalya Enterprises Pvt.Ltd.	52,27,273	5.78	52,27,273	5.80

(Amount in Rupees)

4 Reserves and surplus

Securities premium

Opening Balance	3,88,28,89,855	3,88,28,00,071
Add: Premium on shares issued during the year	28,60,426	89,784
	<u>3,88,57,50,281</u>	<u>3,88,28,89,855</u>

Share options outstanding account

Opening Balance	1,27,96,873	1,73,955
Add: Amount recorded on grants	3,50,62,500	1,27,96,875
Less: Transferred to securities premium account on exercise	28,60,426	-
Less: Forfeited during the year	-	(1,73,957)
	<u>4,49,98,947</u>	<u>1,27,96,873</u>

Surplus/(Deficit) in statement of Profit & Loss

Opening Balance	1,44,83,90,841	1,89,71,45,930
Less : - Transfer to debenture redemption reserved	15,37,50,000	-
Less : - Depreciation on transition to schedule II of the companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)(Refer note	32,87,077	-
Add: Profit/(loss) for the year	<u>(1,44,69,16,349)</u>	<u>(44,87,55,090)</u>
	<u>(15,55,62,585)</u>	<u>1,44,83,90,840</u>

Debenture Redemption Reserved

Opening Balance	-	-
Add : Transferred from surplus/(Deficit) in statement of profit and loss	15,37,50,000	-
	<u>15,37,50,000</u>	<u>-</u>

3,92,89,36,643 5,34,40,77,568

5 Long term borrowings

Secured

Privately Placed Non Convertible & Non Transferable Debentures		
18.25% Non - Convertible Debentures of Rs 1,00,000/- each	22,80,00,000	57,00,00,000
	<u>22,80,00,000</u>	<u>57,00,00,000</u>

Term loans

- from banks	65,14,951	1,11,34,947
	<u>65,14,951</u>	<u>1,11,34,947</u>

Long term maturities of finance lease obligations

- from financial institution	38,66,488	-
	<u>38,66,488</u>	<u>-</u>

Unsecured

Public deposits	20,50,000	15,00,000
Inter corporate deposits	20,02,603	13,31,790
Loans and advances from related parties (subsidiaries) (Refer Note 38)	90,61,146	99,97,048
	<u>1,31,13,749</u>	<u>1,28,28,838</u>
	<u>25,14,95,188</u>	<u>59,39,63,786</u>

Vascon Engineers Limited

5.1 Disclosure regarding long term borrowings

Name of the lender	Outstanding amount	Current Maturities	Long Term				Rate of interest	Nature of security
			2016-17	2017-18	2018-19	Total Long Term Borrowings		
I. Secured								
a) Privately Placed 18.25% Non Convertible & Non Transferable Debentures of Rs 1,00,000/- each	61,50,00,000	38,70,00,000	22,80,00,000	-	-	22,80,00,000	18.25%	Equitable mortgage of specific properties belonging to the Company and a wholly owned subsidiary, 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) Term loans								
- From banks								
The Saraswat Co Operative Bank Ltd	1,18,98,292	53,83,341	4620000	18,94,951	-	65,14,951	14.50%	Equitable mortgage of office no.502 & 503 ('C' Wing),Neelkanth Business Park,Vidya Vihar , Mumbai
Volkswagen Finance Private Limited	52,00,000	13,33,512	13,33,512	13,33,512	11,99,464	38,66,488	10.25%	Hypothecation of Vehicle/Asset financed by them
II. Unsecured								
a) Public deposits (accepted for a period of 400 days)								
- Due within next 12 months	19,66,42,000	19,45,92,000	20,50,000	-	-	20,50,000	12.50%	Not Applicable
b) Inter corporate loans								
IBM India Pvt Ltd	86,70,613	82,13,213	4,57,400	-	-	4,57,400	3% to 13.54%	Not Applicable
Leverage Finance & Securities P.Ltd	2,50,00,000	2,50,00,000	-	-	-	-	12.00%	
Yester Investment Pvt Ltd	7,50,00,000	7,50,00,000	-	-	-	-	12.00%	
Conamore Reosts Pvt Ltd	15,45,203	-	15,45,203	-	-	15,45,203	11.00%	
c) Loans and advances from related parties								
- Subsidiaries								
Almet Corporation Limited	75,13,030	-	75,13,030	-	-	75,13,030	9.00%	Not Applicable
Marathwada Realtors Private Limited	15,48,116	-	15,48,116	-	-	15,48,116	9.00%	
Total	94,80,17,254	69,65,22,066	24,70,67,261	32,28,463	11,99,464	25,14,95,188		

* Interest accrued and due on borrowings as on 31st March, 2015 disclosed under current liabilities (Refer note No.9)

(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
6 Long term provisions		
Provision for employee benefits		
Compensated Absences (Refer Note 10.2)	3,17,18,072	-
	<u>3,17,18,072</u>	<u>-</u>
7 Short term borrowings		
Secured		
Loans repayable on demand from banks	81,00,000	81,00,000
Cash credit from banks	1,34,42,92,269	1,26,81,14,417
	<u>1,35,23,92,269</u>	<u>1,27,62,14,417</u>
Unsecured		
a) Loans and advances from other parties	66,00,79,053	-
	<u>66,00,79,053</u>	<u>76,61,32,829</u>
b) Loans and advances from related parties	76,54,046	68,54,047
	<u>76,54,046</u>	<u>68,54,047</u>
	<u>2,02,01,25,368</u>	<u>2,04,92,01,293</u>
Cash Credit from State Bank of India @ 14.50% is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.	1,24,30,61,913	1,16,69,56,053
Cash Credit from Central Bank of India @ 16.5% is secured by way of hypothecation of stock, raw materials, work in progress, finished goods and receivables on pari passu basis with State Bank of India and equitable mortgage of specified properties of two wholly owned subsidiaries, corporate guarantee of two wholly owned subsidiaries and personal guarantee of the Managing Director of the Company.	10,12,30,356	10,11,58,364
Aggregate amount of short term borrowing guaranteed by director	<u>1,34,42,92,269</u>	<u>1,26,81,14,417</u>
The Demand Loan from bank is secured by Fixed deposit placed with the bank	81,00,000	81,00,000
	<u>81,00,000</u>	<u>81,00,000</u>
(Unsecured loan have been availed at interest rate ranging from 12% - 16.5%)		
8 Trade Payables		
Trade payables (Refer Note - 39)	1,59,87,05,072	1,57,63,73,287
	<u>1,59,87,05,072</u>	<u>1,57,63,73,287</u>

(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
9 Other current liabilities		
Current maturities of long term debt (Refer note 5.1)	69,51,88,554	40,76,32,991
Current maturities of finance lease obligations	13,33,512	-
Interest accrued but not due on borrowings	5,28,55,666	79,55,340
Interest accrued and due on borrowings	17,48,81,415	16,08,04,966
Income received in advance (Unearned revenue)	55,53,15,077	52,16,85,156
Less: related debtors	<u>(35,92,56,243)</u>	<u>(29,36,50,854)</u>
	19,60,58,834	22,80,34,302
Unpaid dividends*	15,702	15,702
Other Payables		
i) Statutory remittances (Contribution to PF,ESIC,with holding taxes,VAT,Service	29,37,95,742	21,24,12,946
ii) Payable on purchase of fixed assets	22,03,720	36,88,078
iii) Commitment and other deposits	21,32,12,994	18,76,38,895
iv) Advance from customers	83,66,34,511	79,14,89,298
Less: related unbilled revenue	<u>(26,07,65,699)</u>	<u>(40,38,27,611)</u>
	57,58,68,812	38,76,61,687
v) Advances / loans from firms / AOP in which Company or subsidiary is partner / member	7,18,62,484	20,01,81,409
vi) Overdrawn Bank Balance	6,68,27,015	2,20,60,129
vii) Others	75,79,267	7,84,58,857
	<u>2,35,16,83,717</u>	<u>1,89,65,45,302</u>
*Unpaid dividend does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
Interest accrued and due on borrowings from banks paid subsequently	4,84,590	91,923
Interest accrued and due on borrowings from banks not paid	1,51,344	69,90,040
Interest accrued and due on borrowings from other parties paid Subsequently		-
Interest accrued and due on borrowings from other parties not paid	17,42,45,481	15,37,23,003

10 Short term provisions

a) Provision for employee benefits

(i) Compensated absences	1,07,32,602	4,43,01,939
(ii) Gratuity	<u>3,31,09,506</u>	<u>2,50,24,657</u>
	4,38,42,108	6,93,26,596

b) Others

(i) Taxation	37,22,866	49,41,349
(ii) Warranty	<u>11,99,163</u>	<u>90,02,514</u>
	49,22,029	1,39,43,863
	<u>4,87,64,137</u>	<u>8,32,70,459</u>

10.1 Movement in Warranty Provision

Details of provisions and movement in each class of provision as required by the Accounting Standard on provision, contingent liabilities and contingent assets (Accounting Standard 29)

Carrying amount at the beginning of the year	90,02,514	90,02,514
Add :- Additional provision made during the year	-	-
Less :- Amount used during the year	46,12,672	-
Less :- Unused amount reversed during the year	<u>31,90,679</u>	<u>-</u>
Carrying amount at the end of the year	<u>11,99,163</u>	<u>90,02,514</u>

Warranty cost are accrued on completion of project, based on past experience. The provision is discharged over the warranty period from the date of project completion till the defect liability period of particular project.

10.2 Employee benefit plans

(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 Rs.152.42 lakhs for Provident Fund contributions (March 31, 2014:Rs.185.72 lakhs) in the Statement of Profit and Loss. The provident fund contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(B) Defined Benefit Plan

The Company makes annual contribution towards gratuity to fund for qualifying employees. The funded gratuity plan provides for a lump sum payment to employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service.

Particulars	Amount in Rupees.	
	Gratuity (Funded)	
Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows	Current year	Previous Year
Present Value of Defined Benefit Obligation as on April 1,	3,05,91,804	3,16,12,292
Current Service cost	74,15,505	73,23,627
Interest Cost	26,39,820	22,78,968
Losses (gains) on Curtailment	-	-
Liabilities extinguished on settlements	-	-
Plan amendments	-	-
Actuarial (gains) / losses	(12,57,521)	(43,72,700)
Benefits paid	(37,96,219)	(62,50,383)
Present value of Defined Benefit Obligation as on Balance Sheet date.	3,55,93,389	3,05,91,804

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :	Current year	Previous Year
Fair value of Plan assets as on April 1,	55,67,147	1,10,88,855
Expected return on plan assets	3,54,168	7,28,675
Actuarial gains/(losses)	(44,513)	-
Actual contributions by employers	4,03,300	-
Benefits paid	(37,96,219)	(62,50,383)
Plan assets as on March 31,	24,83,883	55,67,147

Actuarial (Gain) / Loss Recognised	Current year	Previous Year
Actuarial (Gain) / Loss for the period - obligation	(12,57,521)	(43,72,700)
Actuarial (Gain) / Loss for the period - Plan Assets	(44,513)	-
Total Actuarial (Gain) / Loss for the period	(13,02,034)	(43,72,700)
Actuarial (Gain) / Loss Recognised	(13,02,034)	(43,72,700)

Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance	Current year	Previous Year
Present value of Defined Benefit Obligation	3,55,93,389	3,05,91,804
Fair value of plan assets	24,83,883	55,67,147
Funded status [Surplus/(Deficit)]	(3,31,09,506)	(2,50,24,657)
Unrecognized Past Service Costs	-	-
Net asset/(Liability) recognized in Balance Sheet	(3,31,09,506)	(2,50,24,657)

Components of employer expenses recognized in the statement of profit and loss for the year ended March 31,	Current year	Previous Year
Current Service cost	74,15,505	73,23,627
Interest cost	26,39,820	22,78,968
Expected return on plan assets	(3,54,168)	(7,28,675)
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service cost	-	-
Actuarial Losses/(Gains)	(12,13,008)	(43,72,700)
Total expense recognized in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	84,88,149	45,01,220

In respect of Funded Benefits with respect to gratuity the fair value of Plan assets represents the amounts invested through "Insurer Managed Funds"

Principal Actuarial Assumptions :	Gratuity	
	March 31, 2015	March 31, 2014
Discount Rate (%)	7.80%	9.20%
Expected Return on plan assets (%)	9.15%	9.15%
Salary Escalation (%)	5%-10%	5%-10%
Expected average remaining working lives of employees	8.55%	8.54%

The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations

Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority,

Experience History	Gratuity as at March 31, 2015				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined Benefit Obligation at the end of the period	3,55,93,389	3,05,91,804	3,16,12,292	3,18,40,729	2,99,16,136
Plan Assets at the end of the period	24,83,883	55,67,147	1,10,88,855	2,41,50,585	1,98,74,879
Funded Status	(3,31,09,506)	(2,50,24,657)	(2,05,23,437)	(76,90,144)	(1,00,41,257)
Experience adjustments on plan liabilities	(41,90,816)	(20,35,983)	45,41,423	(33,50,624)	39,44,319
Experience adjustments on plan assets	44,513	-	2,05,883	31,598	(24,69,713)
Actuarial Gain / Loss due to change on assumption	-	-	-	-	-

Actual Return on Plan Assets	March 31, 2015	March 31, 2014
Expected return on Plan Assets	3,54,168	7,28,675
Actuarial gains and (losses)	(44,513)	-
Actual Return on Plan Assets	3,09,655	7,28,675

Contributions expected to be paid to the plan during the next financial year Rs. 331.10 lakhs (Previous Year Rs. 250.25)

(C) Compensated Absences

Compensated absences charged to Statement of Profit and Loss Rs. 62.43 lakhs (Previous Year Rs. 122.26 lakhs) and liability as at 31st March, 2015 was Rs. 424.51 lakhs (Previous Year Rs. 443.02 lakhs).

(Amount in Rupees)

11 Fixed assets

	Leasehold land	Buildings *	Plant and machinery	I. Tangible assets Furniture and fixtures	Vehicles	Office equipments	Total	II. Intangible assets Softwares
Gross carrying value								
As at April 1, 2014	16,78,245	17,16,06,724	55,19,37,057	3,87,83,462	1,57,76,451	5,20,74,089	83,18,56,028	4,27,57,553
Additions	-	22,57,96,336	2,82,66,673	16,96,593	76,27,136	14,47,555	26,48,34,293	43,273
Disposals	-	(1,07,38,399)	(19,45,230)	(16,65,048)	(13,30,969)		(1,56,79,646)	
As at March 31, 2015 (A)	16,78,245	38,66,64,661	57,82,58,500	3,88,15,007	2,20,72,618	5,35,21,644	1,08,10,10,675	4,28,00,826
Accumulated depreciation								
As at April 1, 2014	3,21,430	3,92,21,449	25,93,59,734	2,34,22,161	1,10,99,654	4,24,00,232	37,58,24,660	4,27,57,553
Additions #	40,434	1,51,10,599	5,91,61,929	50,65,601	16,34,339	51,00,986	8,61,13,888	43,273
Transition adjustment recorded against surplus balance in Statement of Profit & Loss (Refer Note 45)		-	-	-	-	32,87,077	32,87,077	-
Disposals		(38,43,299)	(12,82,795)	(10,66,013)	(12,07,519)	-	(73,99,626)	
As at March 31, 2015 (B)	3,61,864	5,04,88,749	31,72,38,868	2,74,21,749	1,15,26,474	5,07,88,295	45,78,25,999	4,28,00,826
Net carrying value as at March 31, 2015 (A) - (B)							62,31,84,676	-
Gross carrying value								
As at April 1, 2013	16,78,245	17,16,06,724	55,11,43,205	3,86,66,306	1,55,68,504	5,11,37,510	82,98,00,494	3,92,85,147
Additions			1,33,66,082	1,17,156	18,72,440	9,46,279	1,63,01,957	34,72,406
Disposals			(1,25,72,230)		(16,64,493)	(9,700)	(1,42,46,423)	
As at March 31, 2014 (A)	16,78,245	17,16,06,724	55,19,37,057	3,87,83,462	1,57,76,451	5,20,74,089	83,18,56,028	4,27,57,553
Accumulated depreciation								
As at April 1, 2013	2,93,740	3,22,53,803	21,88,06,267	1,99,70,696	1,13,72,400	3,90,97,339	32,17,94,245	3,92,85,147
Additions	27,690	69,67,646	4,70,50,662	34,51,465	10,71,023	33,06,405	6,18,74,891	34,72,406
Disposals			(64,97,195)		(13,43,769)	(3,512)	(78,44,476)	
As at March 31, 2014 (B)	3,21,430	3,92,21,449	25,93,59,734	2,34,22,161	1,10,99,654	4,24,00,232	37,58,24,660	4,27,57,553
Net carrying value as at March 31, 2013 (A) - (B)							45,60,31,368	

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

The amount of depreciation and amortization expense includes the amortization of goodwill on purchase of additional stake in Ajanta Enterprises of Rs 23,607,200/- (Previous year Rs 42,531,330) (Refer note -1).

Vascon Engineers Limited
Notes forming part of the Financial statements

		(Amount in Rupees)(Amount in Rupees)	
		As at March 31, 2015	As at March 31, 2014
12 Non current investments			
- Carried at cost			
Trade:-			
Investment in equity instruments			
a) Subsidiaries			
Greystone Premises Private Limited	65,000	65,000	
6500 (6500) Equity Shares of Rs. 10/- Each Fully Paid			
Almet Corporation Limited	14,75,66,080	14,75,66,080	
58824 (58824) Equity Shares of Rs 100/- Each Fully Paid			
Marathwada Realtors Private Limited	22,51,06,171	22,51,06,171	
39216 (39216) Equity Shares of Rs 100/- each Fully Paid			
IT Citi Infopark Private Limited	1,00,000	1,00,000	
10000 (10000)Equity Shares of Rs. 10/- Each Fully Paid			
Wind Flower Properties Private Limited	1,00,000	1,00,000	
10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid			
Floriana Properties Private Limited	1,00,000	1,00,000	
10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid			
Marvel Housing Private Limited	1,00,000	1,00,000	
10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid			
Vascon Dwelling Private Limited	1,00,000	1,00,000	
10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid			
Vascon Pricol Infrastructures Limited	8,67,00,000	4,97,00,000	
7100000 (4970000) Equity Shares of Rs. 10/- Each Fully Paid			
GMP Technical Solutions Private Limited	39,40,62,542	39,40,62,542	
12689 (12689) Equity Shares of Rs. 10/- Each Fully Paid			
Just Homes India Private Limited	6,00,50,000	6,00,50,000	
10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid			
	<hr/>	<hr/>	
	91,40,49,793	87,70,49,793	
b) Joint ventures			
Cosmos Premises Private Limited	3,67,90,610	3,67,90,610	
177401 (177401) Equity Shares of Rs. 10/- Each Fully Paid			
Phoenix Venture	2,00,00,000	2,00,00,000	
	<hr/>	<hr/>	
	5,67,90,610	5,67,90,610	
c) Associates			
Mumbai Estates Private Limited	9,99,990	9,99,990	
99999 (99999) Equity Shares of Rs. 10 /- Each Fully Paid			
Angelica Properties Private Limited	60,51,310	5,44,50,000	
605131 (4710000) Equity Shares of Rs. 10/- Each Fully Paid			
	<hr/>	<hr/>	
	70,51,300	5,54,49,990	
Investment in preference shares			
Associates			
Angelica Properties Private Limited	-	2,96,08,000	
NIL (462625) 0.10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- Each Fully Paid			
Angelica Properties Private Limited	-	1,23,12,000	
NIL (307800) Compulsory Convertible Preference Shares of Rs. 10/- Each Fully Paid			
GMP Technical Solutions Private Limited (Pending Allotment (Refer note 49)	14,28,79,300	-	
7% Redeemable Non-Cumulative Preference Shares			
	<hr/>	<hr/>	
	14,28,79,300	4,19,20,000	

(Amount in Rupees)(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
Investment in partnership firms (Refer Note 37)		
Ajanta Enterprises		
Capital investment	3,19,70,000	3,19,70,000
Cost of investment	41,89,30,784	46,14,62,114
Less: amortization of cost of investment	(2,36,07,232)	(4,25,31,330)
	<u>42,72,93,552</u>	<u>45,09,00,784</u>
Investment in limited liability partnership		
Vascon Renaissance EPC LLP	-	65,000
	<u>-</u>	<u>65,000</u>
Investment in Government or trust securities		
7 Years National Savings Certificate	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Other investments - Equity instruments		
Quoted		
Corporation Bank Limited	16,000	16,000
1000 (1000) Equity Shares of Rs.10/- Each fully paid	<u>16,000</u>	<u>16,000</u>
Unquoted		
The Saraswat Co Operative Bank Ltd	25,000	25,000
2500 (2500) Equity Shares Of Rs.10/- Each Fully Paid		
Sahyadri Hospitals Limited	25,00,000	25,00,000
250000 (250000) Equity Shares Of Rs.10/- Each Fully Paid		
Core Fitness Private Limited	15,000	15,000
150 (150) Equity Shares of Rs. 100/- Each Fully Paid		
Ascent Hotels Private Limited	26,67,01,680	-
6669492 (Nil) Equity Shares of Rs. 10 /- Each Fully Paid		
	<u>26,92,41,680</u>	<u>25,40,000</u>
	<u>1,81,73,42,235</u>	<u>1,48,47,52,177</u>
Quoted investments		
- Book value	16,000	16,000
- Market value	52,200	55,340
Unquoted investments		
- Book value	1,81,73,26,235	1,48,47,36,177

13 Deferred tax assets (net)

Deferred tax asset	-	-
	<u>-</u>	<u>-</u>

Deferred tax (liability) / asset

Tax effect of items constituting deferred tax liability

On difference between book balance and tax balance of Fixed Assets	3,22,21,817	1,57,98,547
Tax effect of items constituting deferred tax liability	<u>3,22,21,817</u>	<u>1,57,98,547</u>

Tax effect of items constituting deferred tax asset

Provision for compensated absences and gratuity	2,33,48,095	77,32,619
Unabsorbed depreciation carried forward and brought forward business losses	88,73,722	80,65,928
Tax effect of items constituting deferred tax asset	<u>3,22,21,817</u>	<u>1,57,98,547</u>

Note:- The deferred tax asset on tax loss carried forward has been recognised to the extent of deferred tax liability in the books.

	(Amount in Rupees)	
	As at March 31, 2015	As at March 31, 2014
14 Long term loans and advances (Unsecured considered good, unless otherwise stated)		
Capital advances	16,91,334	12,15,613
Security deposits		
Considered good	3,99,661	2,54,000
Considered doubtful	10,00,000	10,00,000
	13,99,661	12,54,000
Add / (less) : provision for doubtful loans and advances	(10,00,000)	-10,00,000
	3,99,661	2,54,000
Loans and advances to Subsidiaries (Refer note 38)	44,57,49,131	23,65,95,223
Advances / loans to firms / AOP in which Company or subsidiary is partner / member	6,35,95,289	4,85,43,330
Advance income tax*	38,06,62,900	31,46,80,446
MAT credit entitlement	20,50,379	66,44,000
Statutory dues recoverable	11,44,39,385	9,05,44,633
Other Loans and advances		
i) Project advances (Refer note below)	1,64,24,62,107	2,15,20,21,709
ii) Intercorporate deposits	17,19,65,000	17,19,65,000
	<u>2,82,30,15,186</u>	<u>3,02,24,63,954</u>
<i>*Advance Income Tax are after netting of provisions for taxation of Rs. 592,590,997/- (Rs.590,686,608/-)</i>		
As per the Agreements, the vendor is entitled to an agreed percentage of sale proceeds of the project as a consideration. No amount is payable if there is no sale. Hence there is no loss to the Company. Since the cost of acquisition of development rights is not ascertainable the same is not accounted		
15 Other non current assets (Unsecured Considered Good, Unless Otherwise Stated)		
Balance held has margin money or security against borrowings, guarantees and other commitments	1,88,215	88,008
	<u>1,88,215</u>	<u>88,008</u>
16 Current investments - Carried at lower of cost or fair value		
Viorica Properties Private Limited	24,09,48,780	24,09,48,780
16619939 (16619939) Equity Shares of Rs. 10/- Each Fully Paid		
Less : Provision for diminution in value of investment	(3,71,50,950)	-
	<u>20,37,97,830</u>	<u>24,09,48,780</u>
Ascent Hotels Private Limited #	-	26,67,01,680
Nil (6669492) Equity Shares of Rs. 10 /- Each Fully Paid		
Sita Lakshmi Mills Limited	2,34,00,000	2,34,00,000
806000 (806000) Equity Shares of Rs 50/- Each Fully Paid		
	<u>22,71,97,830</u>	<u>53,10,50,460</u>
Investment in Mutual Funds		
IDFC CASH FUND	4,93,33,648	48,87,093
	<u>4,93,33,648</u>	<u>48,87,093</u>
	<u>27,65,31,478</u>	<u>53,59,37,553</u>
Aggregate amount of unquoted investments	27,65,31,478	53,59,37,553

Investment classified to non current investment during the year.

(Amount in Rupees)(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
17 Inventories (At lower of cost or net realizable value)		
Building materials / tools	39,98,35,610	60,18,49,679
Projects under Development	1,85,34,25,834	1,75,35,10,548
	<u>2,25,32,61,444</u>	<u>2,35,53,60,227</u>
18 Trade receivables		
a) Debtors (Unsecured considered good, unless otherwise stated)		
Outstanding for period exceeding six months		
Considered good	1,20,34,25,994	1,42,73,86,029
Considered doubtful	15,48,52,411	13,65,25,875
	<u>1,35,82,78,405</u>	<u>1,56,39,11,904</u>
Add / (less) : provision for doubtful debts	(15,48,52,411)	(13,65,25,875)
	<u>1,20,34,25,994</u>	<u>1,42,73,86,029</u>
Outstanding for period less than six months		
Others considered good	26,54,42,753	45,08,39,090
(Less) : provision for doubtful debts	(21,23,970)	(43,35,443)
	<u>26,33,18,783</u>	<u>44,65,03,647</u>
b) Retention (accrued but not due)	39,51,92,811	42,63,19,873
(Less) : provision for doubtful debts	(3,61,51,589)	-
	<u>35,90,41,222</u>	<u>42,63,19,873</u>
Total debtors	<u>1,82,57,85,999</u>	<u>2,30,02,09,549</u>
(Less) : related unearned receivables	(35,92,56,243)	(29,36,50,854)
	<u>(35,92,56,243)</u>	<u>(29,36,50,854)</u>
	<u>1,46,65,29,756</u>	<u>2,00,65,58,695</u>
The activity in the provision for unapproved sales is given below:		
Balance at the beginning of the Year	43,35,443	1,01,91,133
Additions during the Year	19,70,045	3,77,612
Utilization / transfers	(41,81,518)	(62,33,302)
Balance at the end of the Year	<u>21,23,970</u>	<u>43,35,443</u>
The activity in the provision for doubtful debts is given below:		
Balance at the beginning of the Year	13,65,25,875	12,90,26,600
Additions during the Year	12,40,35,873	2,93,23,175
Utilization / reversals	(6,95,57,748)	(2,18,23,900)
	<u>19,10,04,000</u>	<u>13,65,25,875</u>
19 Cash and bank balances		
a) Cash and cash equivalents		
Cash on hand	1,61,87,881	1,42,53,677
Cheques, drafts on hand	6,50,00,000	1,00,00,000
Balances with banks in current accounts	2,92,45,089	13,56,43,974
Balances with banks in deposit accounts with original maturity of less than 3 months	2,37,33,159	1,89,65,120
	<u>13,41,66,129</u>	<u>17,88,62,771</u>
b) Other bank balances		
Balances with banks in deposit accounts under banks lien for margin money	13,73,75,170	11,08,50,624
Balances with banks in short term deposit accounts	8,44,740	74,22,916
Balances with banks in unpaid dividend account	15,702	15,702
	<u>13,82,35,612</u>	<u>11,82,89,242</u>
	<u>27,24,01,741</u>	<u>29,71,52,013</u>

Vascon Engineers Limited
Notes forming part of the Financial statements

(Amount in Rupees)(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
20 Short term loans and advances (Unsecured considered good, unless otherwise stated)		
Advances / loans to subsidiaries	-	14,67,50,537
Advances / loans to firms / AOP in which Company or subsidiary is partner / member	12,85,90,429	56,74,95,125
Security deposits	11,84,67,707	11,65,83,768
Prepaid expenses	1,77,71,456	1,71,59,223
Loans and advances to Other Parties	-	7,07,11,353
Others (Trade Advances and Share & Bond application money paid)	24,77,90,882	22,79,60,424
	<u>51,26,20,474</u>	<u>1,14,66,60,430</u>
21 Other current assets (Unsecured considered good, unless otherwise stated)		
Unbilled revenues	64,62,99,191	1,19,30,85,098
(Less) : related advance payment received	<u>(26,07,65,699)</u>	<u>(40,38,27,611)</u>
	38,55,33,492	78,92,57,487
Interest accrued on deposits	21,88,879	-
Other recoverables and receivables	68,21,39,313	34,35,87,877
	<u>1,06,98,61,684</u>	<u>1,13,28,45,364</u>

	(Amount in Rupees)	(Amount in Rupees)
	For the year ended March 31,2015	For the year ended March 31,2014
22 Revenue from operations		
Contract revenue recognized / sales (gross)		
- Contract revenue	2,27,30,36,273	2,51,67,36,583
- Sale of unit	39,03,66,464	48,22,63,941
- Trading sales	15,46,98,637	42,91,768
- Other sales (Includes maintenance charges of socociety,Hire chagres,Scrap Sales)	3,33,80,252	3,24,08,353
Other operating income		
- Rent earned	4,25,334	27,12,677
- Share of profit / (loss) from AOP / Partnership firms (net)	9,89,55,975	10,49,43,192
- Profit on sale of long term investment	-	16,46,27,948
	<u>2,95,08,62,935</u>	<u>3,30,79,84,462</u>
23 Other income		
Interest income	8,16,71,538	13,24,44,402
Dividend income from long term investments - other than trade	5,67,246	53,22,296
Other non operating income (net of expenses directly attributable to such income)	5,04,938	39,19,945
Net gain / loss on sale of fixed assets	2,45,56,497	-
Provision no longer required written back	4,26,66,062	-
Misc Income	23,60,200	5,47,361
	<u>15,23,26,481</u>	<u>14,22,34,004</u>
24 Construction expenses		
Contract	2,70,43,84,437	2,28,97,49,723
Development	24,53,28,629	51,52,91,174
Incidental borrowing cost incurred attributable to qualifying assets	27,67,23,315	22,06,57,496
	<u>3,22,64,36,381</u>	<u>3,02,56,98,393</u>
25 Purchases of stock-in-trade		
Purchases of stock-in-trade	15,33,66,871	4,13,071
	<u>15,33,66,871</u>	<u>4,13,071</u>
26 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
<u>Inventories at the end of the year:</u>		
Finished goods	9,75,86,336	4,25,00,000
Work-in-progress	1,75,58,39,498	1,71,10,10,548
	<u>1,85,34,25,834</u>	<u>1,75,35,10,548</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	4,25,00,000	-
Work-in-progress	1,71,10,10,548	1,43,61,27,835
	<u>1,75,35,10,548</u>	<u>1,43,61,27,835</u>
	<u>(9,99,15,286)</u>	<u>(31,73,82,713)</u>
27 Employee benefit expense		
Salaries and wages (Refer note 47)	33,39,08,806	39,30,14,749
Contribution to provident and other funds	1,64,97,781	2,00,72,079
Expense on Employee Stock Option Scheme	3,50,62,500	1,27,96,875
Staff welfare expenses	2,23,82,766	2,71,61,736
	<u>40,78,51,853</u>	<u>45,30,45,439</u>

	(Amount in Rupees)	(Amount in Rupees)
	For the year ended March 31,2015	For the year ended March 31,2014
28 Finance costs		
Interest expense	54,09,26,343	55,90,44,559
Other borrowing costs	32,48,597	2,45,96,509
Less : borrowing cost transferred to qualifying assets	(27,67,23,315)	(22,06,57,496)
	<u>26,74,51,625</u>	<u>36,29,83,572</u>
29 Other expenses		
Power and Fuel	63,95,183	69,23,257
Rent/compensation	3,30,56,533	3,46,01,642
Repairs, renovation and maintenance		
Building	69,85,120	13,85,428
Plant and machinery	40,554	42,718
Others	28,86,348	75,65,949
Insurance	95,62,536	1,19,00,307
Rates & taxes	23,54,421	13,19,645
Postage and telephone	59,80,596	70,71,907
Travelling expenses	50,03,087	46,88,280
Printing and stationery	29,23,890	41,31,922
Brokerage / commission	72,12,349	33,13,945
Sales promotion expenses	12,85,374	15,92,093
Advertisement	62,11,504	57,46,363
Donations	24,99,102	37,42,684
Legal ,Professional and retainer ship fees (Refer note-41)	5,49,27,850	4,75,63,130
Bad debts and other receivables, loans and advances written off	8,52,02,377	-
Provision for diminution in value in investment	3,71,50,950	-
Provision for doubtful debt and advances	5,44,78,125	74,99,275
Bank charges	36,90,631	2,06,30,920
Bank Guarantee Commission to Managing Director	5,54,00,000	5,54,00,000
Conveyance	50,77,432	51,79,580
Foreign exchange gain / loss (net)	23,921	75,66,936
Hire Charges Paid	1,85,11,932	90,984
Misellaneous Expenses	1,56,01,630	2,86,00,813
Stamp duty expenses for increase in authorised share capital (Prior Period Items - Rs 47,:	95,00,000	-
	<u>43,19,61,445</u>	<u>26,65,57,778</u>
30 Exceptional items		
Net gain / loss on sale of long term investments - other than trade		
Reversals of employee stock option compensation	-	84,173
Decline in value of Investment (Refer Note no - 50)	(2,23,24,586)	-
	<u>(2,23,24,586)</u>	<u>84,173</u>
31 Tax expense:		
(Excess) / short provision for tax of ealier years	3,08,63,929	-
	<u>3,08,63,929</u>	<u>-</u>

The Income tax department had carried out action under section 132 of the Income tax Act 1961 in June 2012, pursuant to the same companies assessment for assessment years 2007-2008 to 2014-2015 are now pending before the assessing officer under section 153B, additional provision of Rs 277.64 lakhs is made in the accounts towards the same.

32 Employee stock option plans (ESOP)

1. Employee stock option scheme (ESOS) - 2007

The ESOS was approved by Board of Directors of the Company on 19th Sept, 2007 and thereafter by the share holders on 23rd Oct, 2007. 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 6 years from the date of vesting.

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

Particulars	FY 2014-15	FY 2013-14
Options granted, beginning of the year	-	4,650
Granted during the year	-	-
Exercised during the year	-	(2,250)
Cancelled/lapsed during the year	-	(2,400)
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

2. Employee stock option scheme (ESOS) - 2013

The ESOS was approved by Board of Directors of the Company on 20th May, 2013 and thereafter by the share holders on 12th Sept, 2013. 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 option granted, exercised and cancelled/lapsed during the financial year are as follows :

Particulars	FY 2014-15	FY 2013-14
Options granted, beginning of the year	22,50,000	-
Granted during the year	-	22,50,000
Exercised during the year	(2,93,377)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	19,56,623	22,50,000
Weighted Average remaining life	0.42	1.42

3. 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 2014-15	FY 2013-14
Options granted, beginning of the year	-	-
Granted during the year	22,50,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	22,50,000	-
Weighted Average remaining life	1.42	-

The Compensation cost of stock options granted to employees has been accounted by the company using the intrinsic value method

The guidance note on accounting of employee share based payments issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted these options under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported (Loss) for the year ended March 31, 2015 would have been lower by Rs. 14.96 lakhs (Previous year: lower loss of Rs. 9.48 lakhs) and Basic and diluted EPS would have been revised to Loss of Rs. 16.01 per share (Previous year 4.97 per share) and Loss Rs. 16.01 per share (Previous year 4.97 per share) respectively as compared to Loss of Rs. 16.03 per share (Previous year 4.98 per share) and Loss Rs. 16.03 per share (Previous year 4.98 per share) without such impact.

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 of 2% on the underlying equity shares, a risk free rate in the range of 8.40% - 9.20% and weighted average volatility in the share price in the range of 55.60% - 61.10%. 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.

Vascon Engineers Limited
Notes forming part of the Financial Statements
33 Earning per share (EPS)

(Amount in Rupees)

Particulars	As at March 31, 2015	As at March 31, 2014
Net (Loss) available for equity share holder	(1,44,69,16,349)	(44,87,55,090)
Weighted average number of equity shares for Basic EPS	9,02,56,497	9,01,80,183
Face value per share	10	10
Basic EPS	(16.03)	(4.98)
Weighted average number of equity shares for Diluted EPS	9,21,41,031	9,09,22,303
Diluted EPS*	(16.03)	(4.98)

* As required by Accounting Standard (AS) 20 - Earning per share, the effect of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share

34 Commitments

(Amount in Rupees)

Particulars	As at March 31, 2015	As at March 31, 2014
a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	4,09,16,371	47,66,042
b) As per the arrangement with a customer, the assets provided by it for the relevant contract will be acquired by the Company at 50% of the cost at the end of the project. The estimated amount of such commitment at the Year end is	-	1,81,02,920
	<hr/> 4,09,16,371	<hr/> 2,28,68,962

35 Contingent liabilities

(Amount in Rupees)

	As at March 31, 2015	As at March 31, 2014
a) Disputed demands for Income Tax	7,64,11,216	6,44,60,304
b) Disputed demands for Service Tax	1,54,28,256	1,63,39,031
c) Disputed demands for Value Added Tax	3,11,03,150	30,57,591
d) Performance and financial guarantees given by the Banks on behalf of the Company	1,33,50,69,633	1,46,68,35,949
e) Corporate guarantees given for other companies / entities and mobilization	2,01,50,00,000	2,06,12,00,000
f) Claims against the Company not acknowledged as debts	3,61,09,33,994	3,61,00,45,884

i) In respect of claim against the Company amounting to Rs.360,00,00,000/- (Previous year Rs 360,00,00,000/-) 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) Two creditors of the Company has filed a civil suit claiming of Rs 88,28,380/- (Previous year Rs. 88,28,380/-) and 12,38,244/- (Previous year- nil) respectively, 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 Rs 8,67,370/- (Previous year Rs. 8,67,370/-) with Joint District Registrar & Collector of Stamps, Pune.

iv) One of the creditors of the Company has filed a winding up petition for non payment of Rs. Nil (Previous year Rs. 350,134/-) (including interest) in respect of material supplied by the said party, which claim the Company is disputing. In the current year winding up petition was disposed off.

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.

36 Disclosure of particulars of significant leases as required by Accounting Standard 19

The Companies significant leasing arrangements are in respect of operating leases for commercial and residential premises.

The Company leases / sub-leases office spaces under Non cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee.

i) Operating Lease

a) Lease income from operating leases is recognized on a straight-line basis over the period of lease.

(Amount in Rupees)

Particulars	As at March 31, 2015	As at March 31, 2014
Gross Carrying Amount of Premises *	-	6,59,91,203
Accumulated Depreciation	-	2,05,33,639
Depreciation for the Year	-	23,92,503
Future minimum lease income under non-cancellable operating leases		
Not later than 1 year	-	8,99,990
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Income recognised during the Year	22,790	19,19,833

*During the current year the Company has sold the leased asset.

b) Lease expenses from operating leases is recognized on a straight-line basis over the period of lease.

The particulars of significant leases under operating leases are as under :

(Amount in Rupees)

Future minimum lease expenses under non-cancellable operating leases :	As at March 31, 2015	As at March 31, 2014
Not later than 1 year	4,35,32,438	9,26,925
Later than 1 year and not later than 5 years	7,05,94,695	-
Later than 5 years	-	-
Expenses recognised during the Year	8,19,00,904	78,63,500

ii) Finance Lease

The Company has entered into a finance lease with the financial institutions for purchase of vehicle from the vendor.

(Amount in Rupees)

Particulars	2014 - 15	2013 - 14
Assets acquired under finance lease	61,98,300	-
Net carrying amount at the balance sheet date	61,92,996	-
Minimum lease payment as on 31.03.2015	66,67,531	-
Present value of the above	52,00,000	-

(Amount in Rupees)

Particulars	Present Value	Interest	Minimum Lease
Not later than one year	8,39,197	4,94,303	13,33,500
Later than one year & not later than five years	43,60,803	9,73,228	53,34,031
Later than five years	-	-	-
Total	52,00,000	14,67,531	66,67,531

37 The particulars of the partnership firms where the Company is a partner are as follows :

(Amount in Rupees)

Particulars		
Name of the firm - Ajanta Enterprises	As at March 31, 2015	As at March 31, 2014
Total capital of the firm	11,20,41,630	37,12,08,682
Share of profit / (loss) from partnership firm recognized during the Period/Year	9,32,78,911	14,85,88,793
Names of the partners		
a) Shree Madhur Realtors Private Limited.	20.00%	20.00%
b) Dhiren Popatlal Nandu	10.00%	10.00%
c) Raj Bhansali	20.00%	20.00%
d) Vascon Engineers Limited	50.00%	50.00%

38 Disclosure of related party transactions as required by Accounting Standard 18

I Names of related parties

1. Subsidiaries

- Marvel Housing Private Limited
- Grey Stone Premises Private Limited
- Vascon Dwellings Private Limited
- IT CITI Info Park Private Limited
- Caspia Hotels Private Limited (Upto May 28,2014)
- Windflower Properties Private Limited
- GMP Technical Solution Private Limited
- Floriana Properties Private Limited
- Vascon Pricol Infrastructure Limited
- Vascon Renaissance EPC Limited Liability Partnership
- Almet Corporation Limited
- Marathawada Realtors Private Limited
- Just Homes (India) Private Limited
- GMP Technical Solutions Middle East (FZE)

2. Joint Ventures

- Weikfield IT CITI Infopark (Upto October 1,2014)
- Phoenix Ventures
- Zenith Ventures
- Zircon Ventures
- Just Homes (AOP)
- Cosmos Premises Private Limited
- Marigold Premises Private Limited (Up to March 31,2014)
- Ajanta Enterprises
- Vascon Qatar WLL

3. Associates

- Angelica Properties Private Limited
- Mumbai Estate Private Limited

4. Key Management Personnel

- Mr. R. Vasudevan
- Dr Santosh Sundararajan
- Mr. D.Santhanam (Wef 01/04/2014)
- Mr.M.Krishnamurthi (Wef 01/04/2014)

5. Relatives of Key Management Personnel

- Mrs. Lalitha Vasudevan
- Ms. Soumya Vasudevan
- Mrs. Thangam Moorthy
- Mrs. Lalitha Sundararajan
- Mr. Siddarth Vasudevan
- Ms Shilpa Shivram
- Ms. Sailaxmi Santhanam Mudaliar
- Mrs Mathangi Krishnamuthy

6. Establishments where in which individuals in serial number (4), (5) and (6) 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.
- Sunflower Health Services Private Limited
- Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
- Vascon Infrastructure Limited
- Venus Ventures

(Amount in Rupees)

II Related party transactions	As at March 31, 2015	As at March 31, 2014
(a) Sales and work	32,05,94,495	29,52,17,020
Subsidiaries		
Caspia Hotels Private Limited	-	39,45,255
GMP Technical Solution Private Limited	-	19,71,604
Vascon Renaissance EPC Limited Liability Partnership	-	-7,77,426
Vascon Dwellings Private. Limited	-	5,60,251
Windflower Premises Private Limited	4,33,500	12,00,000
Vascon Pricol Infrastructure Limited	13,26,15,866	9,46,15,403
Total	13,30,49,366	10,15,15,087
Joint Ventures		
Ajanta Enterprises	11,92,00,129	4,46,25,022
Phoenix Ventures	6,09,924	1,26,44,399
Zenith Ventures	-	2,66,99,893
Zircon Ventures	62,001	-
Total	11,98,72,054	8,39,69,314
Associates		
Angelica Properties Private. Limited.	2,60,000	1,69,36,435
Total	2,60,000	1,69,36,435
Key management Personnel		
Mr. R. Vasudevan	-	87,53,595
Dr Santosh Sundararajan	42,29,701	36,69,444
Total	42,29,701	1,24,23,039
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	1,36,15,530	3,50,75,775
Cherry Constructions Private Limited.	4,95,67,844	4,52,97,370
Total	6,31,83,374	8,03,73,145
(b) Interest Income	5,19,79,907	2,30,93,119
Subsidiaries		
Vascon Dwellings Private Limited	3,54,34,082	1,12,77,718
IT CITi Info Park Private Limited	-	15,99,777
Vascon Pricol Infrastructures	74,56,990	-
GMP Technical Solutions Private Limited	90,88,835	95,71,334
Total	5,19,79,907	2,24,48,829
Joint Ventures		
Phoenix Ventures	-	6,44,290
Total	-	6,44,290
(c) Dividend Income	-	52,80,504
Joint Venture		
Cosmos Premises Private Limited	-	44,35,025
Marigold Premises Private Limited	-	8,37,775
Total	-	52,72,800
Associates		
Angelica Properties Private Limited	-	7,704
Total	-	7,704
(d) Interest Expense	4,72,06,454	3,24,12,317
Subsidiaries		
Almet Corporation Limited	7,03,612	6,46,567
Marathawada Realtors Private Limited	1,82,041	2,22,425
Total	8,85,653	8,68,992
Joint Venture		
Ajanta Enterprises	3,52,50,916	2,65,92,903
Total	3,52,50,916	2,65,92,903
Enterprise where KMP & Relatives of KMP significant influence		
Stresstech Engineers Private Limited	2,57,240	-
Vastech Consultants Private Limited	11,73,770	14,43,245
Total	14,31,010	14,43,245

Vascon Engineers Limited
Notes forming part of the Financial Statements

Relatives of Key Management Personnel		
Mr. Siddarth Vasudevan	39,945	-
Mrs. Mathangi Krishnamurthi	1,11,544	
Ms. Sailaxmi Santhanam Mudaliar	72,481	
Mrs. Thangam Moorthy	3,65,753	3,55,481
Total	5,89,723	3,55,481
Key Management Personnel		
Mr. R. Vasudevan	61,38,186	-
Mr. Santosh Sundararajan	23,63,764	31,51,696
D Santhanam	5,47,202	-
Total	90,49,152	31,51,696
(e) Purchase of Goods / Work	12,79,48,342	22,80,06,502
Subsidiaries		
GMP Technical Solution Pvt Ltd	8,28,85,871	11,60,37,410
Total	8,28,85,871	11,60,37,410
Joint Ventures		
Marigold Premises Private Limited	-	4,25,00,000
Zenith Ventures	-	1,777
Total	-	4,25,01,777
Enterprise where KMP & Relatives of KMP significant influence		
Bellflower Premises Private Limited	36,00,000	36,00,000
Vatsalya Enterprises Private Limited	36,00,000	36,00,000
Syringa Engineers Private Limited	-	3,52,927
Flora Facilities Private Limited	1,26,23,530	20,33,876
Stresstech Engineers Private Limited	2,45,12,389	3,38,82,203
Vastech Consultants & Engineers LLP	7,26,552	-
Vascon Infrastructure Limited	-	2,59,68,309
Total	4,50,62,471	6,94,37,315
Relatives of Key Management Personnel		
Mrs. Lalitha Sundararajan	-	30,000
Total	-	30,000
(f) Receiving of Services	18,64,70,558	17,18,60,496
Key Management Personnel		
Mr R Vasudevan	11,74,52,862	12,18,22,000
Dr Santosh Sundararajan	3,25,18,000	2,34,15,000
Mr. D.Santhanam	73,18,840	-
Mr.M.Krishnamurthi	58,27,000	-
Total	16,31,16,702	14,52,37,000
Relatives of Key Management Personnel		
Mr. Siddarth Vasudevan	93,20,000	50,15,000
Mrs. Sailaxmi Santhanam Mudaliar	18,000	-
Mrs.Shilpa Sivram	2,77,420	-
Total	96,15,420	50,15,000
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	3,99,431	26,31,801
Vastech Consultants Private Limited	1,33,39,005	1,89,76,695
Total	1,37,38,436	2,16,08,496
(g) Share of Profit from AOP/Firm Subsidiary	10,38,78,404	15,29,92,548
Joint Ventures		
Phoenix Ventures	-	44,03,755
Zircon Ventures	30,37,162	-
Ajanta Enterprises	10,08,41,242	14,85,88,793
Total	10,38,78,404	15,29,92,548
(h) Share of Loss from AOP/Firm	49,22,430	4,80,49,356
Joint Ventures		
Phoenix Ventures	19,77,980	-
Weikfield ITCITI Info Park (AOP)	10,99,844	42,13,176
Zenith Ventures	18,44,606	4,38,36,180
Total	49,22,429	4,80,49,356

Vascon Engineers Limited
Notes forming part of the Financial Statements

(i) Reimbursement of expenses	59,60,161	20,18,829
Subsidiary		
Vascon Pricol Infrastructures Limited	57,04,854	2,81,430
Windflower Properties private Limited	57,671	13,79,978
Caspia Hotels Private Limited	-	3,04,593
Total	57,62,525	19,66,001
Key Management Personnel		
Mr R Vasudevan	-	3,398
Dr Santosh Sundararajan	57,800	49,430
M. Krishnamurthi	70,275	-
D Santhanam	69,561	-
Total	1,97,636	52,828
(j) Outstanding corporate / bank guarantees given	1,26,50,00,000	1,31,12,00,000
Subsidiaries		
Caspia Hotels Private Limited	-	34,62,00,000
GMP Technical Solution Private Limited	1,06,50,00,000	76,50,00,000
Total	1,06,50,00,000	1,11,12,00,000
Joint Ventures		
Phoenix Ventures	10,00,00,000	10,00,00,000
Cosmos Premises Private Limited	10,00,00,000	10,00,00,000
Total	20,00,00,000	20,00,00,000
Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	67,85,40,475	54,80,77,812
Subsidiaries		
Floriana Properties Private Limited	1,03,781	63,211
Marvel Housing Private Limited	-	5,000
IT Citi Infopark Private Limited	1,77,123	14,12,287
Marathawada Realtors Private Limited	6,24,958	10,22,892
Almet Corporation Limited	3,10,944	1,60,022
Vascon Dwellings Private Limited	6,61,51,687	10,27,57,749
Vascon Pricol Infrastructure Limited	55,18,756	-
Just Homes (India) Private Limited	25,590	2,98,69,190
Windflower Properties Private Limited	-	57,37,588
Total	7,29,12,839	14,10,27,939
Joint Ventures		
Phoenix Ventures	1,45,94,418	36,37,712
Zenith Ventures	9,84,160	48,48,445
Just Homes (AOP)	4,45,051	67,82,044
Marigold Premises Private Limited	-	79,34,483
Ajanta Enterprises	16,49,65,134	22,01,83,812
Zircon Ventures	85,32,955	-
Total	18,95,21,718	24,33,86,496
Associates		
Mumbai Estate Private Limited	10,00,000	-
Angelica PropertiersPrivate. Limited.	1,98,95,242	1,37,04,758
Total	2,08,95,242	1,37,04,758
Enterprise where KMP & Relatives of KMP significant influence		
Vascon Infrastructure Limited	-	2,02,00,000
Stresstech Engineers Private Limited	60,25,724	-
Vastech Consultants Private Limited	1,33,17,377	61,44,325
Venus Ventures	50,00,000	8,70,28,984
Sunflower Health Services Pvt Ltd	35,24,13,079	2,82,82,136
Total	37,67,56,180	14,16,55,445
Relatives of Key Management Personnel		
Mr. Siddarth Vasudevan	39,945	-
Ms. Mathangi Krishnamurthi	13,19,138	-
Ms. Sailaxmi Santhanam Mudaliar	83,454	-
Mrs. Thangam Moorthy	3,65,753	2,36,174
Total	18,08,290	2,36,174
Key Management Personnel		
Mr. R. Vasudevan	61,38,186	-
Mr. Santosh Sundararajan	98,80,433	80,67,000
D Santhanam	6,27,587	-
Total	1,66,46,206	80,67,000

Vascon Engineers Limited
Notes forming part of the Financial Statements

(l) Finance availed /Received back(including equity contributions in cash or in kind)	39,57,06,806	48,24,93,900
Subsidiary		
Almet Corporation Limited	-	2,00,000
Floriana properties Private Limited	10,000	1,82,015
IT Citi Info Park Private Limited	20,40,324	4,02,63,593
Windflower Premises Private Limited	-	57,37,588
Just Homes (India) Private Limited	6,00,00,000	-
Marvel Housing Private Limited	-	5,000
GMP Technical Solution Private Limited	1,29,60,104	9,57,135
Vascon Dwellings Private Limited	2,52,95,764	10,80,49,708
Total	10,03,06,192	15,53,95,039
Joint Ventures		
Phoenix Venture	5,00,000	1,71,712
Just Homes AOP	-	64,10,099
Marigold Premises Private Limited	-	4,37,43,911
Zenith Ventures	-	20,17,12,092
Total	5,00,000	25,20,37,814
Enterprise where KMP & Relatives of KMP significant influence		
Vastech Consultants Private Limited	1,40,00,000	1,28,54,047
Stresstech Engineers Private Limited	75,00,000	-
Venus Ventures	2,74,30,000	2,47,00,000
Sunflower Health Services Pvt. Ltd	12,85,70,614	-
Vascon Infrastructure Limited	-	2,00,000
Total	17,75,00,614	3,77,54,047
Relatives of Key Management Personnel (Through Fixed Deposit)		
Mrs. Thangam Moorthy	-	30,00,000
Mr. Santosh Sundararajan	-	-
Mr. Siddarth Vasudevan	6,00,000	-
Total	6,00,000	30,00,000
Key Management Personnel		
Mr. R. Vasudevan	11,50,00,000	-
Mr. Santosh Sundararajan	-	3,43,07,000
D Santhanam	18,00,000	-
Total	11,68,00,000	3,43,07,000
(m) Outstanding as on		
A) Receivable to Vascon Engineers Limited	1,88,98,32,450	2,05,56,95,460
Subsidiaries	96,09,83,130	1,00,71,83,554
a) Sundry Debtors		
GMP Technical Solution Private Limited	51,11,657	61,39,043
Caspia Hotels Private Limited	-	2,86,628
Vascon Dwellings Private Limited	25,11,10,400	26,12,18,318
Vascon Pricol Infrastructure Limited	8,44,49,908	13,49,42,077
Vascon Renaissance EPC Limited Liability Partnership	-	78,03,381
Windflower Properties Private Limited	2,30,084	12,00,000
Total	34,09,02,049	41,15,89,447
b) Loans & Advances / Project Advances		
Floriana Properties Private Limited	6,74,27,505	6,73,33,724
GMP Technical Solution Private Limited	14,28,79,268	14,67,50,537
Just Homes (India) Private Limited	2,98,94,780	8,98,69,190
IT Citi Info Park Private Limited	1,77,124	20,40,325
Vascon Dwellings Private Limited	24,55,51,504	16,92,61,499
Vascon Pricol Infrastructure Limited.	13,27,70,122	11,97,94,376
Total	61,87,00,303	59,50,49,651
c) Balance in capital and current accounts		
Vascon Renaissance EPC Limited Liability Partnership	-	65,000
Total	-	65,000
d) Expenses reimbursement		
Vascon pricol Infrastructure Limited	13,80,778	-
Windflower Premises Private Limited	-	90,000
Caspia Hotels Private Limited	-	3,89,456
Total	13,80,778	4,79,456

Vascon Engineers Limited
Notes forming part of the Financial Statements

Joint Ventures

27,23,46,274 **60,99,70,571**

a) Sundry Debtors

Marigold Premises Private Limited	-	4,41,86,997
Just Homes (AOP)	-	1,45,00,000
Phoenix Ventures	6,27,31,671	6,20,46,408
Ajanta Enterprises	-	-
Zircon Ventures	7,21,504	6,53,233

Total

6,34,53,175 12,13,86,638

b) Loans & Advances

Phoenix Ventures	1,26,00,574	89,79,084
Total	1,26,00,574	89,79,084

c) Balance in capital and current accounts

Phoenix Ventures	6,85,18,798	6,00,23,850
Weikfield IT Citi Infopark	-	36,45,61,493
Ajanta Enterprises	7,67,79,012	1,54,55,260
Zircon Ventures	5,09,94,715	3,95,64,246
Total	19,62,92,525	47,96,04,849

Associates

25,66,03,346 **25,67,66,500**

a) Sundry Debtors

Angelica Properties Pvt Ltd	2,66,136	14,29,290
Total	2,66,136	14,29,290

b) Loans & Advances

Mumbai Estate Private Limited	25,63,00,010	25,53,00,010
Total	25,63,00,010	25,53,00,010

c) Share Application Money

Angelica Properties Private Limited	37,200	37,200
Total	37,200	37,200

Enterprise where KMP & Relatives of KMP significant influence

39,49,82,245 **18,12,18,713**

a) Sundry Debtors

Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	1,46,08,267	1,36,64,525
Cherry Constructions Private Limited.	2,82,54,969	1,51,64,731
Vastech Consultants Private Limited	-	16,77,154
Total	4,28,63,236	3,05,06,410

b) Loans & Advances

Vastech Consultants Private Limited	4,00,00,000	4,00,00,000
Bellflower Premises Private Limited	50,00,000	50,00,000
Vascon Infrastructure Limited	-	5,759
Vatsalya Enterprises Private Limited	1,49,00,000	1,49,00,000
Sunflower Health Services Pvt Ltd	25,21,24,601	2,82,82,136
Venus Ventures	3,98,98,984	6,23,28,984
Syringa Engineers Private Limited	1,95,424	1,95,424
Total	35,21,19,009	15,07,12,303

Key Management Personnel

49,17,456 **5,56,121**

a) Sundry Debtors

Mr.Santosh Sundararajan	49,17,456	5,56,121
Total	49,17,456	5,56,121

B) Receivable from Vascon Engineers Limited

80,70,55,906 **65,91,17,393**

Subsidiaries

13,27,05,545 **9,65,24,901**

a) Security Deposit / other payables

Almet Corporation Limited	82,16,642	78,23,974
Marathawada Realtors Private Limited	17,30,157	21,73,074
Total	99,46,799	99,97,048

b) Expenses Reimbursement

Vascon Pricol Infrastructure Limited	-	8,24,076
Total	-	8,24,076

c) Sundry Creditors

GMP Technical Solution Pvt Ltd	12,27,58,746	8,57,03,777
Total	12,27,58,746	8,57,03,777

Vascon Engineers Limited
Notes forming part of the Financial Statements

Joint Ventures	38,43,36,352	38,36,02,523
a) Loans & Advances		
Just Homes (AOP)	36,24,00,585	36,28,45,636
Total	36,24,00,585	36,28,45,636
b) Balance in current account		
Zenith Ventures	2,19,35,767	2,07,56,887
Total	2,19,35,767	2,07,56,887
Associates	-	1,98,95,242
a) Security Deposit / Other Payables		
Angelica Properties Private Limited	-	1,98,95,242
Total	-	1,98,95,242
Key Management Personnel	23,15,16,188	13,34,96,883
a) For Services Received		
Mr. R Vasudevan	7,62,92,024	9,51,27,803
Santosh Sundararajan	49,81,107	30,01,891
M. Krishnamurthi	10,28,603	-
D Santhanam	12,70,330	-
Total	8,35,72,064	9,81,29,694
b) For Deposit Received		
Mr. R Vasudevan	11,50,00,000	-
Dr.Santosh Sundararajan	2,77,42,000	3,52,58,669
D Santhanam	50,00,000	-
Total	14,77,42,000	3,52,58,669
c) Expenses reimbursement		
M. Krishnamurthi	39,565	-
D Santhanam	16,809	-
Mr.Santosh Sundararajan	1,45,750	1,08,520
Total	2,02,124	1,08,520
Enterprise where KMP & Relatives of KMP significant influence	5,29,30,269	2,19,13,467
a) Sundry Creditors		
Vatsalya Enterprises Private Limited	29,04,942	10,46,942
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	97,77,678	10,84,625
Stresstech Engineers Private Limited	1,56,33,179	1,04,94,214
Bellflower Premises Private Limited	30,24,719	11,34,719
Vastech Consultants & Engineers LLP	6,53,897	-
Vastech Consultants Private Limited	91,94,978	-
Total	4,11,89,393	1,37,60,500
b) Loans/(Advances)		
Stresstech Engineers Private Limited	17,31,516	-
Vastech Consultants Private Limited	1,00,09,360	81,52,967
Total	1,17,40,876	81,52,967
Relatives of Key Management Personnel	55,67,553	36,84,378
a) Deposits Recd.		
Mr. Siddarth Vasudevan	6,00,000	-
Mrs. Sailaxmi Santhanam Mudaliar	4,00,000	-
Mrs. Thangam Moorthy	30,00,000	30,00,000
Total	40,00,000	30,00,000
b) For services received		
Siddharth Vasudevan	15,67,553	6,84,378
	15,67,553	6,84,378

Note :- Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.

Note :- No provision have been made in respect of receivable from related party as at March 31, 2015

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

Particulars	As at 31 March, 2015	As at 31 March, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,27,374	6,50,590
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7,84,041	6,28,045
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	1,55,996	1,55,996
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	7,84,041	6,28,045
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
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.		

40 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

41 Auditors' Remuneration

Payment to the auditors (Net of Service Tax)

Audit Fees	35,00,000	30,00,000
Tax Audit	-	6,00,000
Audit Fees/Limited Review fees in respect of Interim Financial Statement	20,00,000	-
other services	22,50,000	2,40,000
Total	<u>77,50,000</u>	<u>38,40,000</u>

42 Details of Earnings & Expenditure In Foreign Currency

Earnings on account of

Sales/Work	-	-
Total	<u>-</u>	<u>-</u>

Expenditure on account of

Purchase of Spares/ materials	26,58,334	7,66,72,875
Purchase of services	13,53,865	1,30,580
Travelling & other expenditure	3,30,333	-
Purchase of Fixed Assets	-	38,22,552
Total	<u>43,42,532</u>	<u>8,06,26,007</u>

Vascon Engineers Limited**Notes forming part of the Financial Statements****43 Disclosure of particulars of contract revenue as required by Accounting Standard 7****(Amount in Rupees)**

Particulars	As at March 31, 2015	As at March 31, 2014
Contract Revenue Recognized during the year	2,27,30,36,273	2,47,49,11,091
Contract costs incurred during the year	2,70,43,84,437	2,24,79,24,231
Advances received for contracts in progress	44,05,91,329	46,15,58,897
Retention money for contracts in progress	39,51,92,811	42,63,19,873
Gross amount due from customer for contract work (assets)	38,11,26,670	91,66,95,540
Gross amount due to customer for contract work (liability)	50,62,49,251	43,64,35,409

- 44** Segment information has been presented in the Consolidated Financial Statements as permitted by Accounting Standard (AS) -17 on Segment Reporting as notified under the Companies (Accounting Standard) Rules, 2006.
- 45** 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 and loss is higher to that effect. Further, an amount of Rs.32.87 lakhs representing the carrying amount for assets with useful life as nil has been adjusted against the opening balance for retained earnings i.e balance in the statement of profit & loss as per permitted under note 7 (B) to part C of schedule II of Companies Act, 2013.
- 46** The Company has incurred losses of approximately Rs. 14,469 lakhs 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 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 Debenture) 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. 10,000 lakhs and has got the requisite approval from SEBI and to sale certain non core assets. The main object of the issue is to reduce debt and complete certain projects. These efforts would result in improving cash flow, strengthen the operations of the Company and reduce the interest burden.
- 47** The Company has accrued managerial remuneration to managing director amounting to Rs. 620.53 lakhs for the year ended March 31, 2015 in terms of shareholders resolution, which is in excess of 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.
- 48** The Company has given loans amounting to Rs. 674.28 lakhs to wholly owned subsidiary company. 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. The repayment of this advances from subsidiary is dependent upon receipt of advance paid to third party for which claim is made by the subsidiary. In the opinion of the management the said advance is fully recoverable, and hence no provision is made as on March 31, 2015.
- 49** During the year, the Company has converted loan given to one of the subsidiary GMP Technical Solutions Private Limited into Preference Share. The subsidiary is in the process of allotment of preference shares and is pending allotment as on March 31, 2015.
- 50** During the year, the Company has reduced its stake in one of the associate Company in the scheme of capital reduction. The Company has debited the loss of Rs 223.25 lakhs to the Statement of Profit and Loss as an exceptional item.
- 51** During the current year, the Company had terminated one of the joint ventures, accordingly all the assets and liabilities of the joint venture are merged with the Company.
- 52** The previous year's figures were audited by a firm of chartered Accountants other than Deloitte Haskins & Sells LLP on which the existing auditors have relied upon. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

R Vasudevan
Managing Director

V Mohan
Chairman

D Santhanam
Chief Financial Officer

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary &
Compliance Officer

Place : Mumbai
Date : 12th May 2015

Vascon Engineers Limited

Particulars of the Joint Ventures undertaken by the Company as required in Accounting Standard 27 "Financial Reporting of Interest in Joint Venture"

Name of the Joint Venture	Interest of Company in JV	Amount of interest based on accounts for the year ended 31 March, 2015					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Zircon Ventures	Refer note below	10,61,09,820	5,51,15,104	1,99,65,156	1,55,69,843	-	-
Phoenix Ventures	50% Share of Profits	-4,60,60,410	-64,96,164	-2,97,36,970	-2,97,36,970	-	-
		13,52,92,317	5,41,72,945	68,73,743	81,79,390	-	-
Zenith Ventures	Refer note below	-15,75,16,568	-8,85,13,635	-1,55,57,975	-89,92,647	-	-
		2,16,404	2,21,52,171	-	18,44,606	-	-
		-6,33,592	-2,13,90,479	-20,00,00,000	-23,24,51,621	-	-
Weikfield IT City Infor Park (AOP)	Refer note below	-	-	2,54,194	13,54,038	-	-
		-43,32,25,378	-6,86,63,885	-18,42,561	-56,91,038	-	-
Cosmos Premises Private Limited	43.83% Share of Profits	9,82,23,880	1,62,01,946	6,12,81,535	5,04,16,350	-	-
		-10,08,81,960	-2,44,76,331	-5,57,09,773	-4,41,04,654	-	-
Ajanta Enterprises	50% Share of Profits	46,02,08,318	39,80,93,404	46,86,07,462	32,73,70,532	-	-
		-60,92,69,720	-65,38,06,752	-63,17,38,562	-39,54,17,176	-	-

Note: Share of assets and liabilities of Zircon Ventures, Weikfield IT/CITI Infopark and Zenith Ventures, the Jointly Controlled Entities (JCE) where in the share of the Company's assets and liabilities in such JCE are considered based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture During the year, Weikfield IT City Info Park (AOP) has been dissolved.

(The above information is provided on the basis of latest available financial statements of the Joint Venture Entities)

Vascon Engineers Limited

Information pursuant to clause 32 of the listing agreements with stock exchanges

Loans and advances in the nature of loans to subsidiaries / associates / joint ventures

No	Name of the entity	Balance as on		Maximum Balance during	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
A Loans and advances in the nature of loan to subsidiaries					
1	Floriana Properties Private Limited	6,74,27,505	6,73,33,724	6,74,27,505	6,73,33,724
2	Marvel Housing Private Limited	-	-	-	5,000
3	Vascon Dwellings Private Limited	24,55,51,504	16,92,61,499	24,55,51,504	16,81,33,727
4	Windflower Properties Private Limited	-	-	-	46,87,588
5	It City Infopark Private Limited	1	15,99,777	15,99,777	3,92,91,854
6	Vascon Pricol Infrastructures Ltd.	13,27,70,122	11,97,94,376	13,27,70,122	11,97,94,376
B Loans & Advances in the nature of loan to Associates (Associates are considered as defined in AS -23 issued by ICAI)					
There are no transactions of loans and advances to associates.					
C Loans & Advances in the nature of loan where there is no repayment schedule or repayment beyond seven years					
1	Almet Copotation Limited	75,13,030	71,77,407	83,34,333	71,77,407
2	Marthawada Realtors Private Limited	15,48,116	19,50,649	21,32,592	19,50,649

- 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 loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 372A of Companies Act, 1956 other than those 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VASCON ENGINEERS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **VASCON ENGINEERS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has adequate internal financial controls systems over financial reporting in place and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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-paragraph (i) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes forming part to the consolidated financial statements:

- (iii) Note 52 to the consolidated financial statements which indicates that the Holding 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.
- (iv) Note 54 to the consolidated financial statements 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

Our opinion is not modified in respect of these matters.

Other Matters

- (i) We did not audit the financial statements of 9 subsidiaries and a jointly controlled entity, whose financial statements reflect total assets of Rs. 15,012 Lakhs as at March 31, 2015, total revenues of Rs. 4,438 Lakhs and net cash inflows of Rs. 632 Lakhs for the year ended on that date, as considered in the consolidated 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries

and a jointly controlled entity, is based solely on the report of the other auditors.

- (ii) We did not audit the financial statements of 1 subsidiary and 2 joint controlled entities, whose financial statements reflect total assets of Rs. 6,614 Lakhs as at March 31, 2015, total revenue of Rs. 4,550 Lakhs and net cash inflows amounting to Rs 299 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of profit / (loss) after tax Rs. 14 Lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statement 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 financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary, joint controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, joint controlled entities and associates, is based solely on the unaudited financial statement. 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 financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of 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

- 3. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the auditor's report of the Holding Company, subsidiary companies, associate companies and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 4. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, associate companies and jointly controlled company incorporated in India, none of the directors of the group companies, its associate companies and jointly controlled company incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer

note 29 to the consolidated financial statements.

ii. The Group, its associates and jointly controlled entity 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 Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi

Partner

Mumbai, 12th May, 2015

(Membership No. 38019)

ANNEXURE TO INDEPENDENT AUDITORS REPORT

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

"Our reporting on the Order includes 5 subsidiary companies, incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements."

"In respect of a jointly controlled company and associate company incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements of such entities provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities, since these entities are unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered."

(i) In respect of its fixed assets of the Holding Company and subsidiary companies incorporated in India:

- a) The respective entities have 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 of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories of the Holding Company and subsidiary companies incorporated in India:

- a) As explained to us and the other auditors, the inventories were physically verified during the

year by the management of the respective entities at reasonable intervals.

- b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Holding Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. In respect of such loans:
- a) In the absence of stipulations, the regularity of the receipts of the principal amounts and interest has not been commented upon.
 - b) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year end.

According to the information and explanations given to us, the subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit, no continuing failure to correct major

weaknesses in such internal control system has been observed.

(v) In our opinion and according to the information and explanations given to us, the Holding Company have 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) According to the information and explanations given to us and the other auditors, in our opinion and in the opinion of other auditors, the Holding Company and subsidiary companies incorporated in India have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Neither we nor the

other auditors have, however, made a detailed examination of the other records with a view to determine to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:

- a) There were delays in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
- b) There were no undisputed amounts payable in respect Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except for as given below:

Statute	Nature Of Dues	Amount (Rs.)	Period To Which The Amount Relates	Due Date
Income Tax Act, 1961	Tax deducted at source (TDS)	44,376,963	April to August, 2014	7 th of every following month
Finance Act, 1994	Service Tax	79,344,086	December, 2013 to August, 2014	6 th of every following month
Profession Tax Act, 1975	Profession Tax	588,333	April to August, 2014	20 th of every following month
Sales Tax Act, 2002	MVAT	555,691	F.Y 2006-08	21 th of every following month
Employee Provident Fund Act, 1952	Provident Fund	7,908,153	April to August, 2014	20 th of every following month

- c) Details of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Value Added Tax and Cess, which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Related	Amount Involved (Rs.)
Sales Tax Act	Sales Tax/ Value Added Tax/ Central Sales Tax	Deputy Commissioner of Sales Tax	Financial Year 2005-06	2,607,591
			Financial Year 2008-09	13,161,098
			Financial Year 2010-11	13,414,461
Income Tax Act, 1961	Income Tax	The Deputy Commissioner of Income Tax	Assessment Year 1998 - 99	6,768,009
			Assessment Year 2008 - 09	7,138,821
			Assessment Year 2009 - 10	46,407,820
		Commissioner of Income Tax (Appeals)	Assessment Year 2011 - 12	20,147,000
			Assessment Year 2012 - 13	11,193,480
			Assessment Year 2004 - 05	1,157,480
			Assessment Year 2005 - 06	117,973
Central Excise Act, 1944	Excise Duty	Supreme Court	Assessment Year 2005 - 06	30,654,562
Finance Act, 1994	Service Tax	Commissioner Appeals Service Tax, Pune	April & May 2006	6,988,858
		Service Tax Tribunal, Delhi	January 2007 to December, 2007	530,008
		Service Tax Tribunal, Mumbai	January 2008 to September, 2008	317,044
		Service Tax Tribunal, Mumbai	October 2007 to December, 2008	4,793,967

- d) There are no amounts that are due to be transferred by the Holding Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and Rules made thereunder.

(viii) The consolidated accumulated losses of the Group, its associates and joint controlled entities at the end of the financial year are less than fifty percent of its consolidated net worth and the group, its associates and joint controlled entities have incurred cash losses on a consolidated basis during the financial year covered by our audit and during the immediately preceding financial year.

(ix) In our opinion and the opinion of the others auditors and according to the information and explanation given to us and the auditors, there

were delays in repayment of due to bank and debenture holders (including during the year) as given below:

Nature of Dues	Amount of Default (Including Interest)	Period of delay – In the range of no. of days
18.25% Non -Convertible Debentures	108,749,397	1 to 44 days
Term loans from banks	9,732,173	3 to 110 days

There were no delays in repayment of dues to financial institutions.

(x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company and the subsidiary companies incorporated in India for loans taken by others outside of the Group, its associates and joint controlled entities from banks or financial institutions are not, prima facie, prejudicial to the interests of the Group its associates and jointly controlled entities.

(xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loan have been applied by the Holding Company and subsidiary companies incorporated in India during the year for the purposes for which they were obtained.

(xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and the subsidiary companies incorporated in India and no material fraud on the Holding Company and the subsidiary companies incorporated in India has been noticed or reporting during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. - 117366W / 100018)

Hemant M. Joshi
Partner
(Membership No. 038019)

Mumbai, May 12, 2015

Vascon Engineers Limited
Consolidated Balance Sheet As At March 31, 2015

		(Amount in Rupees)	
Particulars	Note No	March 31, 2015	March 31, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Fund :			
a) Share Capital	1	904,759,270	901,825,500
b) Reserves and Surplus	2	4,280,212,511	5,695,536,098
		<u>5,184,971,781</u>	<u>6,597,361,598</u>
Minority Interest		113,090,994	154,307,744
a) Long Term Borrowings	3	300,937,867	769,815,599
b) Deferred Tax Liabilities (net)	38	2,946,781	2,744,600
c) Other Long Term Liabilities	4	12,257,958	51,282,160
d) Long Term Provisions	5	54,154,599	17,007,393
		<u>370,297,205</u>	<u>840,849,752</u>
Current Liabilities			
a) Short Term Borrowings	6	2,306,108,422	2,374,744,887
b) Trade Payables	7	2,212,290,562	2,030,037,080
c) Other Current Liabilities	8	3,284,317,188	2,576,736,089
d) Short Term Provisions	9	81,768,566	174,223,026
		<u>7,884,484,738</u>	<u>7,155,741,082</u>
TOTAL		<u><u>13,552,844,718</u></u>	<u><u>14,748,260,176</u></u>
<u>ASSETS</u>			
Non Current Assets			
a) Fixed Assets			
- Tangible assets	10	1,155,099,271	1,146,304,176
- Intangible assets	10	4,140,471	1,852,642
		<u>1,159,239,742</u>	<u>1,148,156,818</u>
- Capital work in progress		21,250,578	253,901,819
		<u>1,180,490,320</u>	<u>1,402,058,636</u>
b) Goodwill on Consolidation		730,644,980	729,891,261
c) Non Current Investments	11	275,326,211	148,119,895
d) Deferred Tax Asset (Net)	38	35,139,367	20,012,404
e) Long term loans & Advances	12	2,690,943,294	3,331,006,916
f) Other Non Current Assets	13	18,838,386	12,664,786
		<u>4,931,382,558</u>	<u>5,643,753,898</u>
Current Assets			
a) Current Investments	14	336,232,316	535,937,552
b) Inventories	15	3,032,096,187	3,549,264,006
c) Trade Receivables	16	2,568,787,078	2,632,309,252
d) Cash and cash equivalents	17	583,942,460	497,647,252
e) Short Term Loans & Advances	18	913,044,101	539,874,180
f) Other Current Assets	19	1,187,360,018	1,349,474,035
		<u>8,621,462,160</u>	<u>9,104,506,277</u>
TOTAL		<u><u>13,552,844,718</u></u>	<u><u>14,748,260,176</u></u>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place: Pune
Date: 12th May 2015

For and on behalf of the Board of Director

R Vasudevan V Mohan
Managing Director Chairman

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthy D Santhanam
Company Secretary & Chief Financial
Compliance Officer Officer

Place: Mumbai
Date: 12th May 2015

Vascon Engineers Limited
Consolidated Statement of Profit and Loss For The Year Ended March 31, 2015

(Amount in Rupees)

Particulars	Note No	March 31, 2015	March 31, 2014
Revenue from Operations :			
Revenue from operations	20	6,226,653,209	6,238,773,486
Other Income	21	143,938,167	193,619,751
Total revenue		6,370,591,376	6,432,393,237
Expenses :			
Construction expenses/ Cost of material consumed	22	5,102,963,818	4,765,096,039
Purchases of stock-in-trade	23	153,366,871	413,071
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	210,925,603	(123,222,160)
Employee benefit expense	25	769,660,948	802,067,299
Finance costs	26	296,422,893	419,727,776
Depreciation and amortization expense	10	223,654,335	187,700,225
Operating and Other Expenses	27	938,689,976	677,865,035
Total expenses		7,695,684,445	6,729,647,285
Loss before exceptional item and tax		(1,325,093,069)	(297,254,048)
Exceptional items	48	(39,035,153)	84,173
Loss before tax		(1,364,128,222)	(297,169,875)
Less: Tax Expense			
Current		64,957,313	138,636,793
Deferred Tax Expenses / (Gain)		(15,126,963)	(3,470,673)
Excess/ (short) provision for tax of earlier years		33,807,757	(429,707)
		83,638,107	134,736,413
Loss for the year after tax before Minority Interest		(1,447,766,329)	(431,906,288)
Minority share of profits / (losses)		7,305,229	(7,254,642)
Loss for the year		(1,440,461,100)	(439,160,930)
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- Each)			
Basic Earnings Per Share		(15.97)	(4.87)
Diluted Earnings Per Share		(15.97)	(4.87)

Notes to Accounts 28

See accompanying notes forming part of the consolidated financial statements

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

R Vasudevan V Mohan
Managing Director Chairman

Hemant M. Joshi
Partner

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthy D Santhanam
Company Secretary & Chief Financial
Compliance Officer Officer

Place:Pune
Date: 12th May 2015

Place: Mumbai
Date: 12th May 2015

VASCON ENGINEERS LIMITED
Consolidated Cash Flow Statement For The Year Ended March 31, 2015

PARTICULARS	March 31, 2015	March 31, 2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	(1,364,128,222)	(297,169,876)
Adjustments for :-		
- Depreciation / Amortisation	223,654,335	187,700,225
- Borrowing Cost	296,422,893	419,727,775
- Dividend Income	(3,474,310)	(4,776,428)
- Interest income	(34,413,066)	(129,953,472)
- Provision for Doubtful Debt	58,840,272	23,617,138
- Bad debts and other receivables, loans and advances written off	99,817,485	-
- Provision for diminution in value of shares	20,305,307	-
- Provision no longer required written back	(67,981,921)	-
- Employee Compensation Expenses (ESOP)	35,062,500	12,796,875
- Prior Period Adjustments	4,777,088	98,233
- (Profit) Loss on Sale of Assets	(21,611,982)	-
- (Exceptional Items)	-	(84,173)
- (Profit) Loss on Sale of Investments /Subsidiary	55,880,796	-
Operating Profit before working capital changes	(696,848,825)	211,956,297
Adjustments for (increase) / decrease in operating assets		
Inventories before capitalisation of borrowing cost	710,473,475	193,099,368
Trade receivables	(262,332,202)	370,007,175
Unbilled revenues and unearned receivables	449,116,210	153,118,151
Long term loans and advances	327,193,882	(749,817,034)
Other non current assets	(6,173,599)	8,870,310
Short term loans and advances	2,964,886	(208,540,246)
Other current assets	142,161,790	(15,357,452)
Adjustments for (increase) / decrease in operating liabilities		
Current trade payables	237,407,803	(389,562,433)
Provisions	(1,464,750)	13,943,336
Other Long term liabilities	(39,024,202)	(514,272)
Other current liabilities	153,511,024	(300,910,888)
Cash generated from operations	1,016,985,492	(713,707,688)
Direct Taxes Paid (Net)	(250,894,920)	(157,619,412)
Net Cash flow from operating activities	766,090,572	(871,327,100)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(133,342,395)	(231,723,740)
Dividend received	3,474,309	4,776,428
Proceeds on Disposal of fixed assets	167,838,040	104,842,145
Proceeds from Non - Current Investments	24,254,130	2,872,839
Share application money paid / refund	(10,812,800)	41,439,070
Investments in fixed deposits with banks	33,750,905	(50,551,105)
Investments in liquid mutual funds	(104,147,394)	(4,887,092)
Net Cash generated / (used) in investing activities	(18,985,204)	(133,231,455)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Equity shares	2,933,771	24,000
Share Application money received (ESOP)	-	(24,000)
Non Convertible Debentures	-	650,000,000
Proceed / repayment from/to long term borrowing	(39,645,458)	(576,772,103)
Proceed / repayment from/to Short term borrowing	(68,636,464)	512,961,160
Interest Income	34,413,066	129,953,472
Inter Corporate Deposit / advances to joint venture	24,546,880	936,823,885
Interest Paid Including Capitalised to Qualifying Assets	(579,602,055)	(649,641,427)
Net Cash generated / (used) in financing activities	(625,990,260)	1,003,324,987

D NET CASH INFLOW / (OUTFLOW) (A+B+C)	121,115,108	(1,233,568)
Cash and cash equivalents at the beginning of the period	295,861,409	307,710,493
Cash and Cash equivalents pursuant to addition in Subsidiary		
Cash and Cash equivalents pursuant to change of Subsidiary status to joint Ventures, Associate to joint venture, Joint Venture to Associate, Joint Venture to Subsidiary & sale of Joint Venture / Subsidiary	1,068,995	10,615,516
Cash and cash equivalents at the end of the period	415,907,522	295,861,409
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	121,115,108	(1,233,568)
Reconciliation of cash and bank balances		
Cash And Bank Balances	583,942,460	497,647,252
Less: Balances with scheduled bank in deposit accounts	(168,034,938)	(201,785,843)
Add: Mutual fund Investment		-
Cash and cash equivalents at the end of the period	415,907,522	295,861,409

See accompanying notes forming part of the financial statements

- Figures in brackets represent outflows of cash and cash equivalents.
- During the year, the Company has received building worth Rs. 2,150 lakhs from customer in lieu of trade receivable of Rs. 1,750 lakhs and balance is shown under advance from customer against other projects. This being a non-cash transaction, the same has been appropriately excluded from purchase of fixed assets, trade receivable and other current liabilities.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

-
For and on behalf of the Board of Directors

R Vasudevan V Mohan
Managing Director Chairman

Hemant M. Joshi
Partner

Dr Santosh Sundararajan
Chief Executive Officer

Place:Pune

M Krishnamurthi D Santhanam
Company Secretary &
Compliance Officer Chief Financial Officer

Date: 12th May 2015

Place: Mumbai
Date: 12th May 2015

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

Particulars	March 31, 2015	(Amount in Rupees) March 31, 2014
Note No. 1		
Share Capital		
Authorised		
200,000,000 (150,000,000) Equity Shares Of Rs.		
10/- Each	2,000,000,000	1,500,000,000
	<u>2,000,000,000</u>	<u>1,500,000,000</u>
Issued And Subscribed		
90475927 (90182550) equity shares of Rs. 10/- each	904,759,270	901,825,500
	<u>904,759,270</u>	<u>901,825,500</u>

The company has only one class of equity shares having a par value of Rs 10 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.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	March 31, 2015		March 31, 2014	
Description	No of shares	(Amount in Rupees)	No of shares	(Amount in Rupees)
No of shares outstanding at the beginning of the Year	90,182,550	901,825,500	90,180,150	901,801,500
Fresh allotment	-		-	
Bonus shares	-		-	
Shares issued on exercise of employee stock options	293,377	2,933,770	2,400	24,000
Initial public offer	-			
Conversion of debentures	-			
No of shares outstanding at the end of the Year	<u>90,475,927</u>	<u>904,759,270</u>	<u>90,182,550</u>	<u>901,825,500</u>

Shareholders holding more than 5 percent shares in the Company

Name of the shareholder	No of shares	% of Equity Shares Held	No of shares	% of Equity Shares Held
HDFC Ventures Trustee Company Limited	11,612,407	12.83	11,612,407	12.88
Golden Temple Pharma Pvt Ltd	9,783,273	10.81	9,783,273	10.85
Dreamz Impex Pvt Ltd	9,783,273	10.81	9,783,273	10.85
R Vasudevan	9,415,529	10.41	9,415,529	10.44
Dna Pharma Pvt Ltd	8,968,000	9.91	8,968,000	9.94
Premratan Exports Pvt Ltd	6,667,637	7.37	6,667,637	7.39
Medicreams India Pvt Ltd	6,667,637	7.37	6,667,637	7.39
Orion Life Sciences Pvt Ltd	6,112,000	6.76	6,112,000	6.78
Vatsalya Enterprises Pvt.Ltd.	5,227,273	5.78	5,227,273	5.80

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

		(Amount in Rupees)
	March 31, 2015	March 31, 2014
Note No. 2		
Reserves & Surplus		
Securities Premium Reserve		
Opening Balance	3,939,490,568	3,939,839,531
Add / Less: Consolidation Adjustment (Refer Note 1 below)	-	(438,747)
Add: Premium on Shares Issued during the year	2,860,426	89,784
	<u>3,942,350,994</u>	<u>3,939,490,568</u>
General Reserve		
Opening Balance	(1,100,000)	10,744,999
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss	692,514	1,197,926
Add / Less: Transfer to General Reserve	1,100,000	-
	<u>692,514</u>	<u>(1,100,000)</u>
Foreign Currency Translation Reserve		
	<u>(225,761)</u>	<u>-</u>
	(225,761)	-
Capital Reserve		
Opening Balance	13,791,949	131,155,051
Add / Less: Consolidation Adjustment (Refer Note 1 below)	-	(117,363,102)
	<u>13,791,949</u>	<u>13,791,949</u>
Share Options Outstanding Account		
Opening Balance	12,796,873	173,955
Add: Amount recorded on grants during the year	35,062,500	12,796,875
Less: Transferred to securities premium account on exercise	(2,860,426)	-
Less: Forfeited during the year	-	(173,957)
	<u>44,998,947</u>	<u>12,796,873</u>
Debenture Redemption Reserved		
Opening Balance	-	-
Add: Created during the year	153,750,000	-
	<u>153,750,000</u>	<u>-</u>
Surplus/(Deficit) in statement of Profit & Loss		
<i>(As per Annexed Profit & Loss Account)</i>		
Opening Balance	1,730,556,708	2,201,382,730
Less: Transfer to Debenture Redemption Reserve	(153,750,000)	-
Less: - Depreciation on transition to schedule II of the companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer note 51)	(6,554,207)	-
Less: Dividend Paid / Proposed	-	(5,188,939)
Less: Tax on Dividend	-	(135,908)
Less: Transfer to Reserves	-	(1,197,926)
Less: Transfer from General Reserve	(1,100,000)	-
Add: Profit / (Loss) Transferred From Profit & Loss Account	(1,440,461,100)	(439,160,930)
Add / Less: Consolidation Adjustment (Refer Note 1 & 2 below)	(3,837,533)	(25,142,319)
	<u>124,853,868</u>	<u>1,730,556,708</u>
	<u>4,280,212,511</u>	<u>5,695,536,098</u>
Note		
1. Consolidation adjustment represent impact of change in status from Joint Venture to Subsidiary		
2. Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Joint Venture		
Note No. 3		
Long Term Borrowings		
Secured		
Privately Placed Non Convertible & Non Transferable Debentures	228,000,000	570,000,000
18.25% Non - Convertible Debentures of Rs 1,00,000/- each	<u>228,000,000.00</u>	<u>570,000,000</u>
Term Loans		
From Banks	65,018,775	163,826,414
	<u>65,018,775</u>	<u>163,826,414</u>
Long term maturities of finance lease obligations		
From Financial Institutions	3,866,488	-
	<u>3,866,488</u>	<u>-</u>
	<u>68,885,263</u>	<u>163,826,414</u>
Unsecured		
Public Deposits	2,050,000	1,500,000
Inter corporate deposits	2,002,604	22,313,389
Loans and advances from related parties	-	12,175,796
	<u>4,052,604</u>	<u>35,989,185</u>
	<u>300,937,867</u>	<u>769,815,599</u>

Vascon Engineers Limited

3.1 Disclosure regarding long term borrowings

Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security
I. Secured			2016-17	2017-18	2018-19	2019-20	Total		
a) Privately Placed 18.25% Non Convertible & Non Transferable Debentures of Rs 1,00,000/-	615,000,000	387,000,000	228,000,000	-	-	-	228,000,000	18.25%	Equitable mortgage of specific properties belonging to the Company and a wholly owned subsidiary, 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.
b) Term loans - from banks									
The Saraswat Co Operative Bank Ltd	11,898,292	5,383,341	4,620,000	1,894,951	-	-	6,514,951	14.50%	Equitable mortgage of office no.502 & 503 ("C" Wing),Neelkanth Business Park, Vidya Vihar , Mumbai
Volkswagen Finance Private Limited	5,200,000	1,333,512	1,333,512	1,333,512	1,199,464	-	3,866,488	10.25%	Hypothecation of Vehicle/Asset financed by them
BMW Financial Services	3,363,236	582,375	643,294	710,585	784,914	642,068	2,780,861	9.99%	Hypothecation of Vehicle/Asset financed by them
ICICI Bank	834,295	488,434	345,861	-	-	-	345,861	10.03%	Hypothecation of Vehicle/Asset financed by them
Tata Capital Financial Services Ltd	16,200,000	5,400,000	5,400,000	5,400,000	-	-	10,800,000	14%	hypothecation of Machineries
IDBI Bank	50,000,000	25,000,000	25,000,000	-	-	-	25,000,000	BBR+350 bps	Primary: Mortgage Charge over the project land admeasuring 5.61 acres, s.no 59 at Kharadi Pune (for Phase II) with present and future construction along with receivable from sale of units in Project Forest County. Collateral: Mortgage of land being develop at S. no 59 of Kharadi Pune(excluding Phase I and Phase II) belonging to Sector 1, (Phase III: 1.97 acres and balance 17.55 acres as NA land under development) admeasuring 19.52 acres.

Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security
Central Bank of India	28,316,102	10,000,000	10,000,000	8,316,102			18,316,102	3.50%+0.25%+base rate	For proposed Term Loans (Xorech Project) (Construction of residential flats in the remaining portion of land). The security for the proposed term loan will be landed property admeasuring 21,410 sq. mts
State Bank of Hyderabad	1,261,001	-	1,261,001	-			1,261,001	At State Bank of Hyderabad prime lending rate, currently at 14.00%, with a minimum of 14.00% (floating)	i. Equitable mortgage of land and hotel building situated in Ulorda village bearing survey no. 33 (1), 33 (7-11), 47 (1), 49 (1), 50 (1-26) and 51 (1 to 31), admeasuring 22,725 sq. mts; and ii. Exclusive charge on the other assets of the Cosmos Premises Private Limited, including assets to be carried out of our bank finance and existing assets including plant and machinery, furniture and fixtures.
II. Unsecured									Corporate Guarantee: Corporate Guaranteees of M/s Royal Orchid Hotels Limited (TNW as on March 31, 2007 is ` 167.83 crores) and M/s Vascon Engineers Limited (TNW as on March 31, 2008 is ` 312.47).
a) Public deposits (accepted for a period of 400									
- Due within next 12 months	196,642,000	194,592,000	2,050,000	-			2,050,000	12.50%	
b) Inter corporate loans									
IBM India Pvt Ltd	8,670,613	8,213,213	457,400	-			457,400	13% to 13.54%	
Leverage Finance & Securities P. Ltd	25,000,000	25,000,000	-	-			-	12.00%	
Yester Investment Pvt Ltd	75,000,000	75,000,000	-	-			-	12.00%	
Conamore Resorts Pvt Ltd	1,545,203	-	1,545,203	-			1,545,203	11.00%	
	1,038,930,742	737,992,875	280,656,271	17,655,150	1,984,378	642,068	300,937,867		

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015
(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Note No. 4		
Other long term liabilities		
Project Advances	12,257,958	51,282,160
	12,257,958	51,282,160
Note No. 5		
Long Term Provisions		
Provision for employee benefits		
For Gratuity (Refer note 40)	214,470	241,828
For Compensated Absences (Refer note 40)	53,940,129	16,765,565
	54,154,599	17,007,393
Note No. 6		
Short Term Borrowings		
Secured		
Loans repayable on demand from banks	8,100,000	8,100,000
Cash Credit From Banks	1,580,286,274	1,484,380,498
Packing Credit	18,335,795	-
	1,606,722,069	1,492,480,498
Unsecured		
a) Loans and advances from other parties	665,070,883	878,245,272
b) Loans and advances from related parties	34,315,470	4,019,117
	2,306,108,422	2,374,744,887
Cash Credit from State Bank of India @ 14.50% is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.	1,243,061,913	1,166,956,053
Cash Credit from Central Bank of India @ 16.5% is secured by way of hypothecation of stock, raw materials, work in progress, finished goods and receivables on pari passu basis with State Bank of India and equitable mortgage of specified properties of two wholly owned subsidiaries, corporate guarantee of two wholly owned subsidiaries and personal guarantee of the Managing Director of the Company.	101,230,356	101,158,364
Cash credit from Axis Bank @ 12.90%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) factory land and building (Unit I & Unit II) situated at Baddi and Corporate Guarantee of Holding Company.	85,497,889	216,266,081
Cash credit from Bank of Baroda @ 13.50%, 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.	150,496,116	

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015
(Amount in Rupees)

Particulars	March 31, 2015	March 31, 2014
Packing credit from Bank of Baroda @ 11.50%, 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.	18,335,795	
Aggregate amount of secured short term borrowing	1,598,622,069	1,484,380,498
The Demand loan from bank is secured against Fixed deposits placed with the bank	8,100,000	8,100,000
	8,100,000	8,100,000

(Unsecured loan have been availed at interest rate ranging from 12% - 16.5%)

Note No. 7
Trade payables

Trade payables	2,212,290,562	2,030,037,080
	2,212,290,562	2,030,037,080

Note No. 8
Other Current Liabilities

Current maturities of long term debt	736,659,363	458,104,181
Current maturities of finance lease obligations	1,333,512	-
Interest accrued but not due on borrowings	52,945,091	8,520,263
Interest accrued and due on borrowings	176,894,119	178,628,018
Unearned receivables	900,406,481	885,525,476
(Less) : Related Debtors	(476,593,076)	(411,816,328)
	423,813,405	473,709,148
Unpaid dividends *	15,702	15,702
Other Payables		
i) Statutory remittances (Contribution to PF, ESIC, with holding taxes, VAT, Service Tax etc	338,296,405	256,501,246
ii) Payable on purchase of fixed assets	7,246,224	-
iii) Commitment and other deposits	213,212,994	573,641,091
Less: long term trade receivables	-	(362,845,636)
	213,212,994	210,795,455
iv) Advance from customers	1,126,604,385	1,229,290,221
(Less) : Related Unbilled Contract Revenue	(266,304,593)	(535,352,422)
	860,299,792	693,937,799
v) Advances / loans from firms / aop in which Company or subsidiary is partner / member	35,709,209	2,720,828
vi) Overdrawn Bank Balance	69,912,081	24,472,232
vii) Others (Corpus fund , Share of JV partner etc)	367,979,291	269,331,217
	3,284,317,188	2,576,736,089

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

Note No. 9
Short Term Provisions
a) Provision for employee benefits

Gratuity	44,116,379	35,086,600
Compensated absences	12,405,186	45,914,529
	56,521,565	81,001,129

b) Others

For Taxation (Net of Advance Tax)	24,047,837	84,219,383
For Warranty (Refer Note 41 (c))	1,199,164	9,002,514
	25,247,001	93,221,897
	81,768,566	174,223,026

VASCON ENGINEERS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

Note No. 10

Amount In Rupees
I. Tangible assets
II. Intangible assets

	I Tangible assets										Total	SOFTWARES
	LEASEHOLD LAND	LEASEHOLD IMPROVEMENTS	LAND	PREMISES**	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENT				
Gross Carrying Value												
As at April 1, 2014	13,602,332	24,153,862	148,959,319	593,781,202	979,707,239	100,254,609	24,677,142	53,519,681	1,938,655,386	48,536,589		
Adj / Reclassification	-	(18,798,901)	-	18,798,901	-	-	-	-	-	-		
ADDITION	-	1,396,652	-	226,341,256	76,941,542	5,271,023	12,150,033	1,570,397	323,670,903	4,096,685		
DEDUCTION	-	1,347,216	98,158,001	12,338,172	1,948,675	1,665,048	1,350,050	-	116,807,162	-		
As at March 31, 2015	13,602,332	5,404,397	50,801,318	826,583,187	1,054,700,106	103,860,584	35,477,125	55,090,078	2,145,519,127	52,633,274		
Accumulated depreciation												
As at April 1, 2014	1,347,169	8,396,249	-	185,999,878	485,752,301	52,821,429	14,527,904	43,506,280	792,351,209	46,683,947		
Transition adjustment recorded against surplus balance in Statement of Profit & Loss	-	-	-	-	3,238,620	11,839	-	3,291,997	6,542,456	11,752		
(Refer Note 51)												
Adj / Reclassification (Refer Note- 1 below)	-	(6,174,436)	-	5,876,590	(5,326)	857,858	81,553	13,436	649,676	26,096		
Additions #	157,464	2,344,084	-	40,371,727	131,309,013	13,698,680	5,111,496	5,283,663	198,276,127	1,771,008		
DEDUCTION	-	-	-	3,843,299	1,282,781	1,066,013	1,207,519	-	7,399,612	-		
As at March 31, 2015	1,504,633	4,565,897	-	228,404,896	619,011,827	66,323,793	18,513,434	52,095,376	990,419,856	48,492,803		
Net carrying value as at March 31, 2015												
									1,155,099,271	4,140,471		
Gross Carrying Value												
As at April 1, 2013	18,708,620	-	163,073,551	690,211,812	932,589,243	96,416,477	22,152,533	53,918,328	1,977,070,564	44,071,713		
Adj (Refer Note-1 & 2 below)	(5,106,288)	11,439,957	-	(9,058,757)	(2,129,233)	1,181,146	141,435	(616,457)	(4,148,197)	4,464,876		
ADDITION	-	12,713,905	-	11,785,522	62,028,834	5,830,839	6,242,891	1,007,418	99,609,409	-		
DEDUCTION	-	-	14,114,232	99,157,376	12,781,606	3,173,853	3,859,717	789,608	133,876,392	-		
As at March 31, 2014	13,602,332	24,153,862	148,959,319	593,781,201	979,707,238	100,254,609	24,677,142	53,519,681	1,938,655,384	48,536,589		
Accumulated depreciation												
As at April 1, 2013	3,995,528	-	-	170,724,726	408,851,997	39,737,484	15,067,736	40,717,284	679,094,756	42,265,588		
Adj (Refer Note-1 & 2 below)	(2,874,202)	3,621,548	-	(2,690,493)	(1,796,872)	5,080,040	226,918	(183,619)	1,383,320	16,323		
ADDITION	225,842	4,774,701	-	34,476,491	85,330,703	10,226,123	2,335,722	3,537,796	140,907,378	4,402,036		
DEDUCTION	-	-	-	16,510,845	6,633,527	2,222,218	3,102,474	565,181	29,054,246	-		
As at March 31, 2014	1,347,168	8,396,249	-	185,999,879	485,752,301	52,821,429	14,527,902	43,506,280	792,351,208	46,683,947		
Net carrying value as at March 31, 2014												
									1,146,304,176	1,852,642		

Note

1. Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Joint Venture.

2. Consolidation adjustment represent impact of change in status from Joint Venture to Subsidiary.

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

The amount of depreciation and amortization expense includes the amortization of goodwill on purchase of additional stake in Ajanta Enterprises of Rs 23,607,200/- (Previous year Rs 42,531,330) (Refer note -12)

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

		(Amount in Rupees)
Particulars	March 31, 2015	March 31, 2014
Note No. 11		
Non Current Investments		
Investment in equity instruments		
Associates		
Angelica Properties Private Limited	6,048,531	13,994,902
605131 (4710000) Equity Shares of Rs. 10/- Each Fully Paid		
	6,048,531	13,994,902
Investment in preference shares		
Associates		
Angelica Properties Private Limited	-	29,532,111
Nil (462625) 0.10% Redeemable Non-Cumulative Preference Shares of Rs. 10/- Each Fully Paid		
Angelica Properties Private Limited	-	12,312,000
Nil (307800) Compulsory Convertible Preference Shares of Rs. 10/- Each Fully Paid		
	-	41,844,111
Investment in Government or trust securities		
7 Years National Savings Certificate	20,000	20,000
	20,000	20,000
Investment in partnership firms, LLP, AOP & Joint Venture		
Capital Investment In Partnership Concerns, LLP, AOP & Joint Venture:	-	89,704,882
	-	89,704,882
Other investments		
Quoted		
Corporation Bank Limited	16,000	16,000
200 (200) Equity Shares of Rs.10/- Each fully paid.		
	16,000	16,000
Unquoted		
The Saraswat Co-Op Bank Limited	25,000	25,000
2500 (2500) Equity Shares Of Rs.10/- Each Fully Paid		
Sahyadri Hospital Limited	2,500,000	2,500,000
250000 (250000) Equity Shares Of Rs.10/- Each Fully Paid		
Core Fitness Private Limited	15,000	15,000
150 (150) Equity Shares of Rs. 100/- Each Fully Paid		
Ascent Hotels Private Limited	266,701,680	-
6669492 (Nil)Equity Shares of Rs. 10 /- Each Fully Paid		
Subtotal	269,241,680	2,540,000
	275,326,211	148,119,895
Quoted investments		
- Book value	16,000	16,000
- Market value	52,200	55,340
Unquoted investments		
- Book value	275,310,211	148,103,895

Note No. 12

Long term loans and advances

(Unsecured considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

Capital advances	1,691,334	1,215,613
Duties Paid under protest	-	6,300,000
Security deposits		
Considered good	83,828,830	93,855,747
Considered doubtful	3,500,000	3,500,000
Add / (less) : provision for doubtful loans and advances	(3,500,000)	(3,500,000)
	83,828,830	93,855,747
Advance Income Tax (Net of Provision)	480,741,112	388,782,808
MAT credit entitlement	2,421,520	14,805,667

VASCON ENGINEERS LIMITED**Notes to the Consolidated financial statements for the year ended 31st March, 2015**

Particulars	(Amount in Rupees)	
	March 31, 2015	March 31, 2014
Balances with Central Excise, VAT, Service Tax & Other Authorities	122,655,876	99,246,700
Other Loans and advances		
i) Project Advances	1,732,643,401	2,114,804,045
ii) Intercompany deposits	266,961,221	611,056,182
iii) Advance against development / work / purchases	-	940,154
	2,690,943,294	3,331,006,916

Note No. 13**Other non current assets**

Interest accrued on deposits	4,377,863	2,771,330
Balance held has margin money or security against borrowings, guarantees and other commitments	14,460,523	9,893,456
	18,838,386	12,664,786

Note No. 14**Current Investments****Unquoted**

Viorica Properties Private Limited	240,948,780	240,948,780
16619939 (16619939) Equity Shares of Rs. 10/- Each Fully Paid		
Less : Provision for diminution in value of investment	(37,150,950)	
	203,797,830	240,948,780
Ascent Hotels Private Limited #	-	266,701,680
Nil (6669492) Equity Shares of Rs. 10 /- Each Fully Paid		
Sita Lakshmi Mills Limited	23,400,000	23,400,000
Nil (806000) Equity Shares of Rs 50/- Each Fully Paid		
	227,197,830	531,050,460
Investment in Mutual Funds	109,034,486	4,887,092
	109,034,486	4,887,092
	336,232,316	535,937,552
Aggregate amount of unquoted investments	336,232,316	535,937,552

Investment classified to non current investment during the year.

Note No. 15**Inventories**

Building materials / Tools / Stock for Resale	474,514,041	780,534,432
Projects under Development	2,485,668,342	2,700,744,410
W.I.P/ Finished Goods	71,018,810	66,868,346
House Keeping and Kitchen Material	894,994	1,116,818
	3,032,096,187	3,549,264,006

Note No. 16**Trade receivables****a) Debtors***(Unsecured Considered Good, Unless Otherwise Stated)***Outstanding for period exceeding six months**

Considered Good [#]	1,197,324,014	1,365,270,421
Considered Doubtful	263,565,495	191,218,622
	1,460,889,509	1,556,489,043
Add / (Less) : Provision For Doubtful Debts	(212,507,911)	(193,147,591)
<i>(Refer Note 41 (a))</i>	1,248,381,598	1,363,341,452

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

		(Amount in Rupees)
Particulars	March 31, 2015	March 31, 2014
Outstanding for period less than six months		
Others considered good	1,042,427,700	1,104,908,516
(Less) : provision for unapproved sales	(2,123,970)	(4,335,443)
<i>(Refer Note 41 (b))</i>	1,040,303,730	1,100,573,073
b) Retention (Accrued but not due)	792,846,415	580,211,055
(Less) : provision for Doubtful Debts	(36,151,589)	-
	756,694,826	580,211,055
Total debtors	3,045,380,154	3,044,125,580
(Less) : Related Unearned Receivables	(476,593,076)	(411,816,328)
	(476,593,076)	(411,816,328)
	2,568,787,078	2,632,309,252

Note No. 17
Cash And Bank Balances
a) Cash and cash equivalents

Cash On Hand	19,343,353	18,309,555
Cheques, drafts on hand	65,000,000	10,000,000
Balances With Scheduled Banks In Current Accounts	290,405,868	227,033,353
Balances with banks in deposit accounts with original maturity of less than 3 months	41,142,599	40,518,502
Balances with banks in deposit accounts under banks lien for margin money	-	-
	415,891,820	295,861,410

b) Other bank balances

Balances with banks in deposit accounts with more than 3 months	29,815,028	76,287,100
Balances with banks in deposit accounts under banks lien for margin money	137,375,170	110,850,624
Balances with banks in short term deposit accounts	844,740	14,632,416
Balances with banks in unpaid dividend account	15,702	15,702
	168,050,640	201,785,842
	583,942,460	497,647,252

Note No. 18
Short Term Loans and Advances
(Unsecured Considered Good Unless Otherwise Stated)

Security deposits	481,735,288	116,733,768
Prepaid Expenses	19,848,250	18,182,328
Balances with Central Excise, VAT, Service Tax & Other Authorities	23,337,338	-
Loans and advances to Other Parties	634,256	280,506,343
Intercompany Deposits	4,786,564	-
Others (Trade Advances and Share & Bond application money paid)	382,702,405	124,451,741
	913,044,101	539,874,180

Note No. 19
Other Current Asset

Unbilled revenues	665,509,933	1,433,569,715
(Less) : related advance payment received	(266,304,593)	(535,352,422)
	399,205,340	898,217,293
Interest accrued on deposits	2,188,879	-
Other Recoverables and Receivables	785,965,799	451,256,742
Share application money paid	-	-
	1,187,360,018	1,349,474,035

VASCON ENGINEERS LIMITED**Notes to the Consolidated financial statements for the year ended 31st March, 2015****(Amount in Rupees)**

PARTICULARS	March 31, 2015	March 31, 2014
Note No. 20		
Income From Operations		
Contract Revenue / Sales Revenue (Gross)		
<i>(Refer Note III (1.7) of Note 28)</i>		
- Sale of Unit/Land	1,513,419,397	1,600,923,621
- Contract Revenue	2,091,936,328	2,333,481,971
- Trading Sales & Other Sales	188,078,889	36,514,271
- Manufacturing Sales	2,359,153,386	2,161,938,727
- Hotel Revenue	60,202,731	54,601,324
Other Operating Income		
- Rent / Compensation / Maintenance	6,042,012	16,743,890
- Share Of Profit / (Loss) From AOP / Firms/ LLP	6,462,488	(8,124,310)
- Profit on sale of long term investment	-	88,475,171
- Share of Profit / (Loss) from Associates	1,357,978	(45,781,179)
	6,226,653,209	6,238,773,486
Note No. 21		
Other Income		
Interest income	34,413,066	129,953,472
Dividend income	3,474,310	4,776,428
Foreign exchange gain	1,109,193	34,605
Net gain / loss on sale of fixed assets	24,562,416	
Other non operating income (net of expenses directly attributable to such income)	80,379,182	58,855,246
	143,938,167	193,619,751
Note No. 22		
Construction expenses / Cost of material consumed		
Contract	2,737,965,687	2,168,607,490
Cost of Material Consumed	1,590,517,103	1,410,197,946
Development	491,301,866	956,376,951
Incidental borrowing cost incurred attributable to qualifying assets	283,179,162	229,913,652
	5,102,963,818	4,765,096,039
Note No. 23		
Purchases of stock-in-trade		
Purchases of stock-in-trade	153,366,871	413,071
	153,366,871	413,071
Note No. 24		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods	71,018,810	66,868,346
Work-in-progress	2,485,668,342	2,700,744,409
	2,556,687,152	2,767,612,755
Inventories at the beginning of the year:		
Finished goods	66,868,346	83,917,283
Work-in-progress	2,700,744,409	2,560,473,312
	2,767,612,755	2,644,390,595
	210,925,603	(123,222,160)

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2015

		(Amount in Rupees)
PARTICULARS	March 31, 2015	March 31, 2014

Note No. 25
Employee benefit expense

Salaries and wages	659,966,606	707,197,324
Contribution to provident and other funds	33,220,434	36,522,231
Staff Welfare & Other Expenses	41,411,408	45,550,869
Expense on Employee Stock Option Scheme	35,062,500	12,796,875
	769,660,948	802,067,299

Note No. 26
Finance costs
Interest On: -
Fixed Loans

Interest expense	563,841,169	627,289,702
Other borrowing costs	15,760,886	42,811,890
	579,602,055	670,101,592

Less : Borrowing Cost Transferred To Qualifying Assets	283,179,162	250,373,816
	296,422,893	419,727,776

Note No. 27
Operating and Other Expenses

Power and Fuel	10,514,538	10,928,028
Rent/Compensation	86,832,892	68,502,025
Repairs, Renovation And Maintenance		
Building	11,891,008	4,293,051
Plant and Machinery	4,082,641	3,338,920
Others	12,086,573	13,023,269
Insurance	13,116,414	18,202,508
Rates & Taxes	4,136,448	14,670,265
Postage and telephone	19,231,432	18,988,951
Travelling Expenses	75,135,233	62,697,576
Printing And Stationery	10,929,095	13,537,190
Brokerage / Commission	28,542,279	61,330,889
Sales Promotion Expenses	58,718,108	6,029,538
Advertisement	20,781,381	17,959,930
Donations	3,077,203	3,784,935
Legal ,Professional and retainer ship fees	156,124,635	94,809,035
Bad debts and other receivables, loans and advances written off	99,817,485	26,551,755
Provision for diminution in value in investment	37,150,950	-
Provision For Doubtful Debt And Advances	58,840,272	23,617,138
Bank Charges	3,767,658	20,703,619
Bank Gurantee Commission to Managing Director	55,400,000	55,400,000
Conveyance	5,231,200	5,527,585
Foreign exchange gain / loss (net)	4,048,932	27,606,483
Loss on Sale of FA	2,950,434	71,266
Hire Charges Paid	18,511,932	-
Stamp duty expenses for increase in authorised share capital (Prior Period		
Items - Rs 47,50,000)	9,500,000	-
Misellaneous Expenses (Prior period Rs 27,088 & previous year Rs 98,233)	128,271,233	98,004,619
	938,689,976	677,865,035

Vascon Engineers Limited

Note NO. 28

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015 AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE.

(I) NATURE OF OPERATIONS

Vascon Engineers Limited (the Company), its Subsidiary Companies, Associates and Joint Venture Companies (together referred to as the Group) is engaged in the business of construction contracts and development of residential and commercial projects, Industrial parks and Hotels as well as operating and maintenance of the Industrial park/Hotels/Service Apartments/Malls. The Group also engages in business of spinning of development projects at various stages of completion to another parties/Special Purpose Vehicle as a part of its strategy to optimise its resources/returns and minimise risks, where the Group continues to associate either as a partner and/or a contractor.

(II) PRINCIPLE OF CONSOLIDATION

The consolidated financial statements relate to Vascon Engineers Limited (the Company), its Subsidiary Companies, Associates and Joint Venture Companies (together referred to as Vascon Group). The consolidated financial statements have been prepared on the following basis:

- a) The accompanying Consolidated Financial Statements are prepared under the historical cost convention on an accrual basis of accounting in conformity with accounting principles generally accepted in India to reflect the financial position of the company its Subsidiaries and Joint Ventures.
- b) Others:
 - (i) In respect of Subsidiary Companies, the Financial Statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions in accordance with the Accounting Standard- (AS) - 21 'Consolidated Financial Statements' issued by the Institute Of Chartered Accountants Of India (ICAI).
 - (ii) In case of Joint Venture Companies, the Financial Statements have been consolidated in accordance with the AS - 27 'Financial Reporting of Interests in Joint Ventures' issued by the ICAI.
 - (iii) In case of associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investment and has significant influence in associates are accounted for using equity method in accordance with the AS - 23 "Accounting for investments in associates in consolidated financial statements" issued by the ICAI.
 - (iv) Investments other than its subsidiaries, joint ventures and associates have been accounted in accordance with AS - 13 on "Accounting for Investments" issued by the ICAI.
 - (v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviation if any have been made in consolidated financial statements and are prepared in the same manner as the Company's unconsolidated financial
 - (vi) The excess of the cost to the company of its investments in the subsidiaries over the Company's portion of equity on the acquisition date is recognised in the Consolidated Financial Statements as Goodwill. The Company's portion of the equity in the subsidiaries as at the date of acquisition is determined after realigning the material accounting policies of the subsidiaries to that of the parent and adjusting the charge/ (reversal) on account of realignment to the accumulated reserves and surplus of the subsidiaries at the date of acquisition.
 - (vii) Minority Interest's share of net profit/ loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(viii) Minority Interest's share of net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

(ix) The Subsidiary companies, Associates and Joint Ventures considered in Consolidated Financial Statement are as

Name of the company	Relationship	Country of Incorporation	Shareholding As at 31 st March, 2015
Marvel Housing Private Limited	Subsidiary	India	100.00%
Vascon Dwelling Private Limited	Subsidiary	India	100.00%
IT-Citi Infopark Private Limited	Subsidiary	India	100.00%
Greystone Premises Private Limited	Subsidiary	India	65.00%
Vascon Pricol Infrastructure Limited	Subsidiary	India	100.00%
Florian Properties Private Limited	Subsidiary	India	100.00%
Windflower Properties Private Ltd	Subsidiary	India	100.00%
GMP Technical Solutions Private Limited	Subsidiary	India	85.00%
GMP Technical Solutions Middle East (FZE),	Step Subsidiary	UAE (Sharjah)	85.00%
Almet Corporation Limited	Subsidiary	India	100.00%
Marathwada Realtors Private Limited	Subsidiary	India	100.00%
Just Homes (India) Pvt. Ltd	Subsidiary	India	100.00%
Vascon Renaissance LLP	Subsidiary (LLP)	India	65.00%
Phoenix Ventures	Joint Venture	India	50.00%
Zenith Ventures	Joint Venture	India	Refer Note 37
Zircon Ventures	Joint Venture	India	Refer Note 37
Cosmos Premises Private Limited	Joint Venture	India	43.83%
Ajanta Enterprises	Joint Venture	India	50.00%
Angelica Properties Private Limited	Associates	India	26.00%
Mumbai Estate Private Limited	Associates	India	44.44%

In view of the intention of the Parent to dispose the following entities, relation of the parent and these entities is considered temporary and the same has been excluded from consolidation.

Name of the company	Country of Incorporation	Shareholding As at 31 st March, 2015
Sita Lakshmi Mills Limited	India	26.00%
Viorica Properties Private Limited	India	29.76%

(III) NOTES TO ACCOUNT

1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Use of Estimates

The preparation of the financial statements, in conformity with the Indian GAAP, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liability) at the date of the financial statements and the reported amounts of revenues and expenses during the year. 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.

1.3 Tangible Asset, Intangible asset and capital work in progress

- a) Fixed assets are carried at cost less accumulated depreciation/amortisation. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.
- b) Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and disclosed separately.
- c) Capital Work in Progress - Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Revenues earned if any, before capitalization from such capital project are adjusted against capital work in progress.
- d) Borrowing cost relating to acquisition / construction /development of tangible asset and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such asset are ready to be put to use.

1.4 Impairment of fixed assets

At the end of each year, the management reviews the carrying values of assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of individual asset, the management estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets are tested for impairment every financial year even if there is no indication that the asset is impaired.

If the recoverable amount of an asset of cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or the cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset of cash generating unit is increased to the revised estimate of a recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit and Loss.

1.5 Depreciation / Amortisation / Diminution

- a) Depreciation on tangible fixed assets is provided for on written down value method based on estimated useful life of fixed assets.

Assets	Useful Life
Leasehold Land	Over the period of the lease
Building*	60 years
Plant and machinery	15 years
Furniture and	10 years
Vehicles*	8 years
Office	3 to 6 years

* Estimated useful life of assets consistent with the useful life specified in Schedule II of the Companies Act, 2013.

The economic useful life of assets has been assessed based on technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history etc.

- b) Intangible assets are amortised on the written down value method over their estimated useful life.
- c) Fixed assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.
- d) 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.
- e) Cost of acquisition of share in partnership firm is amortised on systematic manner. Adjustments are made for any permanent impairment in value, if any.

1.6 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

1.7 Recognition of Revenue / Cost

a) Construction contracts

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

The Company provides for cost to be incurred during warranty period for servicing warranties on the completed projects. Such amount, net of the obligations on account of sub-contractors, is determined on the basis of technical evaluation and past experience of meeting such costs.

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 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.

Revenue is recognized on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in AS-7 (Revised) Construction Contracts in compliance with the authoritative professional view.

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) 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.
- d) Interest Income – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.
- e) Dividend Income – Dividend income is recognized as and when the right to receive the same is established.
- f) 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.
- g) Income from services rendered is recognised as revenue when the right to receive the same is established.
- h) 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.

1.8 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 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.

1.9 Retirement 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**
 - i) **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.
 - ii) **Defined Benefit Plan -**
The Company's liability towards gratuity is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service costs is recognised on a straight line basis over the average period until the benefits become vested. To the extent the benefits are vested, the past service cost is recognised immediately in the Statement of Profit and Loss.

The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation adjusted for unrecognised past service cost and as reduced by the fair value of the scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

- c) **Other Long-term Employee Benefits -**
The Company's liability towards compensated absence which are not expected to accrue within twelve months after the end of the period in which employee renders the related service is determined by using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

1.10 Borrowing Cost

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 upto 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.

1.11 Leases

- a) Assets acquired on leases where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to statement of profit and loss on accrual basis.
- b) Assets leased out under operating leases are capitalized. Rental income recognized on accrual basis over the lease term.

1.12 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the financial statements unless the probability of outflow of resources is remote. A contingent asset is neither recognised nor disclosed in the financial statements.

1.13 Taxes on Income

- a) Tax expense comprises of current tax and deferred tax.
- b) Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates and tax laws.
- c) Deferred tax is recognised on timing differences between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future income will be available against which these can be realised. Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.
- d) Minimum Alternate Tax (MAT) credit entitlement available under the provisions of Section 115JAA of the Income Tax Act, 1961 is recognised if there is convincing evidence that the Company will pay normal tax during the specified future period. The Company reviews the carrying amount of MAT credit entitlement at each balance sheet date and writes-down the carrying amount to the extent there is no longer convincing evidence that the Company will pay normal tax during the specified future period.

1.14 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 executive Management 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”.

1.15 Employee Stock Option Scheme

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

1.16 Foreign currency transaction

- a) Initial Recognition
Transactions in foreign currency are initially recorded at the exchange rate prevailing on the date of the transaction.
- b) Conversion
Monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary foreign currency items are carried at their historical costs and not retranslated. Gains and losses arising on translation and settlement of foreign currency monetary assets and liabilities are recognised in the Statement of Profit and Loss.
- c) Exchange Difference
Exchange differences on forward exchange contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised in the Statement of Profit and Loss.

1.17 Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholder by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to equity shareholders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

1.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents presented in cash flow statement consists of cash in hand and unencumbered, highly liquid bank and other balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

29 Contingent Liabilities

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
a) Disputed demands for Income Tax	109,157,306	171,276,122
b) Disputed demands for Service Tax / Excise Duty	46,082,818	46,993,593
c) Disputed demands for Value Added Tax	31,103,150	10,334,349
d) Performance and financial guarantees given by the Banks on behalf of the Company	1,745,230,169	1,793,149,505

e) Corporate guarantees given for other companies / entities and mobilization

750,000,000 750,000,000

f) Claims against the Company not acknowledged as debts 3,620,533,994 3,619,295,750

i) In respect of claim against the Company amounting to Rs.360,00,00,000/- (Previous year Rs.360,00,00,000/-) 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) One of our creditor has filed a civil suit claiming of Rs 88,28,380/- (Previous year Rs. 88,28,380/-) as amount due to him, which claim the company is disputing.

iii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to Rs 8,67,370/- (Previous Year Rs 8,67,370/-)with Joint District Registrar & Collector of Stamps , Pune.

iv) One of the creditors of the Company has filed a winding up petition for non payment of Rs. Nil (Previous year Rs. 350,134/-) (including interest) in respect of material supplied by the said party, which claim the Company is disputing. In the current year winding up petition was disposed of.

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.

i) Others

1,514,716,681

-

Maharashtra State Electricity Distribution Company Limited has raised demand dated September 17, 2014 of Rs. 1,41,81,748/- 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.

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

30 Commitments

	Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
a)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for	40,916,371	297,038,496
b)	As per the arrangement with a customer, the assets provided by it for the relevant contract will be acquired by the Company at 50% of the cost at the end of the project. The estimated amount of such commitment at the period ended is	-	18,102,920
		40,916,371	315,141,416

31	Particulars of Construction Contract		
	Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
	Contract Revenue Recognised	2,080,511,904	2,324,716,270
	Contract Expenses Recognised	2,541,630,838	2,112,733,721
	Advances from Customers	440,591,329	461,558,897
	Retention	394,406,466	426,319,873
	Gross amount due from customer for contract work (assets	381,126,670	976,336,428
	Gross amount due to customer for contract work (liability)	434,750,440	436,435,409

32	Earning per share		
	Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
	Net (Loss) available for equity share holder	(1,440,461,101)	(439,160,931)
	Weighted average number of shares outstanding for Basic	90,256,497	90,180,183
	Face Value per share	10	10
	Earning Per Share - Basic	(15.96)	(4.87)
	Weighted average number of equity shares for Diluted EPS	92,141,031	90,922,303
	Earning Per Share - Diluted	(15.96)	(4.87)

* As required by Accounting Standard (AS) 20 - Earning per share, the effect of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share

33 The particulars of Related Party transaction as required by AS - 18 issued by the ICAI is given in the Annexed Statement.

34 Loans and advances includes an amount of Rs.135,78,09,487/- (Rs. 96,03,00,285/-) paid as advances / deposits to the vendors for acquiring land/development rights for various projects under Single Joint Venture agreements. As per such Agreements the Group has to work out the consideration for acquisition of land/ development rights on the basis of sale proceeds at the time of receipts of the such proceeds of the developed area, in other words, no amount is payable if there is no sale. There is no event of any loss by the Group or by the vendor since as such the liability is not presently quantifiable.

35 Sales turnover for the period ended includes revenues from construction contracts, sale of developed units, sale of materials, consultancy services and room revenue.

36 The loss for the year ended includes net expense of Rs. 47,77,088/- Previous year Rs. 98,233/- in respect of prior years.

37 The Consolidated Financial Statements includes share of assets and liabilities of Zircon Ventures and Zenith Ventures, the Jointly Controlled Entities (JCE) where in the share of the Company's assets and liabilities in such JCE are considered for consolidation based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture Partners.

During the current year, the Company had terminated one of the joint venture, accordingly all the assets and liabilities of the joint venture are merged with the Company.

- 38 Deferred tax Asset /(Liability) arising due to timing difference comprise of:

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of Fixed Assets	11,346,984	971,549
Tax effect of items constituting deferred tax liability	11,346,984	971,549
<u>Tax effect of items constituting deferred tax asset</u>		
Provision for compensated absences and gratuity	23,348,095	7,732,619
Disallowance u/s 40a / Provision for Doubtful debts & Advances	11,317,751	2,440,806
Unabsorbed depreciation carried forward and brought forward business losses	8,873,724	8,065,928
Tax effect of items constituting deferred tax asset	43,539,570	18,239,353
Net Deferred Tax Asset / (Liability)	32,192,586	17,267,804
Deferred Tax Liability	2,946,781	2,744,600
Deferred Tax Assets	35,139,367	20,012,404

Note : The deferred tax asset on tax loss carried forward has been recognized to the extent of deferred tax liability in the books.

- 39 Disclosure of particulars of significant leases as required by Accounting Standard 19

The Company's significant leasing arrangements are in respect of operating leases for commercial and residential premises.

The Company leases / sub-leases office spaces under Non cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee.

i) Operating Lease

- a) Lease income from operating leases is recognised on a straight-line basis over the period of lease.

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Gross Carrying Amount of Premises *	-	65,991,203
Accumulated Depreciation	-	20,533,639
Depreciation for the period ended	-	2,392,503

Future minimum lease income under non-cancellable operating leases:-

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Not later than 1 year	-	899,990
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Income recognised during the period	22,790	1,919,833

*During the current year the Company has sold the leased asset.

- b) Lease expenses from operating leases is recognised on a straight-line basis over the period of lease.

The particulars of significant leases under operating leases are as under

Future minimum lease expenses under non-cancellable operating leases

Not later than 1 year	50,793,134	926,925
Later than 1 year and not later than 5 years	93,276,113	-
Later than 5 years	7,242,168	-
Expenses recognised during the period	93,873,042	7,863,500

ii) Finance Lease

The Company has entered into a finance lease with the financial institutions for purchase of vehicle from the vendor.

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
Assets acquired under finance lease	12,484,231	
Net carrying amount at the balance sheet date	12,478,927	
Minimum lease payment as on 31.03.2015	11,814,484	
Present value of the above	9,397,534	

Particular	Present Value	Interest	Minimum Lease
Not later than 1 year	1,910,010	865,722	2,775,732
Later than 1 year and not later than 5 years	7,487,524	1,551,228	9,038,752
Later than 5 years	-	-	-

40 Employee benefit plans

Defined Benefit Plan

The Company makes annual contribution towards gratuity to fund for qualifying employees. The funded gratuity plan provides for a lump sum payment to employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of continuous service.

a) Gratuity Particulars

Gratuity (Funded) March 31, 2015 March 31, 2014 Rs. Rs.

Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows :

Present Value of Defined Benefit Obligation as on April 1,	48,338,736	49,188,894
Current Service cost	11,907,876	12,843,594
Interest Cost	4,272,092	3,687,739
Losses (gains) on Curtailment	-	-
Liabilities extinguished on settlements	-	-
Plan amendments	-	-
Actuarial (gains) / losses	(1,690,188)	(10,786,597)
Benefits paid	(5,462,213)	(6,594,895)
Present value of Defined Benefit Obligation as on Balance Sheet date.	57,366,303	48,338,735

Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows :

Fair value of Plan assets as on April 1,	17,030,341	18,182,291
Expected return on plan assets	1,351,466	1,345,804
Actuarial gains/(losses)	(327,468)	(11,626)
Actual contributions by employers	421,205	4,000,000
Benefits paid	(5,440,088)	(6,486,128)
Plan assets as on March 31,	<u>13,035,456</u>	<u>17,030,341</u>

Actuarial (Gain) / Loss Recognised

Actuarial (Gain) / Loss for the period - obligation	(1,690,188)	(10,786,597)
Actuarial (Gain) / Loss for the period - Plan Assets	327,468	11,626
Total Actuarial (Gain) / Loss for the period	<u>(1,362,720)</u>	<u>(10,774,971)</u>
Actuarial (Gain) / Loss Recognised	<u>(1,362,720)</u>	<u>(10,774,971)</u>

Reconciliation of Present Value of Defined Benefit

Obligation and fair value of plan assets showing

amount recognized in the Balance Sheet :

Present value of Defined Benefit Obligation	57,366,303	48,285,793
Fair value of plan assets	13,035,456	17,030,341
Funded status [Surplus/(Deficit)]	(44,330,847)	(31,255,452)
Unrecognized Past Service Costs	-	-
Net asset/(Liability) recognized in Balance Sheet	<u>(44,330,847)</u>	<u>(31,255,452)</u>

Components of employer expenses recognized in the statement of profit and loss for the year ended March 31.

Current Service cost	11,907,876	12,843,594
Interest cost	3,274,794	3,687,739
Expected return on plan assets	(354,168)	(1,345,804)
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service cost	-	-
Actuarial Losses/(Gains)	<u>(1,362,720)</u>	<u>(10,774,971)</u>
Total expense recognized in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	<u>13,465,782</u>	<u>4,410,558</u>

b) Compensated absences

Compensated absences charged to Statement of Profit and Loss Rs. 11.81 million (Previous Year Rs. 21.01 million) and liability as at 31st March, 2015 was Rs. 66.28 million (Previous Year Rs. 62.68).

41 Disclosure Relating to Provisions

a Provision for Doubtful Debts

Particulars	March 31, 2015	March 31, 2014
	Rs.	Rs.
Balance at the beginning of the Year	193,949,690	170,283,798
Add: Provision during the period ended	133,873,017	45,441,038
	327,822,707	215,724,836
Less: Utilisation / Transferred to Bad Debts	79,163,207	21,775,145
Balance at the end of the Year	<u>248,659,500</u>	<u>193,949,691</u>

b Provision for Unapproved Sales

Particulars	March 31, 2015	March 31, 2014
	Rs.	Rs.
Balance at the beginning of the Year	4,335,443	10,191,133
Add: Provision during the period ended	1,970,045	377,612
	6,305,488	10,568,745
Less: Utilisation / Transfers	4,181,518	6,233,302
Balance at the end of the Year	2,123,970	4,335,443

c Provision for Warranty

Particulars	March 31, 2015	March 31, 2014
	Rs.	Rs.
Balance at the beginning of the Year	9,002,514	9,002,514
Add: Provision during the period ended	-	-
	9,002,514	9,002,514
Less :- Amount used during the year	4,612,672	-
Less :- Unused amount reversed during the year	3,190,678	
Balance at the end of the Year	1,199,164	9,002,514

Warranty cost are accrued on completion of project, based on past experience. The provision is discharged over the warranty period from the date of project completion till the defect liability period of particular project.

42 1. Employee stock option scheme (ESOS) - 2007

The ESOS was approved by Board of Directors of the Company on 19th Sept, 2007 and thereafter by the share holders on 23rd Oct, 2007. 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 6 years from the date of vesting.

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

Particulars	March 31, 2015	March 31, 2014
Outstanding at the beginning of the year	-	4,650
Granted during the period	-	-
Exercised during the year	-	(2,250)
Cancelled/lapsed during the year	-	(2,400)
Options granted, end of the year	-	-
Weighted Average remaining life	-	-

2. Employee stock option scheme (ESOS) - 2013

The ESOS was approved by Board of Directors of the Company on 20th May, 2013 and thereafter by the share holders on 12th Sept, 2013. 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 option granted, exercised and cancelled/lapsed during the financial year are as follows :

Particulars	March 31, 2015	March 31, 2014
Outstanding at the beginning of the year	2,250,000	-
Granted during the period	-	2,250,000
Exercised during the year	(293,377)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	1,956,623	2,250,000
Weighted Average remaining life	0.42	1.42

3. 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	March 31, 2015	March 31, 2014
Outstanding at the beginning of the year		-
Granted during the period	2,250,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	2,250,000	-
Weighted Average remaining life	1.42	-

The Compensation cost of stock options granted to employees has been accounted by the company using the intrinsic value method.

The guidance note on accounting of employee share based payments issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted these options under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported (Loss) for the year ended March 31, 2015 would have been lower by Rs. 14.96 lakhs (Previous year: lower loss of Rs. 9.48 lakhs) and Basic and diluted EPS would have been revised to Loss of Rs. 16.01 per share (Previous year 4.97 per share) and Loss Rs. 16.01 per share (Previous year 4.97 per share) respectively as compared to Loss of Rs. 16.03 per share (Previous year 4.98 per share) and Loss Rs. 16.03 per share (Previous year 4.98 per share) without such impact.

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 of 2% on the underlying equity shares, a risk free rate in the range of 8.40% - 9.20% and weighted average volatility in the share price in the range of 55.60% - 61.10%. 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.

43 Share of Joint Venture in Consolidated Financial statement are as under.

Profit and Loss Account Items For The period Ended March 31, 2015

Particulars	March 31, 2015	March 31, 2014
	Rs.	Rs.
INCOME		
Revenue From Operation	388,750,529	677,640,699
Other Income	(2,050,080)	23,612,287
EXPENSES		
Cost of Sales	211,487,832	504,131,962
Personnel Expenses	11,860,946	9,831,681
Financial Expenses	(6,923,030)	7,893,551
Depreciation / Amortisation	9,479,064	8,912,369
Operating & Other Expenses	93,317,769	39,871,154
Provision For Taxation		
Current	51,678,801	108,394,983
Deferred tax expenses / (gain)	-	43,447
Excess/(Short) Provision W/Back / (Off)	413,543	(215,800)
Appropriation		
Dividend on Preference Shares	-	5,188,939
Dividend Tax	-	135,908
Transfer to General Reserve	-	1,333,834

Balance sheet Items As At March 31, 2015

Particulars	March 31, 2015	March 31, 2014
	Rs.	Rs.
Long Term Borrowing	44,577,103	22,666,110
Deferred Tax Liability	2,946,781	2,744,600
Other Long Term Liabilities	-	-
Long Term Provisions	283,005	287,934
Short Term Borrowings	29,153,253	91,133,156
Trade Payables	62,455,022	100,251,902
Other Current Liabilities	345,733,498	381,831,488
Short Term Provisions	13,687,780	77,627,959
Fixed Assets	68,642,204	525,777,584
Non Current Investment	(484,084,194)	(507,691,394)
Deferred Tax Asset	772,500	772,500
Long Term Loans & Advances	(18,812,991)	(98,360,578)
Other Non Current Assets	-	5,522,054
Current Investment	44,684,489	-
Inventories	334,896,035	425,680,696
Trade Receivables	64,310,011	168,670,763
Cash and Cash Equivalents	69,694,507	43,370,331
Short Term Loans & Advances	(50,353,367)	1,287,107
Other Current Assets	111,213,187	167,469,857

44 During the previous year ended March 31, 2014 accounts of a joint venture were consolidated on the basis of unaudited accounts as certified by management. The difference between such figures and audited accounts subsequently made available have been appropriately adjusted during the current year by decrease in reserve.

45 The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting dates as off the company i.e for the year ended March 31, 2015.

The accounts of GMP Technical Solutions Middle East -FZE (Step Subsidiary), Cosmos Premises Private Limited & Ajanta Enterprise (Joint Ventures) and Angelica Premises Private Limited & Mumbai Estate Private Limited (associates) have not been audited for the year ended March 31, 2015 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.

46 Primary Segment information (business segment) as required in AS 17 "Segment Reporting", in respect of which disclosures have been made are given in the Annexed Statement.

47 Note on litigation in Vista Annexs Project

The company has purchased the property bearing S. no. 84/1b/2 (part) admeasuring about 7942 sq mt , Nashik at Rs 2,14,36,400/- from the owners namely Shri. Khanderao Khode & other through their POA holder M/s. Sanklecha Construction Nashik by executing Development agreement along with irrevocable Power of Attorney.one of the co-owner has filed a regular civil suit court of civil judge Nashik requesting for effecting partition of the suit property and to declare various documents executed by the owner with M/s. Sanklecha Construction vis-à-vis M/s. Vascon Dwelling Pvt. Ltd. as illegal null & void.The Company has taken the possession of the said suit property .The Matter is pending in the Court of Civil judge Nashik.

48 Exceptional items

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Net gain / loss on sale of long term investments - other than trade	(55,880,796)	-
Reversals of employee stock option compensation	-	84,173
Recersal of diminution in value of shares	16,845,643	-
	(39,035,153)	84,173

a) Net gain / loss on sale of long term investments - other than trade

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. 11.08 Crs, resulting into loss amounting to Rs 5.59 Crs. Consequently, Caspia Hotels Premises Private Lintied has ceased to be a subsidiary of the company.

b) Reversal for diminution in value of shares

During the year, the Company has reduced it's stake in one of the associate Company in the scheme of capital reduction. In the standalone financial statement, Company has debited the loss to the Statement of Profit and Loss as an exceptional item. In consolidated financial statement investment was already impaired through equity method in previous years, accordingly the same was reversed in consolidated accounts.

49 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.

50 Auditors' Remuneration

	March 31, 2015	March 31, 2014
	Rs.	Rs.
Payment to the auditors (Net of Service Tax)		
Audit Fees	3,500,000	3,000,000
Tax Audit	-	600,000
Audit Fees/Limited Review fees in respect of Interim Financial Statement	2,000,000	-
other services	2,250,000	240,000
Total	<u>7,750,000</u>	<u>3,840,000</u>

- 51 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.501.14 lakhs and loss is higher to that effect.
Further, an amount of Rs.65.42 lakhs representing the carrying amount for assets with useful life as nil has been adjusted against the opening balance for retained earnings i.e balance in the statement of profit & loss as per permitted under note 7 (B) to part C of schedule II of Companies Act, 2013.
- 52 The Company has incurred losses of approximately Rs. 14,404 lakhs 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 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 Debenture) 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. 10,000 lakhs and has got the requisite approval from SEBI and to sale certain non core assets. The main object of the issue is to reduce debt and complete certain projects. These efforts would result in improving cash flow, strengthen the operations of the Company and reduce the interest burden.
- 53 The Company has accrued managerial remuneration to managing director amounting to Rs. 620.53 lakhs for the year ended March 31, 2015 in terms of shareholders resolution, which is in excess of 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.
- 54 The Company has given loans amounting to Rs. 674.28 lakhs to wholly owned subsidiary company. 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. The repayment of this advances from subsidiary is dependent upon receipt of advance paid to third party for which claim is made by the subsidiary. In the opinion of the management the said advance is fully recoverable, and hence no provision is made as on March 31, 2015.
- 55 These financial statements are prepared by following the same accounting policies as those followed in the annual financial statements for the year ended March 31, 2014.
- 56 The previous year's figures were audited by a firm of chartered Accountants other than Deloitte Haskins & Sells LLP. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure

For and on behalf of the Board of Directors

R Vasudevan
Managing Director

V Mohan
Chairman

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthy
Company Secretary &
Compliance Officer

D Santhanam
Chief Financial
Officer

Place: Mumbai
Date: 12th May 2015

VASCON ENGINEERS LIMITED

Annexure referred to in Note 33 of the notes forming part of accounts for the year ended on March 31, 2015 SCHEDULE : LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

Nature of Relationship

1 Joint Venture

- Weikfield IT CITI Infopark (Upto October 1,2014)
- Phoenix Ventures
- Zenith Ventures
- Zircon Ventures
- Cosmos Premises Pvt Ltd
- Marigold Premises Private Limited (Up to March 31,2014)
- Ajanta Enterprises
- Vascon Qatar WLL

2 Associates

- Angelica Properties Private Limited
- Mumbai Estate Private Limited

3 Key Management Personnel

- Mr. R. Vasudevan
- Dr Santosh Sundararajan
- Mr. D.Santhanam (Wef 01/04/2014)
- Mr.M.Krishnamurthi (Wef 01/04/2014)

4 Relatives of Key Management Personnel

- Mrs. Lalitha Vasudevan
- Ms. Soumya Vasudevan
- Mrs. Thangam Moorthy
- Mrs. Lalitha Sundararajan
- Mr. Siddarth Vasudevan
- Ms Shilpa Shivram
- Mrs. Sailaxmi Santhanam Mudaliar
- Ms Mathangi Krishnamuthy

5 Establishments where in which individuals in serial number (3) and (4) 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.
- Sunflower Health Services Private Limited
- Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
- Vascon Infrastructure Limited
- Venus Ventures

Note - Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.

Note :- No provision have been made in respect of receivable from related party as at March 31, 2015

VASCON ENGINEERS LIMITED

SCHEDULE : DETAILS OF TRANSACTIONS WITH RELATED PARTIES AND DETAILS OF OUTSTANDING BALANCES

Particulars	March 31, 2015	March 31, 2014
Sales		
Joint Venture	59,905,027	28,634,711
Associates	260,000	16,936,435
Key Management Personnel	4,229,701	12,423,039
Relatives of KMP	-	-
Establishment where KMP and their relatives exercise significant influence	63,183,374	80,373,145
Purchases / Labour Charges		
Joint Venture	-	21,250,000
Key Management Personnel	-	-
Relatives of KMP	-	30,000
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	45,062,471	69,437,314
Receiving of Services		
Joint Venture	-	-
Key Management Personnel	163,116,702	145,237,000
Relatives of KMP	9,615,420	5,015,000
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-
Rendering of Services		
Joint Venture	-	-
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	13,738,436	21,608,496
Rent/Dividend Income		
Joint Venture	-	2,362,759
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	7,704
Establishment where KMP and their relatives exercise significant influence	-	-
Interest Paid		
Joint Venture	17,625,458	13,296,452
Key Management Personnel	9,049,152	3,151,696
Relatives of KMP	589,723	355,481
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	1,431,010	1,443,245

Interest Income

Joint Venture	-	322,145
Key Management Personnel	-	-
Relatives of KMP	-	-
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	-	-

Reimbursement of expenses

Key Management Personnel	197,636	52,828
Relatives of KMP	-	-

Finance Provided (including loans and equity contributions in cash or in kind)

Joint Venture	84,435,106	115,878,004
Key Management Personnel	16,646,206	8,067,000
Relatives of KMP	1,808,290	236,174
Associates	20,895,242	13,704,758
Establishment where KMP and their relatives exercise significant influence	376,756,180	141,655,445

Finance Aailed (including loans and equity contributions in cash or in kind)

Joint Venture	250,000	21,957,812
Key Management Personnel	116,800,000	-
Relatives of KMP	600,000	3,000,000
Associates	-	-
Establishment where KMP and their relatives exercise significant influence	177,500,614	37,754,047

Balances as on**Amount Due To Company**

Joint Venture	44,998,172	72,604,318
Key Management Personnel	4,917,456	556,121
Relatives of KMP	-	-
Associates	256,603,346	256,766,500
Establishment where KMP and their relatives exercise significant influence	394,982,245	181,218,713

Amount Due From Company

Joint Venture	24,963,359	89,712,261
Key Management Personnel	231,314,064	133,388,363
Relatives of KMP	4,000,000	3,000,000
Associates	-	19,895,242
Establishment where KMP and their relatives exercise significant influence	52,930,269	21,913,466

VASCON ENGINEERS LIMITED
SCHEDULE - 1B DETAILS OF TRANSACTIONS WITH RELATED PARTIES AND DETAILS OF OUTSTANDING BALANCES

		<i>Amount in Rupees</i>	
		March 31, 2015	March 31, 2014
Sr. No	Nature of Transactions/Relationships/ Major Parties		
1	Sales and Work		
i)	Joint Ventures		
	Phoenix Ventures	304,962	6,322,200
	Ajanta Enterprises	59,600,065	22,312,511
		59,905,027	28,634,711
ii)	Associates		
	Angelica PropertiersPrivate. Limited.	260,000	16,936,435
		260,000	16,936,435
iii)	Key management Personnel		
	Mr. R Vasudevan	-	8,753,595
	Dr Santosh Sunderrajan	4,229,701	3,669,444
		4,229,701	12,423,039
	Establishment where KMP and their relatives exercise		
iv)	significant influence		
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	13,615,530	35,075,775
	Cherry Constructions Private Limited.	49,567,844	45,297,370
	Vascon Infrastructure Limited	-	-
		63,183,374	80,373,145
2	Interest Income		
i)	Joint Ventures		
	Phoenix Ventures	-	322,145
		-	322,145
3	Dividend Income		
i)	Joint Venture		
	Marigold Premises Private Limited	-	418,888
	Cosmos Premises Private Limited	-	1,943,871
		-	2,362,759
ii)	Associates		
	Angelica Properties Private Limited	-	7,704
		-	7,704
4	Interest Expense		
i)	Joint Ventures		
	Ajanta Enterprises	17,625,458	13,296,452
		17,625,458	13,296,452
ii)	Key management Personnel		
	Mr. R. Vasudevan	6,138,186	-
	Dr Santosh Sunderrajan	2,363,764	3,151,696
	D.Santhanam	547,202	-
		9,049,152	3,151,696
iii)	Relatives of Key Management Personnel		
	Ms. Mathangi Krishnamurthi	111,544	-
	Mrs. Sailaxmi Santhanam Muduliar	72,481	-
	Mrs. Thangam Moorthy	365,753	355,481
	Mr. Siddarth Vasudevan	39,945	-
		589,723	355,481

		March 31, 2015	March 31, 2014
Sr. No	Nature of Transactions/Relationships/ Major Parties		
	Establishment where KMP and their relatives exercise		
iv)	significant influence		
	Vastech Consultants Private. Limited.	1,173,770	1,443,245
		1,431,010	1,443,245
5	Purchase of Goods / Work		
i)	Joint Ventures		
	Marigold Premises Private Limited	-	21,250,000
		-	21,250,000
ii)	Relatives of Key Management Personnel		
	Mrs. Lalitha Sundarrajan	-	30,000
		-	30,000
	Establishment where KMP and their relatives exercise		
iii)	significant influence		
	Bellflower Premises Private Limited	3,600,000	3,600,000
	Vatsalya Enterprises Private Limited	3,600,000	3,600,000
	Syringa Engineers Private Limited	-	352,927
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	12,623,530	2,033,876
	Stresstech Engineers Private Limited	24,512,389	33,882,203
	Vastech Consultants & Engineers LLP	726,552	
	Vascon Infrastructure Limited	-	25,968,308
		45,062,471	69,437,314
6	Receiving of Services		
i)	Key Management Personnel		
	Mr. R Vasudevan	117,452,862	121,822,000
	Dr Santosh Sunderrajan	32,518,000	23,415,000
	Mr. D Santhanam	7,318,840	-
	Mr. M. Krishnamurthi	5,827,000	-
		163,116,702	145,237,000
ii)	Relatives of Key Management Personnel		
	Siddharth Vasudevan	9,320,000	5,015,000
	Mrs. Sailaxmi Santhanam Mudaliar	18,000	-
	Mrs. Shilpa Sivram	277,420	-
		9,615,420	5,015,000
	Establishment where KMP and their relatives exercise		
iii)	significant influence		
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	399,431	2,631,801
	Vastech Consultants Private Limited	13,339,005	18,976,695
		13,738,436	21,608,496
7	Reimbursement of expenses		
i)	Key Management Personnel		
	Mr. R Vasudevan	-	3,398
	Dr Santosh Sunderrajan	57,800	49,430
	Mr. D Santhanam	69,561	-
	Mr. M. Krishnamurthi	70,275	-
		197,636	52,828

		March 31, 2015	March 31, 2014
Sr. No	Nature of Transactions/Relationships/ Major Parties		
8	Outstanding corporate / bank guarantees given		
i) Joint Ventures			
	Phoenix Ventures	50,000,000	50,000,000
	Cosmos Premises Private Limited	43,830,000	43,830,000
		93,830,000	93,830,000
9	Finance Provided (including equity contributions in cash or in kind) / repayment of		
i) Joint Ventures			
	Marigold Premises Private Limited	-	3,967,242
	Phoenix Ventures	2,060,745	1,818,856
	Ajanta Enterprises	82,374,361	110,091,906
		84,435,106	115,878,004
ii) Associates			
	Mumbai Estate Private Limited	1,000,000	-
	Angelica Properties Private Limited	19,895,242	13,704,758
		20,895,242	13,704,758
iii) Key Management Personnel			
	Mr. R Vasudevan	6,138,186	-
	Dr Santosh Sunderrajan	9,880,433	8,067,000
	Mr. D Santhanam	627,587	-
		16,646,206	8,067,000
iv) Relatives of Key Management Personnel			
	Ms. Mathangi Krishnamurthi	1,319,138	-
	Mrs. Sailaxmi Santhanam Muduliar	83,454	-
	Mrs. Thangam Moorthy	365,753	236,174
	Mr. Siddarth Vasudevan	39,945	-
		1,808,290	236,174
	Establishment where KMP and their relatives exercise		
v) significant influence			
	Vascon Infrastructure Limited	-	20,200,000
	Vastech Consultants Private Limited	13,317,377	6,144,325
	Stresstech Engineers Private Limited	6,025,724	-
	Venus Ventures	5,000,000	87,028,984
	Sunflower Health Services Pvt. Ltd	352,413,079	28,282,136
		376,756,180	141,655,445
10	Finance Aailed / Received Back (including equity contributions in cash or in kind)		
i) Joint Ventures			
	Phoenix Venture	250,000	85,856
	Marigold Premises Private Limited	-	21,871,956
		250,000	21,957,812
ii) Key Management Personnel			
	Mr. R Vasudevan	115,000,000	-
	Dr Santosh Sunderrajan	-	34,307,000
	Mr. D Santhanam	1,800,000	-
		116,800,000	34,307,000
iii) Relatives of Key Management Personnel (Through fixed deposit)			
	Mrs. Thangam Moorthy	-	3,000,000
	Mr. Siddarth Vasudevan	600,000	-
		600,000	3,000,000

		March 31, 2015	March 31, 2014
Sr. No	Nature of Transactions/Relationships/ Major Parties Establishment where KMP and their relatives exercise		
iv)	significant influence		
	Vascon Infrastructure Limited	-	200,000
	Vastech Consultants Private Limited	14,000,000	12,854,047
	Stresstech Engineers Private Limited	7,500,000	-
	Venus Ventures	27,430,000	24,700,000
	Sunflower Health Services Pvt. Ltd	128,570,614	-
		177,500,614	37,754,047
11	Outstanding as on Mar 31, 2015		
	A) Receivable to Vascon Engineers Limited		
i)	Joint Ventures		
	a) Sundry Debtors		
	Ajanta Enterprises	7,332,049	14,998,073
	Marigold Premises Private Limited	-	22,093,499
	Phoenix Ventures	31,365,836	31,023,204
		38,697,885	68,114,776
	b) Loans & Advances		
	Phoenix Ventures	6,300,287	4,489,542
		6,300,287	4,489,542
ii)	Associates		
	a) Sundry Debtors		
	Angelica Properties Pvt Ltd	266,136	1,429,290
		266,136	1,429,290
	b) Loans & Advances		
	Mumbai Estate Private Limited	256,300,010	255,300,010
		256,300,010	255,300,010
	c) Share Application Money		
	Angelica Properties Private Limited	37,200	37,200
		37,200	37,200
iii)	Key Management Personnel		
	a) Sundry Debtors		
	Dr Santosh Sunderrajan	4,917,456	556,121
		4,917,456	556,121
	Establishment where KMP and their relatives exercise		
iv)	significant influence		
	a) Sundry Debtors		
	Flora Facilitates Private Limited (Formerly known as Flora Premises Private Limited)	14,608,267	13,664,525
	Cherry Constructions Private Limited.	28,254,969	15,164,731
	Vastech Consultants Private Limited	-	1,677,154
		42,863,236	30,506,410
	a) Loans & Advances		
	Vatsalya Enterprises Private Limited	14,900,000	14,900,000
	Bellflower Premises Private Limited	5,000,000	5,000,000
	Vastech Consultants Private Limited	40,000,000	40,000,000
	Vascon Infrastructure Limited	-	5,759
	Sunflower Health Services Pvt. Ltd	252,124,601	28,282,136
	Venus Ventures	39,898,984	62,328,984
	Syring Engineers Private Limited	195,424	195,424
		352,119,009	150,712,303

		March 31, 2015	March 31, 2014
Sr. No	Nature of Transactions/Relationships/ Major Parties		
	B) Receivable from Vascon Engineers Limited		
i) Joint Ventures			
	Unsecured Loan		
	Ajanta Enterprise	24,963,359	89,712,261
		24,963,359	89,712,261
ii) Associates			
	Security Deposit / Other Payables		
	Vascon Infrastructure Limited	-	-
	Angelica Properties Private Limited	-	19,895,242
		-	19,895,242
iii) Key Management Personnel			
	a) For Services Received		
	Mr. R Vasudevan	76,292,024	95,127,803
	Dr Santosh Sunderrajan	4,981,107	3,001,891
	D Santhanam	1,270,330	-
	M. Krishnamurthi	1,028,603	-
		83,572,064	98,129,694
	b) Deposits Recd.		
	R Vasudaven	115,000,000	
	Dr Santosh Sunderrajan	27,742,000	35,258,669
	D Santhanam	5,000,000	
		147,742,000	35,258,669
	c) Expenses reimbursement		
	M. Krishnamurthi	39,565	
	D Santhanam	16,809	
	Mr.Santosh Sundararajan	145,750	108,520
		202,124	108,520
iv) Relatives of Key Management Personnel			
	a) Deposits Recd.		
	Mrs. Thangam Moorthy	3,000,000	3,000,000
	Mr. Siddharth Vasudevan	600,000	-
	Mrs. Sailaxmi Santhanam Mudaliar	400,000	-
		4,000,000	3,000,000
	b)For Services Received		
	Siddharth Vasudevan	1,567,553	684,378
		1,567,553	684,378
	Establishment where KMP and their relatives exercise		
v) significant influence			
	a) Sundry Creditors		
	Vastech Consultants Private Limited	9,194,978	-
	Vastech Consultants & Engineers LLP	653,897	-
	Vatsalya Enterprises Private Limited	2,904,942	1,046,942
	Syringa Engineers Private Limited	-	-
	Stresstech Engineers Private Limited	15,633,179	10,494,213
	Bellflower Premises Private Limited	3,024,719	1,134,719
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	9,777,678	1,084,625
		41,189,393	13,760,499
	b) Advance from Customers		
	Vastech Consultants Private Limited	10,009,360	8,152,967
	Stresstech Engineers Private Limited	1,731,516	-
		11,740,876	8,152,967

Vascon Engineers Limited

Annexure referred to in Note 46 of the notes forming part of accounts for the year ended on March 31, 2015

Disclosure of particulars of segment reporting as required by Accounting Standard 17
Information about primary business segments

Particulars	31/03/2015	EPC	31/03/2014	Real Estate Development	31/03/2015	31/03/2014	Hotel	31/03/2015	31/03/2014	Manufacturing & BMS	31/03/2015	31/03/2014	Unallocable	31/03/2015	31/03/2014	Total	31/03/2015	31/03/2014
Revenue																		
Total Sales including eliminations	2,454,855,008	2,521,009,493	1,520,235,635	1,625,529,225	60,202,731	54,601,324	2,396,286,334	2,277,624,415	2,277,624,415	2,277,624,415	2,396,286,334	2,277,624,415	-	-	-	6,431,579,709	6,478,764,457	6,111,854,499
Less: Eliminations	2,273,755,064	2,367,188,001	1,520,235,635	1,528,126,448	60,202,731	54,601,324	2,359,153,386	2,161,938,727	2,161,938,727	2,161,938,727	2,359,153,386	2,161,938,727	-	-	-	6,213,346,816	6,111,854,499	6,111,854,499
Other operating income	(181,099,945)	(153,821,492)	-	(97,402,777)	-	-	(37,132,948)	(115,685,688)	(115,685,688)	(115,685,688)	(37,132,948)	(115,685,688)	-	-	-	(218,232,893)	(366,909,957)	(366,909,957)
Total Revenue	2,454,855,008	2,521,009,493	1,520,235,635	1,625,529,225	60,202,731	54,601,324	2,396,286,334	2,277,624,415	2,277,624,415	2,277,624,415	2,396,286,334	2,277,624,415	-	-	-	13,306,393	127,466,348	6,606,230,805
Result																		
Segment result	(748,860,583)	(50,213,303)	139,481,664	382,689,800	11,241,326	12,521,230	15,377,415	121,523,549	121,523,549	121,523,549	15,377,415	121,523,549				(582,760,177)	466,521,277	
Unallocated expenditure net of unallocated income																		
Operating profit													(522,868,631)	(484,914,866)	(484,914,866)	(522,868,631)	(484,914,866)	(484,914,866)
Interest expenses													(522,868,631)	(484,914,866)	(484,914,866)	(522,868,631)	(484,914,866)	(484,914,866)
Interest and dividend income													(296,386,789)	(413,506,185)	(413,506,185)	(296,386,789)	(413,506,185)	(413,506,185)
Income taxes													37,887,376	134,729,900	134,729,900	37,887,376	134,729,900	134,729,900
Profit after tax													(83,638,106)	(134,736,413)	(134,736,413)	(83,638,106)	(134,736,413)	(134,736,413)
Other information													(865,006,149)	(898,427,564)	(898,427,564)	(1,447,766,328)	(431,906,287)	(431,906,287)
Segment assets	1,731,933,351	2,871,558,361	7,883,674,828	6,469,685,964	125,742,009	451,129,115	1,881,260,111	1,776,587,693	1,776,587,693	1,776,587,693	1,881,260,111	1,776,587,693	1,930,234,409	2,816,020,306	2,816,020,306	13,552,844,709	14,384,981,439	14,384,981,439
Segment liabilities	1,396,646,526	2,463,121,747	3,102,360,511	2,403,928,039	11,994,164	41,196,977	915,325,508	773,885,171	773,885,171	773,885,171	915,325,508	773,885,171	2,941,546,217	2,105,487,908	2,105,487,908	8,367,872,926	7,787,619,841	7,787,619,841
Capital expenditure	8,035,296	8,035,296	468,360	472,737	2,651,542	159,679	60,193,033	84,090,415	84,090,415	84,090,415	60,193,033	84,090,415	800,208	800,208	800,208	72,148,439	93,558,335	93,558,335
Depreciation and amortization	56,203,832	49,527,012	5,347,074	7,539,255	9,451,491	6,632,040	102,049,505	68,393,425	68,393,425	68,393,425	102,049,505	68,393,425	50,602,432	55,608,492	55,608,492	223,654,335	187,700,225	187,700,225

Notes :

1 The business group/Segment comprise of the following
EPC Construction of Residential, Commercial, Industrial and other constructions

Real Estate Development of Residential, Hotel premises, Industrial park etc

Hotel Hoteliering

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, Vascon Dwellings Private Limited, Marvel Housing Private Limited, IT Citi Infopark Private Limited, Windflower Properties Private Limited, Floriana Properties Private Limited, Vascon Pricol Infrastructure Limited, Greystone Premises Private Limited, Alantia Enterprises, Zircon Ventures, Zenith Ventures, Phoenix Ventures, Just Homes (I) Private Limited, Weikfield IT Citi Infopark, Almet Corporation Limited, Marathwada Realtors Private Limited Angelica Properties Private Limited, Mumbai Estate Private Limited, Cosmos Premises Private Limited,Caspia Hotels Private Limited,
Hotel	
Manufacturing &	
BMS	GMP Technical Solutions Private limited Including its Subsidiary



Vascon Engineers Limited

Registered Office: 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, India, **Tel No:** +91 22 2578 1143
Corporate Office: Vascon Wiekfield Chamber, Behind Hotel Novotel, Opposite Hyatt Hotel, 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: L70100MH1986PLC038511

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth Annual General Meeting of Members of Vascon Engineers Limited will be held at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001, on, Tuesday, September 29, 2015 at 4.00 P.M. 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, 2015, 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, 2015 reports of Auditors thereon.
2. To appoint a Director in place of Mr. R. Vasudevan (DIN: 00013519), who retires by rotation and being eligible offers himself for re-appointment. Mr. R. Vasudevan, a managing director reappointed as a director immediately on retirement by rotation, shall continue to hold his office of managing director, and such reappointment as such director shall not be deemed to constitute a break in his appointment as managing director
3. To ratify the continuation of the Statutory Auditors. to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at their 29th AGM held on September 15, 2014, the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants having a (ICAI Firm Registration No.. 117366W/W-100018), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 34th Annual General Meeting, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. APPOINTMENT OF MS. SOWMYA VASUDEVAN MOORTHY 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** Ms. Sowmya Vasudevan Moorthy (DIN: 06470039) who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 31, 2015 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 her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

5. TO APPROVE THE REMUNERATION PAYABLE TO COST AUDITORS, M/S ADAWADKAR DESHMUKH & ASSOCIATES FOR THE FINANCIAL YEAR 2014- 2015 AND 2015-2016 .

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force),

a) The remuneration of M/s Adawadkar Deshmukh & Associates, Cost Accountants, appointed as the Cost Auditors of the Company by the Board of Directors, to conduct of the audit of the cost records of the Company for the financial year 2014- 2015, of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand Only) plus service tax as may be applicable, in connection with the aforesaid audit be and is hereby ratified and confirmed

b) The remuneration of M/s Adawadkar Deshmukh & Associates, the Cost Auditors, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2015- 2016, of Rs. 2, 50,000/- (Rupees Two Lacs Fifty Thousand Only) plus service tax as may be applicable, in connection with the aforesaid audit be and is hereby ratified and confirmed

c) **RESOLVED FURTHER THAT** the Board of Director and Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

6. AMENDMENT OF INCIDENTAL OR ANCILLARY OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, the existing Clause Incidental or Ancillary Objects Clause of the Memorandum of Association of the Company be altered by replacing the existing Clause with the following new Clause:

(III) (B) *"To make alterations in the Memorandum and Articles of the Company subject to and in accordance with the Companies Act, 2013 or other laws for the time being in force."*

(III) (B) *"Subject to the provisions of the Companies Act, 2013, to indemnify members, officers, directors and servants of the Company or persons otherwise concerned with the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company for any damage or loss or misfortune whatever, which shall happen in execution of the duties of their office in relation thereof."*

(III) (B) *"Subject to Sections 180 and 181 of the Act, to support, subscribe and donate to any charitable, public object, any institution, society or club which may be for the benefit of the Company or its employees or anyone connected with any place or town where the Company carries on business, to provide for the welfare of the employees or ex-employees of the Company and the wives, widows and families of such persons by building or contributing to the building of schools, Institutions, colleges, hospitals, rest-houses and other conveniences, to render medical and maternity aids for the children and women who are in the families of the employees or ex-employees of the Company, to give specific or general charity to all or any of the above funds, institutions and works, to incur expenditure in developing education, particularly industrial, engineering and technical*

education and to grant scholarships, aids or any other help to students including incurring and paying expenses in sending them for higher studies, either in India or in any foreign country.”

“RESOLVED FURTHER THAT Directors and Company Secretary be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the aforementioned resolution, including but not limited to the filing of necessary forms with the Ministry of Corporate Affairs and to comply with all other requirements in this regard.”

7. DELETION OF THE OTHER OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), and subject to necessary approval(s) if any, from the competent authorities, the Other Objects Clause of the Memorandum of Association of the Company be altered by completely deleting the Clause C 58 to C 114.”

“RESOLVED FURTHER THAT Directors and Company Secretary be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the aforementioned resolution, including but not limited to the filing of necessary forms with the Ministry of Corporate Affairs and to comply with all other requirements in this regard.”

8. AMENDMENT OF THE LIABILITY CLAUSE OF THE MEMORANDUM OF ASSOCIATION

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), Clause IV of the Memorandum of Association be and is hereby altered by replacing the existing Clause IV with the following new Clause IV:

Clause IV. *“The liability of the members is limited to the extent of amount unpaid on shares held by the members.”*

“RESOLVED FURTHER THAT Directors and Company Secretary be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the aforementioned resolution, including but not limited to the filing of necessary forms with the Ministry of Corporate Affairs and to comply with all other requirements in this regard.”

9. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof), the new set of Articles of Association of the Company, be and is hereby approved and adopted as the new set of Articles of Association of the Company, in substitution for, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

FURTHER RESOLVED THAT the Board of Directors and Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect this resolution”.

10. BORROWING POWERS OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to borrow any sum or sums of money from time to time for the purposes of the business of the Company upon such terms and conditions with or without security, as the Board may in its absolute discretion think fit, Notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained/ to be obtained from Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed at any time, the aggregate of the paid-up Capital of the Company and its free reserves, provided however, that the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed Rs. 1,000 Crores (Rupees One Thousand Crores only).

FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, expedient or desirable in order to give effect to the foregoing resolution.”

11. MORTGAGING/CHARGING OF THE PROPERTIES 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 Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favor of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs. 1,000 Crores (Rupees One Thousand Crores only).”

12. ISSUE OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, relevant rules made there under and any other law for the time being in force and the provisions contained in the Memorandum and Articles of Association of the Company, the guidelines issued by the Securities and Exchange Board of India (“SEBI”), the Listing Agreements entered into by the Company with stock exchanges and subject to the approval, permissions and sanctions of the lenders of the Company, SEBI, stock exchanges, Reserve Bank of India (“RBI”), the Foreign Investment Promotion Board (“FIPB”), Government of India and other concerned authorities, as may be necessary and subject to

such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to offer or invite subscription for secured or unsecured redeemable non-convertible debentures in one or more series or tranches, aggregating up to Rs. 250 Crores (Rupees Two Fifty Crores only), on a private placement basis, on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and beneficial to the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the shareholders hereby authorize the Board of Directors to do all such acts, deeds, matters and things, settle all question, difficulties or doubts that may arise in regard to the issue or allotment of such Debentures, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board of Directors may in its absolute discretion deem fit without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

13. 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, upto a limit not exceeding 10% of the aggregate paid up share capital and free reserves of the Company, as prescribed under Rule 3(4)(a) of the Companies (Acceptance of Deposits) Rules, 2014.

RESOLVED FURTHER THAT Mr. M. Krishnamurthi, Company Secretary and Compliance Officer be and is hereby authorised 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.

14. EMPLOYEES STOCK OPTIONS SCHEME 2015 ('ESOS, 2015')

To consider and, if thought fit to pass with or without modification (s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under (including any statutory modification(s) or re-enactment thereof), the provisions of Memorandum and Articles of Association of the Company, the Listing Agreement executed by the Company with Stock Exchanges, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) as amended from time to time and any other applicable laws for the time being in force and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company ('the Board', which term shall be deemed to include any Committee thereof, including Nomination and Remuneration Committee, to exercise its powers, including the powers conferred by this resolution) , approval and consent of the Members of the Company be and is hereby accorded to the Board for adoption and implementation of 'Employees Stock Options Scheme 2015' ('ESOS- 2015'), and to create, issue, offer and grant/allot at any time such number of equity shares of the Company, to or to the benefit of such person(s) who are in employment of the company, whether in India or abroad, , in one or more tranches, not exceeding 64, 00,000 (Sixty Four Lacs Only), for granting Options to or for the benefit of eligible employees pursuant to ESOS-2015, each Option entitling to 1 (one) fully paid equity share of Rs.10/-each ('Share') of the Company, on payment of the requisite price and on such terms and conditions as may be fixed or determined by the Board in accordance with ESOS- 2015.

RESOLVED FURTHER THAT in case in any corporate action(s) such as rights issue, bonus issue, merger, de-merger, amalgamation, sale of division and any other form of corporate restructuring by the Company, if any additional Options/ Equity Shares are required to be granted/issued by the Company to the Eligible Employees, then for the purpose of making a fair and reasonable adjustment to the Options granted to the Eligible Employees earlier, the above ceiling of 64, 00,000 (Sixty Four Lacs Only) Options/ Equity Shares shall be deemed to be increased to the extent of such additional Options/ Equity Shares required to be issued and/or acquired.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company under ESOS- 2015, shall rank pari-passu in all respects with the then existing Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps, if required, for listing of the Shares allotted under ESOS- 2015 on the stock exchanges where the Shares of the Company are listed in compliance of the Applicable Laws.

RESOLVED FURTHER THAT the Board be and is hereby authorised to vary, modify or alter any of the terms and conditions of the ESOS- 2015, including those for the grant of Options, exercise price for the purpose of the grant, vesting period, exercise period and issue of Shares on exercise of Options, in compliance of provisions of the Articles of Association of the Company, SEBI SBEB Regulations and other Applicable Laws. Such modifications, alterations or revisions are not detrimental to the interest of the Employees.

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the grant of Options, issuance and allotment of Equity Shares on exercise of Options etc. and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as they may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any Committee of directors including the Remuneration Committee or any other officer or officers of the Company."

15. GRANT OF EMPLOYEES STOCK OPTIONS TO THE EMPLOYEES EQUAL TO OR MORE THAN 1%.

RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made there under (including any statutory modification(s) or re-enactment thereof), the provisions of Memorandum and Articles of Association of the Company, the Listing Agreement executed by the Company with Stock Exchanges, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") as amended from time to time and any other applicable laws for the time being in force and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company ('the Board', which term shall be deemed to include any Committee thereof, including Nomination and Remuneration Committee, to exercise its powers, including the powers conferred by this resolution) , approval and consent of the Members of the Company be and is hereby accorded to the Board to grant stocks option under 'Employee Stock Option Scheme 2015 ("ESOP - 2015") during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options to the Identified Employees as may be approved by the Board.

16. SHIFTING OF REGISTERED OFFICE OF THE COMPANY.

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 12 and all other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules hereunder, the Registered Office of the Company be

shifted from "15/16, Hazari Baugh, L.B.S. Marg, Vikhroli, Mumbai-400083 to 'Vascon Weikfield Chambers', Behind Hotel Novotel and beside Hyatt Regency, Pune- Nagar Road, Pune - 411 014 within the State of Maharashtra;

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company, be and is hereby severally authorized to file the e-forms with the Registrar of Companies, Maharashtra, Mumbai, being the notice for change in situation of the Registered Office of the Company from Mumbai to Pune and to take all such actions and do all such things as may be deemed prudent in this regard from time to time"

Registered Office

15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 (22) 25781143

Corporate Office

Vascon Wiekfield Chamber,
Behind Hotel Novotel, Opposite Hyatt Hotel,
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

By Order of the Board of Directors

M. Krishnamurthi,
Company Secretary & Compliance Officer

Place: Mumbai,
Date: August 11, 2015

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.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2015 to Tuesday, September 29 2015 (both days inclusive).

8. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, additional information including brief profile of Mr. R. Vasudevan who is proposed to be re-appointed by rotation has been given in the section on Corporate Governance in this Annual Report.

9. The annual report for the financial year 2014-15 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. 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 2014-15, 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 along with their folio no. and valid email address for registration.

10. 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 the Clause 35B of the Listing Agreement, 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.

11. 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.

12. 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.

13. The certificate from the Auditors of the Company certifying that the Company's Vascon Employee Stock Option Scheme, 2013 is being implemented in accordance with the SEBI guidelines and the resolution of the members passed at the general meeting, will be available for inspection by the members at the AGM.

14. 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.

15. 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

16. 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

17. 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.

18. 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 30th Annual General Meeting of the Company.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item No. 4:**

The Board appointed Ms. Sowmya Vasudevan Moorthy as Additional Director with effect from March 31, 2015.

As per the provisions of Section 161(1) of the Act, she 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 her candidature for the office of Director of the Company, along with the requisite deposit.

A brief profile of Ms. Sowmya Vasudevan Moorthy is given below:

Ms. Sowmya Vasudevan Moorthy holds a 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 3 years of experience in the interior design industry.

The Board commends the Resolutions at Item Nos. 4 for approval by the Members.

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 this resolution.

Item Nos. 5

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company.

On the recommendation of the Audit Committee at its meeting held on August 11, 2015, the Board has approved the appointment of M/s. Adawadkar Deshmukh & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2015 and 2016 at a remuneration of Rs. 2, 50,000/- (Rupees Two Lacs Fifty Thousand Only) plus exclusive of reimbursement of service tax. The remuneration of the cost auditor is required to be ratified by the members subsequently in accordance with the provisions of the Act and Rule 14 of the Rules.

The Board commends the Resolution at Item No. 5 for approval by the Members.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

Item Nos. 6:

With the passing of Companies Act, 2013, the Company needs to alter some of the Clauses of Incidental or Ancillary Objects Clause of the Memorandum of Association of the Company. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013.

Consent of the shareholders by passing a Special Resolution is required in this regard.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution except to the extent of their shareholding in the Company.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution.

Item No.7:

In order to comply with the provisions of Section 4(1) (c), 13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to delete the Other Objects Clause from the Memorandum of Association. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013.

Consent of the shareholders by passing a Special Resolution is required in this regard.
The Board commends the Resolution at Item No. 7 for approval by the Members.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturday and Sundays, between 10.00 a.m. to 2.00 p.m. upto September 29, 2015.

Item No. 8:

In order to comply with the provisions of Section 4(1) (d) (i), 13 and other applicable provisions, if any, of the Companies Act, 2013, the Company needs to alter the Liability Clause of the Memorandum of Association. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013.

Consent of the shareholders by passing a Special Resolution is required in this regard.
The Board commends the Resolution at Item No. 8 for approval by the Members.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays and Sundays, between 10.00 a.m. to 2.00 p.m. upto September 29, 2015.

Item No.9

The existing Articles of Association (AoA) are based on the Companies Act, 1956; several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Companies Act, 2013 is now largely in force. On 12th September, 2013 the Ministry of Corporate Affairs ("MCA") had notified 98 sections for implementation and subsequently, on 26th March, 2014 MCA notified most of the remaining sections (barring those provisions which require sanction/ confirmation of the National Company Law Tribunal). However, substantive sections of the Companies Act, 2013 which deals with the general working of Companies stand notified.

In order to make the Articles of Association of the Company in tandem and to comply with the relevant sections/ provisions under the Companies Act, 2013 and rules made thereof it is proposed to replace the existing Articles of Association of the Company by a new set of Articles. Accordingly, in lieu of amendments to various articles in the existing Articles of Association, it is considered prudent and desirable to adopt a new set of Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association of the Company. Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company.

The Board commends the Resolution at Item Nos. 9 for approval by the Members.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturday and Sundays, between 10.00 a.m. to 2.00 p.m. upto September 29, 2015.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

Item No. 10 & 11:

with the passing of Companies Act, 2013, resolution passed under section 293(1)(d) of the Companies Act, 1956 are valid only upto 31st March, 2015.

Hence, the consent of the members is therefore, sought in accordance with the provisions of Section 180(1)(c) of the Act, to enable the Board of Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 1000 Crores (Rupees One Thousand Crores only).

The Resolution under Item No. 10 is to obtain the consent of the members for this purpose. The Company shall ensure that the debt equity ratio of the Company, at all times, will be within a reasonable limit.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/hypothecation on the Company's assets in favor of the lenders/holders of securities/trustees for the holders of the said securities as mentioned in the Resolution under Item No.10. As the documents to be executed between the lenders/security holders/trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1) (a) of the Act, for creation of charges / mortgages / hypothecations for an amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crores only).

The above proposals are in the interest of the Company and the Directors recommend the Resolutions in Item Nos. 10 and 11 of the Notice for approval by the members.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

Item No. : 12

The Company in order to execute various projects both residential and contractual has to borrow money from banks and other financial institutions as a means of finance. The Company has currently availed project specific or general purpose borrowings from various Banks and Financial Institutions to finance the execution of the projects of the Company.

The Board of Directors envisages a need for the funding requirements of the Company to be met with various components, i.e. equity, project loans, general purpose corporate loans, borrowings from financial institutions, debentures etc. A mix of these instruments would result in optimum utilization of funds at optimum cost and help to meet the various business requirements of the Company. The Board is therefore contemplating the feasibility of borrowing money through the issue of non-convertible debentures.

The Non-Convertible Debentures (**NCD's**) shall be issued at par with a face value of Rs. 100/- and/or Rs. 1,000/- and/or Rs. 1, 00,000/- each fully paid up. Considering the requirement of the Company and value of the securities, the pricing has been arrived at.

In terms of Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules 2014, the issue of any non-convertible debentures on a private placement basis requires a prior approval of the members of the Company by way of a Special Resolution and such approval shall be valid for all private placements.

Accordingly consent of the members is being sought to enable the Board of Directors to offer or invite subscriptions for non-convertible debentures as may be required.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

The Board commends the Resolution at Item Nos. 12 for approval by the Members.

Item No. 13

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.

The NCD's shall be issued at par with a face value of Rs. 100/- and/or Rs. 1000/- and or Rs. 1, 00,000/- each fully paid up. Considering the requirement of the Company and value of the Securities the pricing has been arrived at.

The Board commends the Resolution at Item Nos. 13 for approval by the Members.

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.

Item 14 & 15

With the objectives of securing greater employee participation; motivating the employees to contribute to the growth and profitability of the Company; it is proposed to grant employee stock options to employees through Employee Stock Option Scheme, 2015 ('**ESOS, 2015**'). This would not only enable the Company to reward their loyalty, performance, commitment and support but also to attract and retain the best talent besides enabling the employees to develop a greater sense of ownership with the organisation.

The main features of the employee stock option schemes are as under:

a) The total number of Options to be granted

A maximum of 64, 00,000 (Sixty Four Lacs Only) Options convertible into 64, 00,000 (Sixty Four Lacs Only) Shares of the face value of Rs. 10/- each of the Company, which will be granted to the eligible employees as may be decided by the Nomination & Remuneration Committee from time to time on such terms and conditions as may be determined by it in accordance with the ESOS, 2015 and the SEBI SBEB Regulations.

Each option (after it is vested) will be exercisable for one Equity share of Rs. 10 each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise would be available for being re-granted at a future date.

b) Identification of classes of Employees entitled to participate in the Scheme

All permanent employees of the Company whether working in India or abroad, as may be decided by the Board, from time to time, would be entitled to participate in the employee stock option schemes.

Employees may be granted Stock Options based on performance and such other criteria as the Board may, in its absolute discretion decide. The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

The following persons not eligible for grant of Options:

- An employee who is a promoter or belongs to the promoter group; or

- A director, who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company; or
- Independent Directors

c) Requirements of Vesting and period of Vesting

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The options granted shall vest on completion of 1 (one) year from the date of grant of the options.

The Board may, in its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such Performance-based vesting, and the proportion in which options granted under the schemes would vest.

d) Maximum period within which the Options shall be vested

The Options granted under the ESOS- 2015 will vest on completion of 1 (one) year from the date of grant of such Options.

e) Exercise price or Pricing formula

The exercise price shall be the Market Price of the Equity Shares or at such discount to the Market Price of the Equity Shares as may be determined by the Board but shall not be less than the face value of Equity Shares.

The full exercise price along with applicable taxes, if any, shall be paid to the Company upon exercise of the Options in terms of the ESOS- 2015.

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

f) Exercise period and process of exercise

The Exercise period would commence from the date of vesting and will expire on completion of one year from the date of vesting of options.

The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

g) Maximum number of Options / Quantum of benefits to be granted per Employee and in aggregate

The maximum number of Options in aggregate that may be granted under ESOS- 2015 shall not exceed 64, 00,000 (Sixty Four Lacs Only).

The number of options that may be granted to employees under the Scheme shall be determined by the Nomination & Remuneration Committee from time to time. During any one year, the Board may grant options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options to the Identified Employees as may be approved by the Board.

h) ESOS – 2015 is proposed to be implemented and administered by the Company directly.

i) ESOS – 2015 shall involve new issue of shares by the Company.

j) Disclosure & Accounting policies

The Company shall comply & conform with the disclosure & accounting policies specified in the said SEBI SBEB Regulations, as may be applicable.

k) Method of valuation of Options

The Company shall follow the intrinsic value method to value the options.

- l) The difference between the employee compensation cost computed on the basis of the intrinsic value method and the employee compensation cost calculated on the basis of the fair value method for the Options and also the impact of this difference on the profits and on earnings per share (EPS) of the Company shall be disclosed in the Directors' Report.

m) Appraisal / Assessment Process for determining the eligibility of employees to the Scheme.

The appraisal process for determining the eligibility would be determined by the Remuneration Committee from time to time based on broad criteria for appraisal and selection such as parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross functional relationship, corporate governance, Company's values, etc.

As per Regulation 6(1) of the SEBI Regulations, any Employees Stock Option Scheme must be approved by way of a special resolution. Further as the ESOP Scheme provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members as set out at Item No. 14 of the Notice is being sought pursuant to Section 62(1) (b) of the Companies Act, 2013 and all other applicable provisions, if any, of the Act and as per the regulation.

As per Regulation 6(3)(d) of the Regulations, approval of the shareholders by way of a separate resolution is required to be obtained, in case grant of options to eligible employees, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options is proposed to be made. Since it is proposed to grant options to the Eligible Employees to the extent of 1% of the present issued capital of the Company, resolution set out in Item No. 15 is placed for approval of the members.

The options to be granted / shares to be issued under the ESOS - 2015 shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

The Board commends passing of the Special Resolution as set out at Item Nos. 14 & 15 in relation to the ESOS 2015, for the approval by the shareholders of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except to the extent of securities that may be offered to them individually under the ESOP Scheme, is in any way, concerned or interested in these resolutions.

Item No. 16:

As per provisions of Section 12 of the Companies Act, 2013 shifting of registered office of a company outside the local limits of any city or town requires approval of the Members by way of Special Resolution.

The Registered Office of the Company is presently situated at Mumbai. With a view to improve the operational efficiency, the Board of Directors considered and subject to approval of the Members, approved the proposal for shifting the registered office to Pune. The proposed location is outside the local limits of Mumbai city and therefore requires approval of the Members by way of a special resolution.

If approved, the registered office will be moved to 'Vascon Weikfield Chambers', Behind Hotel Novotel and beside Hyatt Regency, Pune- Nagar Road, Pune - 411 014. commend this resolution for approval of the members.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Additional Information on Directors		
Name of Director	R. Vasudevan	Sowmya Vasudevan Moorthy
Age	62 years	25
Date of appointment	January 1, 1986	March 31, 2015
Qualifications	Bachelor's degree in civil engineering from the University of Pune. 'Owner President Management' program from the Harvard Business School	bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education from Singapore.
Expertise in specific functional areas	Mr. R. Vasudevan oversees the overall management and functioning of the Company. His responsibilities in the Company encompass product delivery, project execution, technology advancements, quality control and enhancement, process and customer satisfaction.	She has over 3 years of experience in the interior design industry
Directorships held in other public limited Companies	Company NovaCare Drug Specialties Private Limited. Partnership 1. Venus Ventures; and 2. Vasumangal Constructions LLP.	She is a partner in Seraphic Design LLP
Committee positions held in other companies	None	None
Relationship with other Directors	Ms. Sowmya Vasudevan Moorthy is daughter of Mr. R. Vasudevan	Ms. Sowmya Vasudevan Moorthy is daughter of Mr. R. Vasudevan
Number of shares held as on August 11, 2015	4,16,86,586 equity shares of Rs. 10 each	4,03,200 equity shares of Rs. 10 each

Registered Office

15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 (22) 25781143

Corporate Office

Vascon Wiekfield Chamber,
Behind Hotel Novotel, Opposite Hyatt Hotel,
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

By Order of the Board of Directors

M. Krishnamurthi,
Company Secretary & Compliance Officer

Place: Mumbai,
Date: August 11, 2015

**Vascon Engineers Limited**

Registered Office: 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, India, **Tel No:** +91 22 2578 1143

Corporate Office: Vascon Wiekfield Chamber, Behind Hotel Novotel, Opposite Hyatt Hotel, 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: L70100MH1986PLC038511

ATTENDANCE SLIP

Folio No./DP ID and Client ID:	No. of Shares:
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Name and address of First/Sole Member:

I, hereby record my presence at the 30th Annual General Meeting of the Company to be held on Tuesday, September 29, 2015, at 4.00 p.m. at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001

Name of the Member/Proxy
(Block Letters)

Signature of the Member/Proxy

Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
- Member/Proxy who wishes to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

Electronic Voting Particulars

Event No.	2029
User-ID	For Shareholder(S)/ Beneficial Owner(S) Holding Shares In Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID For Members holding shares in Physical Form:- Folio Number Password For Members already registered with Karvy : Use your existing password

Note: Please read the instructions given in the attached e voting notes, which is forming part of the Notice of 30th Annual General Meeting of the Company. The E-Voting period is from September 23, 2015, 10.00 a.m .upto September 28, 2015, 5.00 p.m.



Vascon Engineers Limited

Registered Office: 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, India, **Tel No.:** +91 22 2578 1143

Corporate Office: Vascon Wiekfield Chamber, Behind Hotel Novotel, Opposite Hyatt Hotel, 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: L70100MH1986PLC038511

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Day, Date & Time : Tuesday, September 29, 2015, at 4.00 p.m.

Venue of the Meeting : Babasaheb Dahanukar Hall, Oricon House,
12, K. Dubhash Marg, Near Jahangir Art Gallery,
Kalaghoda, Fort, Mumbai 400001

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No	

*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 30th Annual General Meeting of the Company to be held on September 29, 2015 at 4.00 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:

SR. NO.	RESOLUTIONS	NO. OF SHARES HELD	FOR	AGAINST	ABSTAIN
1.	Consider and adopt: a. Audited Financial Statement, Reports of the Board of Directors and Auditors b. Audited Consolidated Financial Statement				
2.	Re-appoint Mr. R. Vasudevan (DIN: 00013519), who retires by rotation, and being eligible offers himself for re-appointment.				
3.	Ratify the appointment Deloitte Haskins & Sells LLP (Firm Registration Number 117366W/W-100018) as the Statutory Auditors of the Company.				

SR. NO.	RESOLUTIONS	NO. OF SHARES HELD	FOR	AGAINST	ABSTAIN
SPECIAL BUSINESS:					
4.	Appointment Of Ms. Sowmya Vasudevan Moorthy (DIN: 06470039) as a Non Executive Director of the Company				
5.	Ratification of remuneration payable to Cost Auditors , M/s Adawadkar Deshmukh & Associates, for the financial year 2014- 2015 and 2015-2016				
6.	To amend the Incidental or Ancillary Objects Clause of Memorandum of Association of the Company				
7.	To deletion the Other Objects Clause of the Memorandum of Association of the Company				
8.	To amend the Liability Clause of the Memorandum of Association of the Company				
9.	To Adopt the New Set of Articles of Association of the Company				
10.	To approve Borrowing Powers of the Company				
11.	To approve Mortgage/Charge on the Properties of the Company				
12.	To issue Non-Convertible Debentures on a Private Placement Basis				
13.	To Accept Unsecured Fixed Deposit				
14.	Employees Stock Options Scheme 2015 ('ESOS, 2015')				
15.	Grant Of Employees Stock Options To The Employees Equal To or More Than 1%				
16.	To Shift the Registered Office of the Company				

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.

Signed this _____ day of _____ 2015

Revenue
Stamp

Signature of Member _____ Signature of Proxy Holder _____

Notes:

1. 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.
2. A Proxy need not be a member of the Company.
3. 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.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. 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.



VASCON®

Development with Conscience

CIN: L70100MH1986PLC038511

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