VASCON

August 12, 2016

To,
BSE Limited,
The Department of Corporate Services
Department of Corporate Services
Mumbai 400 001
Ref: **Scrip Code: 533156**

To,
National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra (E), Mumbai – 400 051
Ref Symbol: **VASCONEQ**

Sub: 31st Annual General Meeting (AGM) of the Company to be held on 15th September, 2016

Dear Sir/ Madam,

This is to inform that Vascon Engineers Limited has completed the dispatch of the Notice of 31st Annual General Meeting along with Annual Report to the members of the Company as on 05th August, 2016 by email/ courier on 12th August, 2016.

The Annual Report and the Notice is enclosed herewith for your information

Request you to take the same on record.

Thank you.

For Vascon Engineers Limited

M. Krishnamurthi

Company Secretary & Compliance Officer

VASCON

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 Weikfield 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 31st 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, Thursday , September 15, 2016 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, 2016, 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, 2016 reports of Auditors thereon.

2. To reappoint Ms. Sowmya Moorthy (DIN: 00129504), who retires by rotation and being eligible offers herself for re-appointment.

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. Re-appointment of Mr. R Vasudevan (DIN 00013519), as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof, for the time being in force) read with Schedule- V to the Companies Act, 2013 and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for the reappointment of Mr. R. Vasudevan, as a Whole Time Director designated as a Managing Director of the Company for a further period of five years with effect from April 1, 2016 to March 31, 2021, liable to retire by rotation, on the terms and conditions and remuneration as set our below:

A. Basic Salary: Rs.10,00,000 per month
B. LTA: One month's salary
C. Rent free furnished accommodation or housing rent allowance 50 % of basic per month at the option of the Managing Director
D. Reimbursement of domiciliary medical treatment expenses of up to Rs. 15,000/- or such other higher or lower limit for self and relatives as may be prescribed by Income Tax rules in any financial year
E. Reimbursement of medical expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
F. Use of company's car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
G. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.
H. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company;

RESOLVED FURTHER THAT, subject to the approval of Central Government the remuneration of Mr. R. Vasudevan is valid effect from April 1, 2016 for a period of five years and he may be paid remuneration, perquisites and amenities on terms and conditions as given below, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of remuneration;

FURTHER RESOLVED that in addition to the aforesaid salary, the said Managing Director is entitled to an additional payment by ex-gratia, bonus, and commission or otherwise in any other manner a sum not exceeding five per cent of the net profits of the Company, including the above remuneration, with liberty to pay such commission in one or more installments;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the designation of Mr. R. Vasudevan and the terms and conditions of his appointment including remuneration and/or perquisites payable or to be provided (including any monetary value thereof) to him to the extent the Board of Directors deem fit;

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. R. Vasudevan, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration;

RESOLVED FURTHER THAT that in the event of loss or inadequacy of profits in any financial year, during the tenure as Managing Director of the Company, Mr. R Vasudevan shall be entitled to receive a total remuneration including perquisites, etc. as stated above as Minimum Remuneration."

5. Appointment of Mr. Mukesh Malhotra (Din: 00129504) as an Independent Director in terms of Section 149 of The Companies Act, 2013.

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 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force),Mr. Mukesh Satpal Malhotra (DIN: 00129504) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 17, 2016 , in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing Mr. Mukesh Satpal Malhotra for the office of Director, be and is

hereby appointed as an Independent Director of the Company with effect from May 17, 2016 to hold office up to May 16, 2021, not liable to retire by rotation."

6. To ratify the remuneration payable to Cost Auditors, Mrs. Varsha S. Limaye for the financial year ending March 31, 2017.

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) Mrs. Varsha S. Limaye, Cost Accountants, Cost Accountants (Membership No.12358) appointed by the Board of Directors of the Company as cost auditors for the financial year ending 31 March 2017, be paid a remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand Only) plus service tax as may be applicable;

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."

7. To approve Reclassification of Promoters.

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the application received from M/s Golden Temple Pharma Private Limited, M/s Premratan Exports Pvt Ltd and Ms. Geeta Lulla (together referred as 'Parties') for excluding them from the list of Promoter/ Promoter Group of the Company; the consent of the members of the company be and is hereby accorded for deletion of the above mentioned persons from Promoters and Promoter Group and reclassification of Promoters/ Promoter Group of the Company;

FURTHER RESOLVED 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."

8. Acceptance of Unsecured Fixed Deposit

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured fixed deposits from members of the Company, on such terms and conditions as the Board of Directors may think proper and beneficial for the Company, up to a limit not exceeding 10% of the aggregate paid up share capital and free reserves of the Company, as prescribed under Rule 3(4)(a) of the Companies (Acceptance of Deposits) Rules, 2014.

FURTHER RESOLVED 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.

9. Employees Stock Options Scheme 2016 ('**ESOS, 2016')**

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 2016' ('ESOS- 2016'), 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-2016, 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 /Remuneration Committee in accordance with ESOS- 2016;

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-2016, 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- 2016 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- 2016, 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."

10. Grant of Employees Stock Options to the employees equal to or more than 1% of the issued capital at the time of grant of Options.

To consider and, if thought fit, to pass, with or without modification, 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 to grant stocks option under 'Employee Stock Option Scheme 2016 ("ESOP - 2016") 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.

Registered Office
15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 (22) 25781143

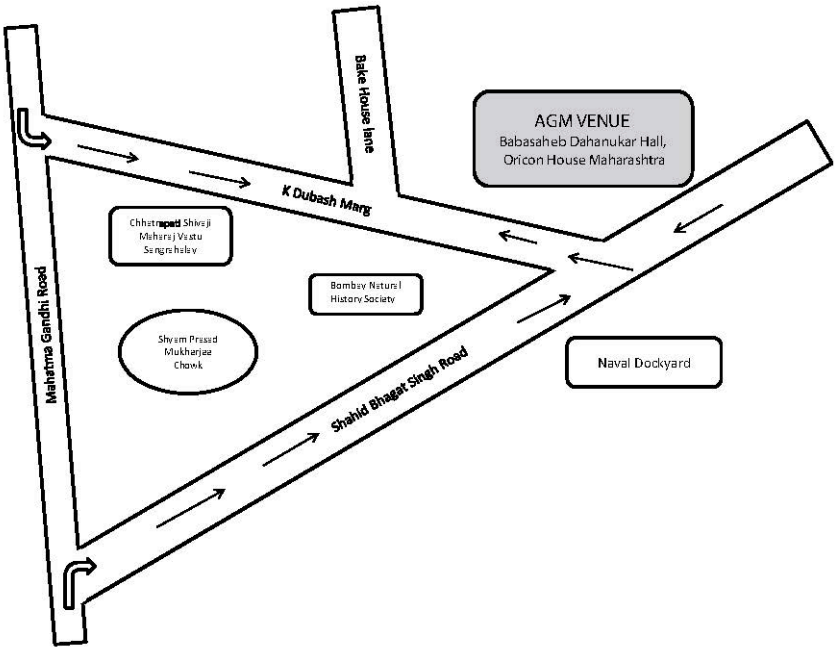
Corporate Office
Vascon Weikfield Chambers,
Behind Hotel Novotel, Opposite Hyatt Hotel,
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

By Order of the Board of Directors

M. Krishnamurthi,
Company Secretary & Compliance Office

Place: Mumbai,
Date: May 17, 2016

Route Map to the Venue of AGM



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 annual report for the financial year 2015-16 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.

8. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given as a separate attachment to this notice.

9. 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.

10. 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.

11. The certificate from the Auditors of the Company certifying that the Company's Vascon Employee Stock Option Scheme, 2013 and Employee Stock Option Scheme, 2014 are 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.

12. 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.

13. 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

14. 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

15. 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.

16. 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 31st Annual General Meeting of the Company.

By Order of the Board

Place: Pune
Date: May 17, 2016

M. Krishnamurthi
Company Secretary &
Compliance Officer

ANNEXURE TO NOTICE OF AGM

ITEM NO. 2

This Statement is provided under Secretarial Standard on General Meetings (SS-2)

Ms. Sowmya Vasudevan Moorthy holds a holds degree of bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education. She has over 3 years of experience in the interior design industry.

Ms. Sowmya Vasudevan Moorthy is also a partner in Seraphic Design LLP.
She has attended five meetings of the Board held during the financial year 2015-16. She holds the membership of following Committees:

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

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

None of the Directors or Key Managerial Personnel or their relatives except Mr. R. Vasudevan and Ms. Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution set out in item no.3 of the Notice. Ms. Sowmya Vasudevan Moorthy is a daughter of Mr. R. Vasudevan.

The Board recommends the resolution set forth in item No. 2 of the notice for approval of the members.

Statement pursuant to Section 102(1) of the Companies Act, 2013 and under Secretarial Standard on General Meetings (SS-2) for Item Nos. 4 to 11.

Item No. 4:

Re-appointment of Mr. R. Vasudevan (DIN 00013519), as Managing Director of the Company.

Mr. R Vasudevan (DIN 00013519) is a civil engineer and has done his Owner Management Program Harvard Business School. He had a brilliant academic background. He has been awarded with several awards for his contribution in the field of construction and Real Estate industry.

He has been awarded the Top Management Consortium Award of Excellence for the year 2005, the "Construction World -Top Builder Award" in 2007, Award for Life Time Achievements by the Alumni Association of College of Engineering, Pune in 2005 and the South Indian Education Society on the occasion of its Platinum Jubilee (1932-2008) honored and felicitated Mr. R. Vasudevan as a distinguished alumni. He has over 35 years of experience in the construction industry.

Vascon Engineers Limited from 1986 is providing Engineering Procurement Construction Services and the Real Estate Development. The Company undertakes the entire spectrum of Real Estate Development activities including identification and acquisition of land, providing EPC services, and sales and marketing of projects and operation of the completed projects. It has Pan India operations.

Mr. R Vasudevan has been instrumental in bringing the company from scratch to the position of eminence over the last 30 years. He has been our director since January 1, 1986. He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature.

The EPC Business requires special skill set for timely execution of projects and monitoring on continuous

basis. Mr. R. Vasudevan possesses these special skill set due to which the Company has grown tremendously in the last 28 years. Under the supervision of Mr. R. Vasudevan, Managing Director the Company 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.

Moreover, the Real Estate business of Vascon was developed on asset light model of Joint Development basis. This requires special skill set to handle partners, launching of correct product mix and pricing of the products optionally. Presently, this highly profitable portfolio is being handled personally by Mr. R. Vasudevan and his expertise is very essential for further growth of the Company.

In the last few two, three years, the construction industry has been deeply affected by market conditions and Government policies and the entire set of companies in the industry has suffered. Hence the company has incurred losses.

The company has taken a lot of steps to mitigate the existing situation. The strategy for EPC Contracts has focused on full service contracts from reputed clients. The Governmental Contracts have been given priority. All these measures is expected to turn the company's performance into generating profits and improve the EBITA figures and also EBITA margin. With the stewardship of Mr. R. Vasudevan, the company shall cope up with the situation and shall move ahead in the next two years. Hence, it shall be absolutely essential that Mr. R Vasudevan puts in his best efforts for the company. Accordingly the Board and Shareholders of the company have decided to pay him a minimum remuneration as per the resolution. His personal involvement in the execution of projects enables the company to deliver quality projects in a cost effective manner. He also brings in new JDA projects through his charismatic approach.

Mr. R. Vasudevan is a Director on the Boards of: NovaCare Drug Specialties Private Limited and he a partner in following partnerships

3. Venus Ventures; and
4. Vasumangal Constructions LLP.

He has attended five out of six meetings of the Board held in FY2016.
He holds the membership of following Committees:

Sr. No.	Name of the Company	Name of the Committee
1.	Vascon Engineers Limited	Audit Committee
		Stakeholders Relationship Committee
		Corporate Social Responsibility Committee
		Risk Management Committee
		Restructuring Committee

The Remuneration Nomination and Remuneration Committee has approved the remuneration on February 9, 2016 and the Board also has approved the same on February 9, 2016.

The recommended remuneration for Mr. R. Vasudevan is as below:

A. Basic Salary: Rs.10,00,000 per month
B. LTA: One month's salary
C. Rent free furnished accommodation or housing rent allowance 50 % of basic per month at the option of the Managing Director
D. Reimbursement of domiciliary medical treatment expenses of up to Rs. 15,000/- or such other higher or lower limit for self and relatives as may be prescribed by Income Tax rules in any financial year
E. Reimbursement of medical expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
F. Use of company's car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
G. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.

H. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company;

He is also entitled to an additional payment by ex-gratia, bonus, and commission or otherwise in any other manner a sum not exceeding five per cent of the net profits of the Company,

As we understand the industry remuneration for the post of Managing Director of a similar industry is between three to nine crores.

This disclosure may also be read and treated as compliance with the requirements of Section 190 of the Companies Act, 2013.

Except Mr. R. Vasudevan, Ms. Sowmya Vasudevan Moorthy and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the notice.

The Board recommends the resolution set forth in item No. 4 of the notice for approval of the members.

Item No. 5:

The Board of Directors of the Company on May 17 2016, have appointed Mr. Mukesh Satpal Malhotra (DIN: 00129504) as an Additional Director of the Company, categorised as Independent, in terms of Section 161 of the Companies Act, 2013. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Mukesh Satpal Malhotra for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013.

The Company has received (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. Mukesh Satpal Malhotra to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Mr. Mukesh Satpal Malhotra, fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent of the management.

A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr. Mukesh Satpal Malhotra, is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM. The Board appointed Mr. Mukesh Malhotra as Additional Director with effect from May 17, 2016.

A brief profile of Mr. Mr.Mukesh Malhotra is given below:

Mr.Mukesh Malhotra completed his schooling at The Bishop's School, Pune & then went on to complete his Bachelor of Engineering at the College of Engineering, Pune.

He was appointed Managing Director of Weikfield Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. With his focus on International Trade, Mukesh has travelled to over 60 countries and 150 cities, thus giving him a broad appreciation and understanding of International business practices and economic scenarios. The Company's products have received International Quality Awards from Europe and America.

He is actively involved in the activities of MCCIA with a track record of over 25 years, having served as President, 2008- 2010. Mr. Mukesh Malhotra is a Founder Trustee of the Pune International Centre (PIC) a think tank on the lines of the India International Centre, and Vice Chairman of the Malhotra Weikfield Foundation, which provides Scholarships to students in Pure Sciences, and is setting up a state of the art Skill Development Institute with Swiss Collaboration.

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

He does not hold any Committee memberships.
Mr. Mukesh Malhotra holds 5525 equity shares in the Company.

Except Mr. Mukesh Satpal Malhotra and his relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of the notice.

The Board commends the Resolutions at Item Nos. 5 for approval by the Members.

Item Nos. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mrs. Varsha S. Limaye, Cost Accountants, as cost auditors at a remuneration of Rs. 2, 50,000/- (Rupees Two Lacs Fifty Thousand Only) per annum plus service taxes, to conduct the audit of the cost records of the Company for the fi nancial year ending 31 March 2017.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No.6 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2017.

None of the Directors/Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the notice.

The Board recommends the resolution set forth in item No. 6 of the notice for approval of the members.

Item Nos. 7

Reclassification of Promoters

Mrs. Geetha Lulla is one of the Promoters of the Company along with her two LLP's viz. M/S. Premratan Exports LLP (Previously Premratan Exports Pvt Ltd) & Golden Temple Pharma LLP (Previously Golden Temple Pharma Private Limited). She is not taking part in the management of the company either as director or in any other executive role. The company had come with the rights issue in the last financial year and the LLPs have not subscribed to the issue. They have also sold part of their holdings in the last financial year. Accordingly their holding in the share capital of the company had come down to 8.96%.

In view of the above, the above said promoters have applied to the stock exchanges to delete their name from the list of promoters of the company. The same has been allowed by the SEBI vide regulation no.31A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The NSE has written to the company to submit the approval of the shareholders. Accordingly, the resolution is placed for the approval of the shareholders.

None of the Directors/Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the resolution set out at item No. 7 of the notice.

The Board recommends the resolution set forth in item No. 7 of the notice for approval of the members.

Item Nos. 8

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 Board commends the Resolution at Item Nos. 8 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 9 & 10

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, 2016 ('**ESOS, 2016**'). 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, 2016 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- 2016 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- 2016.

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- 2016 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 – 2016 is proposed to be implemented and administered by the Company directly.

i) ESOS – 2016 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. 10 is placed for approval of the members.

The options to be granted / shares to be issued under the ESOS - 2016 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. 9 & 10 in relation to the ESOS 2016, 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.

Registered Office
15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 (22) 25781143

Corporate Office
Vascon Weikfield 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: Pune

Date: May 17, 2016

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 Weikfield 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

E VOTING LETTER

Serial No. :

Name & Registered address of the Sole/ First named Member:
Name (s) of the Joint Member(s), if any:
Registered Foilio No./DP ID & Client ID No.:
Number of Shares held:

Dear Member,

Subject: Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2015 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as substituted by Amendment Rules, 2015) and the SEBI Listing Regulations, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited ("Karvy") in respect of all business to be transacted at the 31st Annual General Meeting of the Company scheduled to be held on Thursday, September 15, 2016 at 4.00 p.m.

The Company has engaged Karvy Computershare Private Limited as the authorised agency to provide e-voting facilities. Your e-voting particulars are set out below:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
2552		

The e-voting facility will be available during the following voting period

Commencement of e-voting	From September 9, 2016, time: 9.00 am
End of e-voting	Up to September 14, 2016, time 5.00 p.m.

The cut-off date (i.e. the record date) for the purpose of e-voting is September 8, 2016. This communication is an integral part of the Notice dated May 17, 2016 for the Annual General Meeting scheduled to be held on September 15, 2016 and is being sent along with the notice of Annual General Meeting. Please read the instructions printed overleaf before exercising the vote.

By Order of the Board of Directors
Registered Office
Vascon Engineers Limited

15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Date: May 17, 2016

For Vascon Engineers Limited
Sd/-

M. Krishnamurthi
Company Secretary & Compliance Officer

Instructions and other information relating to e-voting are as under:

1. Launch internet browser by typing the URL: https://evoting.karvy.com.
2. Enter the login credentials (i.e. User ID and password mentioned overleaf). Your Folio No./DP ID/ Client ID will be your User ID.
3. After entering these details appropriately, click on "LOGIN".
4. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the E-Voting Event Number for Vascon Engineers Limited.
7. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
8. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
9. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
10. You may then cast your vote by selecting an appropriate option and click on "Submit".
11. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
12. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format/JPG Format) of the Board Resolution / Authority Letter etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: cskdrane@gmail.comor evoting@karvy.com and compliance.officer@vascon.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT No."
13. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
14. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website download section on https://evoting.karvy.com or contact Karvy Computershare Pvt. Ltd. at Tel No. 1800 345 4001 (toll free).
15. A person, whose name is appearing in the register of members or in the register of beneficial owners maintained by the depositories as on the cutoff date i. e.Thrusday, September 8, 2015, shall only be entitled to avail the facility of remote e-voting/ poll.
16. Any person who becomes the member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cutoff date may write Karvy on their e-mail ID evoting@karvy.com, or Karvy Computershare Private Limited (Unit Vascon), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032 or contact Mr. S V Raju on 040-67162222 requesting for User ID and password. After receipt of above credentials, a member may follow the instructions for e-voting to cast his votes.
17. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting his votes through remote e-voting.
18. The Board of Directors has appointed Mr. Kulbhushan Rane of K.D. Rane & Associates, Practising Company Secretary as a Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
19. The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman.
20. The results declared along with the consolidated Scrutinizers report shall be placed on the website of the Company www.vascon.com and on the website of Karvy https://evoting.karvy.com. The results shall simultaneously be communicated to the Stock Exchanges.
21. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Meeting i.e. September 15, 2016.

By Order of the Board

M. Krishnamurthi
Company Secretary & Compliance Officer
Place, Pune

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:

Name and address of

First/Sole Member:

I, hereby record my presence at the 31st Annual General Meeting of the Company to be held on September 15, 2016, 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:

a. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
b. Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
c. Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

Vascon Engineers Limited

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Corporate Office: Vascon Weikfield 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 : Thursday, September 15, 2016, 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 31st Annual General Meeting of the Company to be held on September 15, 2016 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-appointment of Ms. Sowmya Vasudevan Moorthy (DIN 06470039), who retires by rotation, and being eligible offers herself for re-appointment.				
3.	Appointment of Deloitte Haskins & Sells LLP (Firm's Registration No. 117366W/W-100018) as Statutory Auditors of the Company				

Sr. No.	Resolutions	No. of Shares Held	For	Against	Abstain
	SPECIAL BUSINESS:				
4.	Re-appointment of Mr. R Vasudevan (DIN 00013519), as Managing Director of the Company.				
5.	Appointment of Mr. Mukesh Satpal Malhotra (DIN: 00129504) as a Independent Director of The Company				
6.	Ratification of remuneration payable to Mrs. Varsha S. Limaye, Cost Accountants (Membership No.12358) Cost Auditors for financial Year for the financial year ending 31st March, 2017				
7.	Approve Reclassification of Promoters.				
8.	Approve acceptance of unsecured Fixed Deposit				
9.	Approve Employees Stock Options Scheme 2016 ('ESOS, 2016')				
10.	Approve grant of Employees Stock Options to the Employees equal to or more than 1% of the issued capital at the time of grant of Options				

** This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

_____
Signature (s) of Member(s)

Notes:

1. **Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 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.

CELEBRATING

30

YEARS

OF

ENGINEERING DELIGHT

ANNUAL REPORT
2015-16

VASCON

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

Sowmya Vasudevan Moorthy
Non Executive Director

Mukesh Malhotra
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
K.G. Krishnamurthy, Member
R. Vasudevan, Member

Nomination & Remuneration Committee
K.G. Krishnamurthy, Chairman
V. Mohan, Member
Sowmya Vasudevan Moorthy, Member

Stakeholders Grievance Committee
K.G. Krishnamurthy, Chairman
R. Vasudevan, Member
V. Mohan, Member

Corporate Social Responsibility Committee
R. Vasudevan, Chairman
V. Mohan, Member
Sowmya Vasudevan Moorthy, Member

Risk Management Committee
V. Mohan, Chairman
R. Vasudevan, Member
Sowmya Vasudevan Moorthy, Member

Rights Issue Committee
V. Mohan, Chairman
R Kannan, Member
R. Vasudevan, Member

Restructuring Committee
R. Vasudevan, Chairman
Sowmya Vasudevan Moorthy, Member
M. Krishnamurthi, Member
Santosh Sundararajan, Member
D. Santhanam, 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

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", 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).

Mumbai

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

Pune

Vascon Weikfield 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

(Firm Registration no. 117366W/W-100018)

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,

It feels great to say that your Company's focus on cost optimization across all business segments, cash flow generated from rights issue and sale of some non-core assets has helped your company to turnaround during the financial year 2016. Your Company has seen one of the difficult phases during the previous three years and has managed to rise through the downfall towards profitability along with strengthening its Balance Sheet.

Your Company's focus towards improving operational efficiency through robust project monitoring, writing off all the past non remunerative contracts and cash flow generation helped to steer your Company in tough times.

Your Company had successfully raised Rs 100 Crores through rights issue during the financial year 2016, the proceeds of which as you all would be aware has largely been utilized towards repayment of certain high cost debt and to kick start certain key projects which were slow moving due to tight cash flow situation. Your Company has also identified few non-core assets and is looking to monetize it for incremental cash flow generation of around Rs. 100 crores which will help your Company to improve liquidity in business and achieve higher growth.

The EPC Business is growing strong with a focus on diversified order book across segments. The Company has formulated stringent criteria for selection of clients and intends to work with reputed developers with better credential. Your Company has seen an improvement in the quality of contracts with more full service contracts being given by the clients. With macroeconomic stability and initiatives taken by the Central Government to boost sector prospects in the coming years, your Company looks set to benefit from the huge opportunities going forward.

In the real estate segment your Company's current land bank of 315 acres is fully paid for where its share of developable area is 17 million square feet. The real estate sector is in the transition phase where the Government is taking several initiatives to revive the sector. 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. With the growth in the Indian economy and likely reduction in interest rates, pickup in housing segment can be expected. Your Company's project at Kharadi, Pune has seen good progress in phase II with great interest from buyers. With the Government emphasis on Housing for All and development of affordable housing, your Company may also look for favorable opportunities in this niche segment.

Your Company's subsidiary GMP Technical Solutions, the business it acquired in 2010, which is a professionally managed company, has grown at a CAGR of 25% in top line since acquisition. GMP is one of the leading manufacturers of clean room partitions, isolators and also provides HVAC and Building Management Services solutions. The products manufactured are extensively used in pharma and healthcare industry. Semiconductor and solar industry are also emerging opportunity for these products in India now.

GMP has manufacturing facilities at Baddi, Himachal Pradesh and Bhiwandi in Maharasthra. The Baddi facility is operating at full capacity and your Company is expanding the manufacturing facility for clean room partitions at Bhiwandi to cater to high demand of the clean room partitions. Company's continued focus on cost optimization and reduction in overheads has resulted in a better performance for the services division in FY16. The Company expects growth momentum to pick up in the coming years.

I thank all employees along with the management team for their outstanding support during the testing times. I am thankful to the Board of Directors for their able and constant guidance and support. I thank our shareholders who have stood by us in the difficult times. I am quite confident that the worst is behind us and reiterate of delivering much better performance going forward. 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,

It is my pleasure to write to you as we start a new financial year 2016-17. Last year when I addressed you, the Company was going through a phase of transition. We reshaped our strategy in FY15 and have made important progress in our business plan that has led the Company turn profitable with a much improved and healthy Balance Sheet in FY16. The Indian economy emerged as a bright spot, becoming one of the fastest growing large economies with a GDP growth of 7.6% in FY16. The macroeconomic stability and Government initiatives have augured well for the sector we operate.

Our call on the non performing EPC contracts wherein we exited or closed most contracts allowed us to have contracts with good profitability in our EPC order book. Our focus on optimizing costs across all business segments, having good quality contracts and cash flow generation enabled the Company to perform better in FY16.

The Company generated Rs 100 crores from rights issue during the year which aided the Company to repay high cost debt and start key projects in real estate segment. The Company is committed towards cash flow generation and has identified few properties and expect around Rs. 100 Crores by monetizing them.

The company is focused on acquisition of quality contracts with good margins. The focus remains on design and built turnkey project and to build order books across segments from creditable client especially institutions like hospitals, hotels, industrial construction, and certain government agencies.

I would like to take this opportunity to thank all employees and the management team for supporting the Company during the difficult times. I sincerely convey my gratitude to the Board of Directors for their able guidance. I also thank the banks who have stood with us in these difficult times. My sincere gratitude to our shareholders who believed in us when the Company was passing through difficult phase.

We are confident of delivering much better performance going forward.
Thank you.

Dr. Santosh Sundararajan.
Chief Executive Officer

REPORT OF BOARD OF DIRECTORS

Dear Members,

We have pleasure in presenting the 31st Annual Report on the business and operations of the Company together with the audited results for the financial year ended March 31, 2016.

1. Financial Highlights

Table 1 gives the financial highlights of the Company for FY2016 as compared to the previous financial year, on consolidated and standalone basis.

Table 1

Particulars	Consolidated		Standalone	
	FY 2016	FY 2015	FY 2016	FY 2015
Net Sales /Income from Business Operations	6,318,265,020	6,226,653,209	3,182,644,935	2,950,862,935
Other Income	267,481,783	154,467,567	317,468,254	162,855,882
Total Income	**6,585,746,803**	**6,381,120,776**	**3,500,113,189**	**3,113,718,817**
Profit /(loss)before Interest and Depreciation	751,710,247	(802,899,754)	554,087,435	(1,014,395,729)
Less Interest	381,882,595	298,538,980	379,250,828	269,567,712
Profit /(loss)before Depreciation	369,827,651	(1,101,438,734)	174,836,607	(1,283,963,441)
Less Depreciation and amortisation	214,354,791	223,654,335	108,943,667	109,764,393
Profit / (loss) after depreciation and Interest	**155,472,860**	**(1,325,093,069)**	**65,892,940**	**(1,393,727,834)**
Exceptional Item	-	(39,035,153)	-	(22,324,586)
Less Current Income Tax	108,090,795	64,957,313	-	-
Less Previous year adjustment of Income Tax	2,535,582	33,807,757	69,410	3,08,63,929
Less Deferred Tax	(25,375,226)	(15,126,963)	-	-
Net Profit after Tax	70,221,709	(1,447,766,329)	65,823,530	(1,44,69,16,349)
Less Minority share of profits / losses	9,498,321	(7,305,229)	-	-
Dividend (including Interim if any and final)	-	-	-	-
Net Profit after dividend and Tax	**60,723,388**	**(144,04,61,100)**	**6,58,23,530**	**(1,44,69,16,349)**
Amount transferred to General Reserve	-	-	-	-
Balance carried to Balance Sheet	6,07,23,388	(144,04,61,100)	65,823,530	(1,44,69,16,349)
Earnings per share (Basic)	0.43	(14.25)	0.47	(14.31)
Earnings per Share(Diluted)	0.43	(14.25)	0.46	(14.31)

Notes: FY 2016 represents fiscal year 2015–16, from 1 April 2015 to 31 March 2016, and analogously for FY 2015 and other such labeled years.

2. Business Performance

The Performance of the Company made a turnaround during the year ending March 31, 2016. The total standalone sales for FY 2016 are Rs. 3,18,26,44,935 compared to Rs. 2,95,08,62,935 for FY 2015. The Company made a PAT of Rs. 6, 58, 23,530 in the current year compared to a net loss of Rs. 1,44,69,16,349 in the previous year.

3. Consolidated Results

Company's focus on cost optimization across all business segments, cash flow generated from rights issue and sale of some non-core assets has helped your company to turnaround during the financial year 2016.The turnover of the Company in the year was Rs 631,82,65,020/- against Rs 622,66,53,209/- in FY 2014-15. Profit after tax before Minority Interest for the year was Rs 7, 02, 21,709/- as against Loss of Rs 144, 77, 66,329/- in FY 15.

4. Business Operations & Future Outlook

The company is focused on acquisition of quality contracts with good margins. The focus remains on design and build turnkey project and to build order books across segments from reputed clients especially institutions like hospitals, hotels, industrial construction, and certain government agencies.

The real estate sector is in the transition phase where the Government is taking several initiatives to revive the sector. 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. Growth in the Indian economy and likely reduction in interest rates, pickup in housing segment can be expected. With the Government emphasis on Housing for All and development of affordable housing, your Company may also look for favorable opportunities in this niche segment.

5. Transfer to Reserves

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

6. Dividend

We do not recommend any dividend for the year under review.

7. Share Capital

The Company's Rights Issue has been successful and the Company has allotted 6, 66, 66,666 equity shares of Rs. 10/- (plus a premium of Rs, 5/-) each fully paid on August 1, 2015.

The particulars as required under Section 134 of the Companies Act, 2013 ("Act") read with Rule 4 of the Companies (Share Capital and Debentures) Rules, 2014 on issue of equity shares on Rights basis during the Fiscal Year is annexed as **Annexure I.**

Further to it, the Company has allotted 19, 49,123 equity shares of Rs. 10/- each fully paid on September 2, 2015 under Employee Stock Option Scheme, 2013 ('ESOS, 2013'), The Company has also allotted 22,15,000 equity shares of Rs. 10/- each fully paid on November 7, 2015 and 30,000 equity shares of Rs. 10/- each fully paid on May 17, 2016 under Employee Stock Option Scheme, 2014 ('ESOS, 2014'). All the allotted equity shares rank pari passu in all respects with the existing Equity Shares of the Company.

The total paid-up share of the Company has increased to 16, 13, 36,716 equity shares, amounting to Rs.1, 61, 33, 67,160/- as on the date of this Report.

Company has also issued and allotted 6861 zero coupon, rupee denominated, unrated, unlisted, secured, non-convertible debentures of a face value of Rs. 1,00,000 (Rupees One Lakh only) each during the year aggregating to Rs. 68,61,00,000 (Rupees Sixty Eight Crores Sixty One Lakhs only) .

8. Fixed Deposits

The details of deposits accepted/renewed during the year FY 2016 under review are as below:

Sr. No.	Particulars	Amount (in Rs.)
1.	Amount accepted during the year	59,00,000
2.	Amount remained unpaid or unclaimed as at the end of the year.	None
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved. i) at the beginning of the year ii) maximum during the year iii) at the end of the year	No

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.

However, during the year, the Company adopted a new set of Articles of Association in substitution, and to entire exclusion of the regulations contained in the existing Articles of Association of the Company. This was primarily done to align the Articles with the new Companies Act, 2013 and rules there under.

10. Material Changes and Commitments affecting the Financial Position of the Company

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

Apart from it, there are no material changes affecting the financial position of the Company subsequent to the close of the FY 2016 till the date of this report.

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 seventeen subsidiaries and seven joint venture companies as on March 31, 2016 and one Associate. During FY 2016, i.e. after April 1, 2015, Angelica Properties Private Limited, Sunflower Real Estate Developers Pvt. Ltd. , Sansara Developers Pvt. Ltd. Shreyas Strategies Pvt. Ltd. became Subsidiary of Vascon.

During the year, Vascon acquired the balance 35% shares in Greystone Premises Pvt. Ltd. making it a wholly owned subsidiary of the Company.

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 II"** 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 at http://vascon.com/investor.asp.

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

16. Board of Directors and Key Management Personnel

During the year Mr. R. Kannan (DIN: 00017321) resigned from the post of directorship with effect from November 7, 2015. Mr. R. Kannan resigned due to personal reasons and Board thanked him for his services to the Company.

The Board of Directors at its meeting held on February 9, 2016, re-appointed Mr. R. Vasudevan as Whole-time Director designated as Managing Director of the Company, for a further period of five years with effect from April 1 2016, subject to approval of the shareholders at the forthcoming 31st AGM scheduled on September 15 2016.

The Board of Directors appointed Mr. Mukesh Satpal Malhotra as Additional Director of the Company, categorized as Independent. The Board

recommends appointment of Mr. Malhotra as Independent Director under Section 149 of the Companies Act, 2013 for a term of five years, with effect from May 17 2016 approval of the shareholders at the forthcoming 31st AGM.

In accordance with Section 149(7) of the Companies Act, 2013, 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 Regulation 16(1)(b) of the Listing Regulations.

Ms. Sowmya Vasudevan Moorthy, retires by rotation at the forthcoming 31st AGM and being eligible, seeks re-appointment.

Brief profiles of Mr. R. Vasudevan, Mr. Mukesh Malhotra and Ms. Sowmya Vasudevan Moorthy are given in the Corporate Governance section of the annual report and notice convening the 31st AGM, 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 Sundararajan, Chief Executive Officer; Mr. D. Santhanam, Chief Financial Officer; and Mr. M. Krishnamurthi, Company Secretary & Compliance Officer.

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

A. Board Evaluation

As per provisions of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, an evaluation of the performance of the Board of Directors and Members of the Committees was undertaken. Schedule IV of the Companies Act states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

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 Regulation 16(1)(b) of the Listing Regulations.

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

B. Number Of Board Meetings

The Board of Directors met seven 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. K. G. Krishnamurthy, 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. 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 2016, 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 2016 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 III".**

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

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 SEBI Listing Regulations.

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 31st AGM till the conclusion of the 32nd 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, Mr. K. D. Rane, of K.D. Rane & Associates, practicing Company Secretary was appointed to conduct the secretarial audit of the Company for FY 2016. The secretarial audit report for FY 2016 is attached as **"Annexure IV".**

For FY 2017, based on the consent received from Mr. K. D. Rane, of K.D. Rane & Associates, practicing Company Secretary and on the recommendations of the Audit Committee, the Board has appointed Mr. K. D. Rane, of K D Rane & Associates, practicing Company Secretary, as secretarial auditor of the Company for FY 2017.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company maintains the cost audit records. Your Board has, on the recommendation of the Audit Committee, appointed Mrs. Varsha S. Limaye, Cost Accountants (Membership No.12358) as cost auditors of the Company for the FY 2017 at a remuneration of Rs. 2, 50,000/- (Rupees Two Lacs Fifty Thousand Only) plus service tax as may be applicable. The provisions also require that the remuneration of the cost auditors be ratified by the shareholders.

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

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report or by the Practicing Company Secretary in the secretarial audit report.

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

Auditor's emphasis matters of the Report:

i) Loans and Advances to parties covered in the register maintained under section 189 of the Companies Act, 2013

Reply: The management is confident of recovering advances along with due interest.

(ii)Auditor's comment on delay in payment of statutory dues and loans, in their Annexure to the Report
Reply: The Company is planning to liquidate some of its noncore assets to an extent of around Rs. 100 crores. This cash flow shall enable company to pay the dues on time.

25. Significant and Material Orders Passed by the Courts/Regulators

During FY 2016, 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, Mr. V. Mohan, Member and Ms. Sowmya Vasudevan Moorthy, Member.

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

The Report on CSR activities of the Company is attached as **"Annexure V"**

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

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

visiting the Company's office premises or women service providers are covered under this Policy.

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

During the Fiscal 2016, the Company has not received any complain on sexual harassments.

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

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

29. Statement of deviation(s) or variation(s).

There is no deviation in the use of proceeds from the objects stated in the offer document for the Rights Issue.

30. Employees Stock Option Schemes

During the year, there has been no material change in the Employees Stock Option Scheme, 2013, the Employees Stock Option Scheme,2014 and Employees Stock Option Scheme,2015 (all collectively referred as 'the Schemes'). The Schemes are in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the details as required under the said Regulations are available on website of the Company http://vascon.com/investor.asp. The applicable disclosures as stipulated under SEBI guidelines with regard are attached as "Annexure VI".

31. Particulars of Employees

The total number of employees as on 31st March, 2016 stood at 601.

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 VII"**.

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.

32. 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.

33. Foreign Exchange Earnings and Outgo:

Particulars	FY 2016	FY 205
Foreign Exchange Earning	-	-
Expenditure in Foreign Exchange	57,52,828	43,42,532

34. Risk Management

The Company has implemented a comprehensive and fully integrated 'Risk Management' framework in order to anticipate, identify, measure, manage, mitigate, monitor and report the principal risks and uncertainties that can impact its ability to achieve its strategic business objectives.

The Company has introduced several improvements to Risk Management and processes to drive a common integrated view of risks and optimal risk mitigation responses.

This integration is enabled by alignment of Risk Management and Internal Audit methodologies and processes in order to maximise the value of the Company and ensure high value creation for our stakeholders over a time.

35. Extract of the Annual Return

The details forming part of the extract of the annual return in Form MGT-9 is attached as **"Annexure VIII"**.

36. 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: Pune
Date: May 17, 2016

ANNEXURES TO THE REPORT OF BOARD OF DIRECTORS
ANNEXURE I: Details of Issue of Equity Shares on a Rights basis completed during the FY 2016

[Pursuant to Section 134 of the Companies Act, 2013 and Rule 4 of the Companies (Share Capital and Debentures) Rules, 2014]

The details of the Rights Issue during the FY 2016 are given hereunder

Particulars	Details of the Issue
Rights entitlement ratio	14 equity shares for every 19 equity shares
Issue Price (per share)	Rs.15/- (inclusive of premium)
Premium amount (per share)	Rs.5/-
No of securities issued	666,66,666
Dividend and voting rights	Pari-passu with existing ordinary shares
No of securities allotted on August 2, 2015 (excluding shares held in abeyance)	6,66,66,666
Amount raised	99,99,99,990

I. Pre Rights Issue Shareholding Pattern of Equity Shares as on July 31, 2015

Category Code	Category of Shareholder	No of Shareholders	Total Number of Shares	No of Shares Held in Dematerialized Form	Total Shareholding as a % of Total no of Shares	
					As a Percentage Of (A+B)	As a Percentage Of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	**Promoter and Promoter Group**					
(1)	Indian					
(a)	Individual /HUF	5	14891057	14891057	16.46	16.46
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	5	19978766	19978766	22.08	22.08
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(1) :	**10**	**34869823**	**34869823**	**38.54**	**38.54**
(2)	Foreign					
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**10**	**34869823**	**34869823**	**38.54**	**38.54**
(B)	**Public Shareholding**					
(1)	INSTITUTIONS					
(a)	Mutual Funds /UTI	2	1837985	1837985	2.03	2.03
(b)	Financial Institutions /Banks	5	4470775	4470775	4.94	4.94
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1	774523	774523	0.86	0.86
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0.00
	Sub-Total B(1) :	**8**	**7083283**	**7083283**	**7.83**	**7.83**
(2)	Non-Institutions					
(a)	Bodies Corporate	241	40031285	38660375	44.25	44.25
(b)	Individuals					
	(i) Individuals holding nominal share capital upto Rs.1 lakh	5387	2013008	2013006	2.22	2.22
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	77	4371330	4371330	4.83	4.83
(c)	Others	-	-	-	-	-

Category Code	Category of Shareholder	No of Shareholders	Total Number of Shares	No of Shares Held in Dematerialized Form	Total Shareholding as a % of Total no of Shares	
					As a Percentage Of (A+B)	As a Percentage Of (A+B)
	H U F	226	234564	234564	0.26	0.26
	Clearing Members	159	1813464	1813464	2.00	2.00
	Non Resident Indians	48	59170	59170	0.07	0.07
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
	Sub-Total B(2) :	**6138**	**48522821**	**47151909**	**53.63**	**53.63**
	Total B=B(1)+B(2) :	**6146**	**55606104**	**54235192**	**61.46**	**61.46**
	Total (A+B) :	**6156**	**90475927**	**89105015**	**100.00**	**100.00**
(C)	Shares held by custodians, against which	-	-	-	-	-
	Depository Receipts have been issued	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-
(2)	Public	0	0	0	0.00	0.00
	Grand Total (A+B+C) :	**6156**	**90475927**	**89105015**	**100.00**	**0.00**

II. Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr.No	Name of the Shareholder	Details of Shares held		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	
(I)	(II)	(III)	(IV)	(XII)
1	Golden Temple Pharma Private Limited	7783273	8.60	8.60
2	Vasudevan Rammoorthy	7615528	8.42	8.42
3	Premratan Exports Pvt Ltd	6667637	7.37	7.37
4	Vatsalya Enterprises Private Limited	5227273	5.78	5.78
5	Lalitha Vasudevan	4669128	5.16	5.16
6	Vasudevan Ramamoorthy	1800001	1.99	1.99
7	Sowmya Vasudevan Moorthy	403200	0.45	0.45
8	Siddharth Vasudevan Moorthy	403200	0.45	0.45
9	Bellflower Premises Private Limited	299583	0.33	0.33
10	Vasumangal Constructions LLP	1000	0.00	0.00
	Total :	**34869823**	**38.54**	**38.54**

III. Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr.No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grant total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital)
1	Dreamz Impex Pvt Ltd	9783273	10.81	10.81
2	DNA Pharma Pvt Ltd	8968000	9.91	9.91
3	Medicreams India Pvt Ltd	6667637	7.37	7.37
4	Orion Life Sciences Pvt Ltd	6112000	6.76	6.76
5	State Bank Of India	2322481	2.57	2.57
6	Okasa Pvt. Ltd.	1370910	1.52	1.52
7	Reliance Ventures Limited	1161240	1.28	1.28
8	Uco Bank	1161240	1.28	1.28
9	Stock Hldg Corp Of I Ltd	1161240	1.28	1.28
10	Housing Development Finance Corporation Limited	1161240	1.28	1.28
11	Sundaram Mutual Fund A/C Sundaram Smile Fund	983826	1.09	1.09
12	HDFC Ventures Trustee Company Limited	928999	1.03	1.03
	TOTAL :	**41782086**	**46.18**	**46.18**

IV. Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr.No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares held	Shares as a percentage of total number of shares {i.e., Grant total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Total shares (including nderlying shares assuming full conversion of warrants and onvertible securities) as a % of diluted share capital)
1	Dreamz Impex Pvt Ltd	9783273	10.81	10.81
2	DNA Pharma Pvt Ltd	8968000	9.91	9.91
3	Medicreams India Pvt Ltd	6667637	7.37	7.37
4	Orion Life Sciences Pvt Ltd	6112000	6.76	6.76
	Total :	**31530910**	**34.85**	**34.85**

V. **Statement showing details of locked-in shares:** Nil

VI. **(II) (a) Statement showing details of Depository Receipts (DRs):** Nil

VII. **(II) (b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares:** Nil

I. Post Rights Issue Shareholding Pattern of Equity Shares as on August 2, 2015

Category Code	Category Of Shareholder	No of Shareholders	Total Number Of Shares	No Of Shares Held In Dematerialized Form	Total Shareholding As A % Of Total No Of Shares	
					As a % of (A+B)	As a % of (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	**Promoter and Promoter Group**					
(1)	INDIAN					
(a)	Individual /HUF	5	51196712	51196712	32.58	32.58
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	5	24261300	24261300	15.44	15.44
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(1) :	**10**	**75458012**	**75458012**	**48.02**	**48.02**
(2)	FOREIGN					
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**10**	**75458012**	**75458012**	**48.02**	**48.02**
(B)	**Public Shareholding**					
(1)	INSTITUTIONS					
(a)	Mutual Funds /UTI	2	8425651	8425651	5.36	5.36
(b)	Financial Institutions /Banks	5	4470775	4470775	2.85	2.85
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1	774523	774523	0.49	0.49
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0.00
	Sub-Total B(1) :	**8**	**13670949**	**13670949**	**8.70**	**8.70**
(2)	Non-Institutions					
(a)	Bodies Corporate	254	50952194	49581284	32.42	32.42
(b)	Individuals					
	(i) Individuals holding nominal share capital upto Rs.1 lakh	5515	2842486	2842484	1.81	1.81
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	124	11495464	11495464	7.32	7.32
(c)	Others					

Category Code	Category Of Shareholder	No of Shareholders	Total Number Of Shares	No Of Shares Held In Dematerialized Form	Total Shareholding As A % Of Total No Of Shares	
					As a % of (A+B+C)	As a % of (A+B+C)
	H U F	241	570599	570599	0.36	0.36
	Clearing Members	159	1813482	1813482	1.15	1.15
	Non Resident Indians	49	339407	339407	0.22	0.22
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
	Sub-Total B(2) :	**6342**	**68013632**	**66642720**	**43.28**	**43.28**
	Total B=B(1)+B(2) :	**6350**	**81684581**	**80313669**	**51.98**	**51.98**
	Total (A+B) :	**6360**	**157142593**	**155771681**	**100.00**	**100.00**
(C)	Shares held by custodians, against which					
	Depository Receipts have been issued					
(1)	Promoter and Promoter Group					
(2)	Public	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**6360**	**157142593**	**155771681**	**100.00**	**0.00**

II. Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr.No	Name of the Shareholder	Details of Shares held		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	
(I)	(II)	(III)	(IV)	(V)
1	Vasudevan Ramamoorthy	28459617	18.11	18.11
2	Vasudevan Rammoorthy	13226969	8.42	8.42
3	Vatsalya Enterprises Private Limited.	9078947	5.78	5.78
4	Lalitha Vasudevan	8109538	5.16	5.16
5	Golden Temple Pharma Private Limited	7783273	4.95	4.95
6	Premratan Exports Pvt Ltd	6667637	4.24	4.24
7	Ms. Sowmya Vasudevan Moorthy	700294	0.45	0.45
8	Mr Siddharth Vasudevan Moorthy	700294	0.45	0.45
9	Bellflower Premises Private Limited.	520328	0.33	0.33
10	Vasumangal Constructions LLP.	211115	0.13	0.13
	Total :	**75458012**	**48.02**	**48.02**

III. Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr.No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grant total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital)
1	Dreamz Impex Pvt Ltd	9783273	6.23	6.23
2	DNA Pharma Pvt Ltd	8968000	5.71	5.71
3	Medicreams India Pvt Ltd	6667637	4.24	4.24
4	Orion Life Sciences Pvt Ltd	6112000	3.89	3.89
5	Uti-Mid Cap Fund	5991977	3.81	3.81
6	Aadi Financial Advisors Llp	5613519	3.57	3.57
7	Talma Chemical Industries Pvt Ltd	2940389	1.87	1.87
8	Sundaram Mutual Fund A/C Sundaram Smile Fund	2433674	1.55	1.55
9	State Bank Of India	2322481	1.48	1.48
10	Meenu Bhanshali	1765000	1.12	1.12
	Total	**52597950**	**33.47**	**33.47**

IV. Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr.No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares held	Shares as a percentage of total number of shares {i.e., Grant total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital)
1	Dreamz Impex Pvt Ltd	9783273	6.23	6.23
2	DNA Pharma Pvt Ltd	8968000	5.71	5.71
	Total :	**18751273**	**11.93**	**11.93**

V. **Statement showing details of locked-in shares:** Nil

VI. **(II) (a) Statement showing details of Depository Receipts (DRs):** Nil

VII. **(II) (b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares:** Nil

ANNEXURE II AOC- 1

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

PART-A Subsidiary

Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover (Including other Income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
Marvel Housing Private Limited	No	N. A.	100,000	(3,507,510)	3,934,803	7,342,313	-	-	(52,451)	-	(52,451)	-	100%
Vascon Dwelling Private Limited	No	N. A.	100,000	(37491080)	388,576,551	425,967,631	-	44,892,818	(10,799,382)	-	(10,799,382)	-	100%
IT-CitI Info park Private Limited	No	N. A.	100,000	97,945,243	125,174,966	27,129,723	24,155,416	-	(90,789)	507,416	(598,205)	-	100%
Greystone Premises Private Limited	No	N. A.	100,000	(35,270,983)	18,332	35,189,315	-	-	(348,714)	-	(348,714)	-	100%
Vascon Pricol Infrastructure Limited	No	N. A.	71,000,000	(62,908,639)	166,051,726	157,960,365	1,257,897	94,786,843	(14,903,782)	-	(14,903,782)	-	100%
Floriana Properties Private Limited	No	N. A.	100,000	(3,742,478)	63,973,762	67,616,240	-	-	(103,325)	-	(103,325)	-	100%
Windflower Properties Private Ltd	No	N. A.	100,000	262,125	6,992,937	6,630,812	-	-	(534,849)	-	(534,849)	-	100%
GMP Technical Solutions Private Limited	No	N. A.	128,028,600	798,776,980	2,302,130,326	1,375,324,746	5,051,707	2,373,635,803	16,007,730	(8,958,079)	24,965,809	-	85%
GMP Technical Solutions Middle East (FZE)	No	United Arab Emirates Dirham (AED), Exchange Rate : 18.01	2,352,000	12,859,051	45,180,858	29,969,807	-	20,367,480	7,287,566	-	7,287,566	-	85%
GMP Technical Services (LLC)	No	United Arab Emirates Dirham (AED), Exchange Rate : 18.01	5,405,078	7,349,476	49,627,401	36,872,847	-	78,191,477	18,861,102	-	18,861,102	-	85%
Almet Corporation Limited	No	N. A.	5,882,400	31,494,917	41,858,253	4,480,936	-	734,765	(1,441,149)	(1,096)	(1,440,053)	-	100%
Marathawada Realtors Private Limited	No	N. A.	3,921,600	65,663,663	76,488,465	6,903,202	-	310,542	(1,833,362)	36,934	(1,870,296)	-	100%

Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover (Including other Income)	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
Just Homes (India) Pvt. Ltd	No	N. A.	100,000	91,950,885	140,834,939	48,784,054	86,505,993	82,430	(1,684,767)	-	(1,684,767)	-	100%
Angelica Properties Private Limited	No	N. A.	23,231,550	32,524,289	60,203,639	4,447,800	-	5,781,062	4,724,455	1,440,000	3,284,455	-	100%
Sansara Developers Private Limited	No	N. A.	27,400,000	719,384,075	1,243,520,795	496,736,720	-	-	(531,549)	-	(531,549)	-	100%
Shreyas Strategists Private Limited	No	N. A.	100,000	(54,933,703)	720,748,168	775,581,871	720,577,395	-	(2,310,101)	-	(2,310,101)	-	100%
Sunflower Real Estate Developers Private Limited	No	N. A.	10,000,000	(75,805,820)	527,200,396	593,006,216	-	248,232,209	3,437,132	-	3,437,132	-	100%

PART-B Associates and Joint Ventures

Name of associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			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									
Mumbai Estate Private Limited	31.03.2014	99,999	999,990	44.44%	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	N.A.	20,000,000	50%	Joint Control over economic activity of the entity	-	81,119,372	771,483	
Cosmos Premises Private Limited	31.03.2015	177,401	36,790,610	43.83%	Joint Control over economic activity of the entity		79,502,386	5,040,979	
Ajanta Enterprise	31.03.2015	N.A.	397,822,282	50%	Joint Control over economic activity of the entity		112,111,667	154,349,247	
Zircon 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		50,994,716	1,880,979	
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)	(6,440,500)	

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%					
Just Homes Associates	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		8,78,95,715	(11,68,921)	

ANNEXURE III: 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
Vascon Pricol Infrastructure Limited	Subsidiary	FY 2016	Sales and work	47,51,391
Sunflower Real Estate Developers Pvt. Ltd	Subsidiary	FY 2016		6,85,233
Ajanta Enterprises	Joint Venture	FY 2016		19,96,91,587
Flora Facilities Private Limited	Enterprise where KMP's & Relatives of KMP's have significant influence	FY 2016		3,90,08,759
Cherry Constructions Private Limited		FY 2016		2,56,15,256
Vascon Dwellings Private Limited	Subsidiary	FY 2016	Interest Income	3,11,71,142
Vascon Pricol Infrastructure Limited	Subsidiary	FY 2016		1,94,63,109
Sunflower Real Estate Developers Private Limited	Subsidiary	FY 2016		4,27,54,409
Almet Corporation Limited	Subsidiary	FY 2016	Interest Expense	7,34,765
Angelica Properties Pvt. Ltd	Subsidiary	FY 2016		55,82,951
Marathawada Realtors Pvt. Ltd.	Subsidiary	FY 2016		14,8270
Ajanta Enterprises	Joint Venture	FY 2016		59,22,505
Stresstech Engineers Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2016		2,02,500
Vastech Consultants Private Limited		FY 2016		10,33,296
Flora Facilities Private Limited		FY 2016		34,71,781
D Santhanam HUF		FY 2016		1,29,211
M. Krishnamurthi (HUF)		FY 2016		2,84,217
Mr. Siddharth Vasudevan	Relatives of Key Management Personnel	FY 2016		75,155
Ms. Sailaxmi Santhanam Mudaliar		FY 2016		50,130
Mrs. Thangam Moorthy		FY 2016		2,39,707
Mr. R. Vasudevan	Key Management Personnel	FY 2016		41,17,616
Mr. Santosh Sundararajan		FY 2016		27,12,528
D Santhanam		FY 2016		4,93,372
GMP Technical Solution Pvt. Ltd.	Subsidiary	FY 2016	Purchase of Goods / Work	4,72,11,858
Flora Facilities Private Limited	Enterprise where KMP	FY 2016		2,34,08,436

Stresstech Engineers Private Limited	& Relatives of KMP significant influence	FY 2016		2,27,27,172
Vastech Consultants & Engineers LLP		FY 2016		1,50,86,720
Mr. R Vasudevan	Key Management Personnel	FY 2016	Receiving of Services	(4,52,92,462)
Dr. Santosh Sundararajan		FY 2016		3,08,51,280
Mr. D.Santhanam		FY 2016		68,46,336
Mr.M.Krishnamurthi		FY 2016		55,35,769
Siddharth Vasudevan	Relatives of Key Management Personnel	FY 2016		1,96,53,400
Mrs. Sailaxmi Santhanam Mudaliar		FY 2016		10,000
Mrs. Shilpa Sivram		FY 2016		1,30,500
Vastech Consultants Private Limited		FY 2016		49,42,041
D Santhanam-HUF		FY 2016		34,000
Seraphic Designs Private Limited		FY 2016		18,21,376
Zircon Ventures	Joint Ventures	FY 2016	Share of Profit from AOP/Firm	18,80,979
Ajanta Enterprises	Joint Ventures	FY 2016		15,44,19,283
Phoenix Ventures	Joint Ventures	FY 2016		7,71,482
Zenith Ventures	Joint Ventures	FY 2016	Share of loss from AOP/Firm	64,40,500
Vascon Pricol Infrastructures Limited	Subsidiary	FY 2016	Reimbursement of expenses	2,47,076
Ajanta Enterprises	Joint Ventures	FY 2016		1,12,25,592
Cosmos Premises Private Limited	Joint Ventures	FY 2016		1,43,81,100
Phoenix Ventures	Joint Ventures	FY 2016		6,00,000
Dr Santosh Sundararajan	Key Management Personnel	FY 2016		40,800
M. Krishnamurthi	Key Management Personnel	FY 2016	Reimbursement of expenses	40,800
D Santhanam		FY 2016		67,472
Floriana Properties Private Limited	Subsidiary	FY 2016	Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	6,78,16,410
Marvel Housing Private Limited	Subsidiary	FY 2016		38,80,000
IT Citi Info park Private Limited	Subsidiary	FY 2016		2,50,00,000
Greystone Premises Private Limited	Subsidiary	FY 2016		1,60,26,800
Marathawada Realtors Private Limited	Subsidiary	FY 2016		1,70,800
Almet Corporation Limited	Subsidiary	FY 2016		1,26,000
Vascon Dwellings Private Limited	Subsidiary	FY 2016		11,45,87,179
Just Homes (India) Private Limited	Subsidiary	FY 2016		12,17,925
Shreyas Strategists Private Limited	Subsidiary	FY 2016		1,02,360
Sansara Hotels India Private Limited	Subsidiary	FY 2016		38,78,234
Sunflower Real Estate Developers Private Limited	Subsidiary	FY 2016		5,96,43,398
Phoenix Ventures	Joint Venture	FY 2016		1,13,71,210
Zenith Ventures	Joint Venture	FY 2016		35,21,965
Just Homes (AOP)	Joint Venture	FY 2016		42,53,011
Ajanta Enterprises	Joint Venture	FY 2016		2,55,92,251
Zircon Ventures	Joint Venture	FY 2016		18,015,987
M. Krishnamurthi (HUF)	Enterprise where KMP & Relatives of KMP significant influence	FY 2016		20,55,794
D.Santhanam (HUF)		FY 2016		1,00,000
Mrs. Thangam Moorthy	Relatives of Key Management Personnel	FY 2016		15,00,000
Mr. R. Vasudevan	Key Management Personnel	FY 2016		27,59,57,393
Mr. Santosh Sundararajan		FY 2016		99,42,000
D Santhanam		FY 2016		16,00,000
Almet Corporation Limited	Subsidiary	FY 2016	Finance availed /Received back(including equity contributions in cash or in kind)	7,03,612
Angelica Properties Private. Limited.	Subsidiary	FY 2016		5,40,00,000
Floriana properties Private Limited	Subsidiary	FY 2016		6,77,38,131
Marathawada Realtors Private Limited	Subsidiary	FY 2016		1,82,041
IT Citi Info Park Private Limited	Subsidiary	FY 2016		7,06,200
Greystone Premises Private Limited	Subsidiary	FY 2016		1,00,20,000

Vascon Pricol Infrastructure Limited	Subsidiary	FY 2016	Finance availed /Received back(including equity contributions in cash or in kind)	5,80,00,000
Just Homes (India) Private Limited	Subsidiary	FY 2016		10,00,000
Sunflower Real Estate Dev Private Limited	Subsidiary	FY 2016		90,00,000
GMP Technical Solution Private Limited	Subsidiary	FY 2016		1,50,00,000
Vascon Dwellings Private Limited	Subsidiary	FY 2016		21,14,90,000
Phoenix Venture	Joint Venture	FY 2016		9,73,001
Zircon Ventures		FY 2016		44,97,364
Just Homes Associates (AOP)		FY 2016		8,00,000
Flora Facilities Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2016		5,00,00,000
Venus Ventures		FY 2016		1,300,000
Mr. Siddharth Vasudevan (Others)	Relatives of Key Management Personnel (Through Fixed Deposit)	FY 2016		4,93,791
Mr. R. Vasudevan	Key Management Personnel	FY 2016		15,45,35,000
Mr. Santosh Sundararajan		FY 2016		11,00,000
GMP Technical Solution Private Limited	Subsidiary	FY 2016	Outstanding corporate / bank guarantees given	106,50,00,000
Phoenix Ventures	Joint Venture	FY 2016		100,000,000
Vascon Dwellings Private Limited	Subsidiary	FY 2016		18,55,35,400
Vascon Pricol Infrastructure Limited	Subsidiary	FY 2016		4,31,46,487
Sunflower Real Estate Developers Private Limited	Subsidiary	FY 2016		7,22,750
Sansara Hotels India Private Limited	Subsidiary	FY 2016		47,09,48,695
Windflower Properties Private Limited	Subsidiary	FY 2016		2,00,084
Floriana Properties Private Limited	Subsidiary	FY 2016	Loans & Advances / Project Advances	6,75,05,783
Just Homes (India) Private Limited	Subsidiary	FY 2016		3,01,12,705
Greystone Premises Private Limited	Subsidiary	FY 2016		60,05,800
IT Citi Info Park Private Limited	Subsidiary	FY 2016		2,44,70,924
Marvel Housing Private Limited	Subsidiary	FY 2016		38,80,000
Vascon Dwellings Private Limited	Subsidiary	FY 2016		17,67,02,711
Shreyas Strategists Private Limited	Subsidiary	FY 2016		69,98,14,779
Sansara Developers India Private Limited	Subsidiary	FY 2016		2,39,71,458
Vascon Pricol Infrastructure Limited.	Subsidiary	FY 2016		9,22,86,920
Sunflower Real Estate Developers Private Limited	Subsidiary	FY 2016		33,12,46,967
Vascon Pricol Infrastructure Limited	Subsidiary	FY 2016	Expenses reimbursement	16,27,855
Phoenix Ventures	Joint Venture	FY 2016	Expenses reimbursement - Sundry Debtors	6,33,11,405
Ajanta Enterprises	Joint Venture	FY 2016		4,56,67,637
Zircon Ventures	Joint Venture	FY 2016		7,21,504
Phoenix Ventures	Joint Venture	FY 2016	Expenses reimbursement- Loans & Advances	22998783
Phoenix Ventures	Joint Venture	FY 2016	Expenses reimbursement- Balance in capital and current accounts	69,290,280
Ajanta Enterprises	Joint Venture	FY 2016		251,561,367
Zircon Ventures	Joint Venture	FY 2016		66,394,317
Mumbai Estate Private Limited	Associates	FY 2016	Expenses reimbursement-Loans & Advances	25,63,00,010
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	Enterprise where KMP & Relatives of KMP significant influence	FY 2016	Expenses reimbursement- Sundry Debtors	32,41,312
Cherry Constructions Private Limited		FY 2016		3,10,20,052
Vastech Consultants Private Limited		FY 2016	Loans & Advances (Including deposits	33,43,803

Bellflower Premises Private Limited	Enterprise where KMP & Relatives of KMP significant influence	FY 2016	and trade advances)	5,000,000
Flora Facilities Private Limited		FY 2016		12,500,000
Vatsalya Enterprises Private Limited		FY 2016		5,000,000
Venus Ventures		FY 2016		38,598,984
Mr. R. Vasudevan	Key Management Personnel	FY 2016	Sundry Debtors	103,470
Dr. Santosh Sundararajan		FY 2016		4,917,458
GMP Technical Solution Pvt. Ltd	Subsidiary	FY 2016	Receivable from Vascon Engineers Limited- Sundry Creditors	10,65,83,942
Almet Corporation Limited	Subsidiary	FY 2016	Receivable from Vascon Engineers Limited- Loans & Advances	87,51,930
Marathawada Realtors Private Limited	Subsidiary	FY 2016		16,92,800
Angelica Properties Private Limited	Subsidiary	FY 2016		5,90,24,656
Ajanta Enterprises	Joint Venture	FY 2016		3,02,56,972
Just Homes (AOP)	Joint Venture	FY 2016		35,89,47,574
Zenith Ventures	Joint Venture	FY 2016	Receivable from Vascon Engineers Limited- Balance in current account	2,48,54,301
Santosh Sundararajan	Key Management Personnel	FY 2016	Receivable from Vascon Engineers Limited- For Services Received	47,81,716
M. Krishnamurthi		FY 2016		13,52,626
D Santhanam		FY 2016		16,98,005
Dr. Santosh Sundararajan		FY 2016	Receivable from Vascon Engineers Limited- For Deposit Received	1,89,00,000
D. Santhanam		FY 2016		34,00,000
M. Krishnamurthi		FY 2016	Receivable from Vascon Engineers Limited- Expenses reimbursement	17,000
D Santhanam		FY 2016		29,342
Dr. Santosh Sundararajan		FY 2016		10,200
Mr. R Vasudevan		FY 2016	Receivable from Vascon Engineers Limited - Loans and advances	42,48,768
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	Enterprise where KMP & Relatives of KMP significant influence	FY 2016	Sundry Creditors	31,33,590
Stresstech Engineers Private Limited		FY 2016	Sundry Creditors	1,24,92,238
Seraphic Design Private Limited		FY 2016	Sundry Creditors	3,30,000
Vastech Consultants & Engineers LLP		FY 2016	Sundry Creditors	1,03,96,477
D. Santhanam HUF		FY 2016	Sundry Creditors	12,600
Flora Facilities Private Limited		FY 2016	Loans/(Advances)	5,00,32,548
Stresstech Engineers Private Limited		FY 2016	Loans/(Advances)	19,13,766
Vastech Consultants Private Limited		FY 2016	Loans/(Advances)	1,09,39,326
M. Krishnamurthi		FY 2016	Deposit Received	15,50,000
D. Santhanam HUF		FY 2016		10,00,000
Mr. Siddharth Vasudevan	Relatives of Key Management Personnel	FY 2016		6,00,000
Mrs. Sailaxmi Santhanam Mudaliar		FY 2016		4,00,000
Mrs. Thangam Moorthy		FY 2016		15,00,000
Mr. Siddharth Vasudevan		FY 2016	For services received	31,69,090
Mr. Siddharth Vasudevan		FY 2016	Loans /(Advances)	4,93,791
Mrs. Shilpa Sivram		FY 2016	Sundry Creditors	63,000

Annexure IV

FORM NO. MR.3 Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

[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 2016 ('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 2016 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 Overseas Direct Investment. Provisions relating to Foreign Direct Investment and External Commercial Borrowings were not applicable to the Company during the Audit Period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 notified with effect from 15 May 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period).**

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 notified with effect from 1 July 2015;

(ii) The erstwhile Listing Agreement entered into by the Company with stock exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1 December 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the 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 the Company has-

(i) issued shares to its members on rights basis;
(ii) issued non convertible debentures on a private placement basis;
(iii) adopted new set of articles of association;
(iv) approved mortgaging/charging of properties of the Company pursuant to section 180(a) of the Act; and
(v) approved borrowing powers of the Company pursuant to the provisions of section 180(c) of the Act.

Kulbhushan D Rane
Place: Pune
ACS No. 30644, CP No 11195
Date: 17 May 2016

ANNEXURE V
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 and it has been reconstituted by the Board on November 7, 2016 as below:

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

3. Average net profit of the company for last three financial years: N.A.
   The Company has incurred losses in FY 2013, 2014 and 2015.
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 8 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 Lake District Site Yewalewadi Kondhwa. Construction industries are hazardous mainly because of dust from cement and other materials used on site. These dust particles may be harmful to eyes and due to poor financial condition of the workers their negligence regarding the same; they avoid getting their regular eye checkups. VMF has been focusing on it and organized eye checkup camps at Lake District Site Yewalewadi Kondhwa on 18th April 2015 in association with H.V.Desai Eye Hospital, Mohamadwadi, Hadapsar. Total 60 workers took benefit of eye check up camp including children. Six workers received spectacles at a concessional rate. Doctors of H.V. Desai Eye Care Hospital also explained to the laborers about the care to be taken during welding. 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 laborers.

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, laborers and their children are deprived of preventive health care programme. 189 children from construction sites have been immunized in the year 2015-2016, against Polio, Triple vaccine, Jaundice, BCG, Measles etc. It has been possible with the help of Niramay -NGO, PMC and PCMC. Parents of these children are convinced for immunization camps. The response to these camps was overwhelming. Doctors and the nursing staff built excellent rapport with the parents and gained their confidence.

HIV & AIDS Awareness Programme:

Construction sites laborers continuously keep wandering in the urban centers in search of work. This is considered to be a high risk population, as far as, HIV & AIDS is concerned. They have very little awareness about it and have many misconceptions about the illness. VMF staff covered 7 Sites in Pune city for the scientific HIV/AIDS awareness programme at Citron, Forest County, Platinum Square, Windermere, Ela the Earth, SVEC, Lake District, a total of 523 workers were covered including female. It was very good that many people asked for the referral services available in Pune. They were given the address of voluntary counseling and testing (VCTC) center. They were also provided the addresses of the Anti Retroviral Treatment (ART) centers. After the HIV & AIDS Awareness programme, condom demonstration shown to male workers and condom distributed.

Preventive and Curative Health Camps:

In the year 2015-16, VMF focused on the preventive and curative health care of the construction workers, with the help of existing Government health services.
A total of 84 health checkup camps were held on all the sites in Pune. Total 2941 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. 992 workers were given T. T. This will be an ongoing programme every month. In these health camps 160 children got De-worming doses and 51 children received Vitamin A doses. Teams of PMC and PCMC Health department from various hospitals come to site on regular basis. Anemia is one of the

sever problem in women, during the health camp most of the female workers received iron and folic acid supplements,

Crèches/ Day Care Centers on Construction Sites:

Since construction industry is hazardous, safety of children on construction sites is very important. Both the husband and wife work on the site and there is nobody to look after the children at home. If women stay at home they will lose out on opportunities to earn wages, which is important for them to earn their living. Vascon Moorthy Foundation runs 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 Ishwarpuram Trust. Currently, this hostel only has boys staying.

In the academic year 2015-2016, 17 students were enrolled in the hostel from standard 3rd to 10th. One of them successfully passed the 10th standard exam with 1st class with distinction. Two of them successfully passed the 10th standard exam with 1st class. One of them passed with second class. Total four students successfully passed std 10th.

A trip of student was organized at the mounting side near Pulgaon village as a part of recreation for the children.

A Recreational Summer Camp for the children:

The children of the laborers are used to staying in different labor 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 Ishwarpuram hostel which is specially run by VMF. Most of these children do not have access to recreational facilities available near the labor 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. There were 61 children totally for the summer camp.

Children learn and experienced Origami, Quelling, they made the small beautiful pots and handmade Bhandhani Handkerchief and made very attractive Crystal flowers. They enjoyed the learning dance from professional dancing team.

Star Site Competition for Best maintained Labor camp for workers.

VMF conducting Star site competition at all India level every year. The purpose of this competition is to motivate the site staff to provide the better hygiene, safe drinking water facility, healthy environment and better living condition to improve the labors quality of life.

In the year 2015-2016 total 12 site fulfilled the criteria of the competition and TNMCH Chennai won the award of Star site competition, Windermere Pune was first runner up and Lake district Pune was second runner up. All winner sites got the Trophy and some cash prices, as a token of appreciation.

Ramya Siddharth Moorthy

Trustee

ANNEXURE – VI: EMPLOYEES STOCK OPTION SCHEME

The details of stock options as on 31 March 2016 under the Vascon Employee Stock Option Scheme 2014 ('**ESOS, 2014**') and Vascon Employee Stock Option Scheme 2015 ('**ESOS, 2015**') are as under:

SN	Description	ESOS, 2014	ESOS, 2015
1.	Total Options granted	22,50,000	64,00,000
2.	Pricing formula	Intrinsic value	Intrinsic value
3.	Options vested as at 31 March 2016	22,50,000	-
4.	Total options exercised	22,45,000	-
5.	Total number of shares arising as a result of exercise of options	22,45,000	-
6.	Total Options lapsed	Nil	NIL
7.	Variation of terms of Options	N.A.	N.A.
8.	Total Money realized by exercise of options	2,24,50,000	-
9.	Total number of options in force	5,000	64,00,000
10.	Employee-wise details of options granted during the year to:		

Senior managerial Personnel

Name	ESOS, 2014		ESOS, 2015	
	Exercise Price	No. of Options	Exercise Price	No. of Options
Santosh Sundararajan	At par	7,79,950	Rs. 20/-	33,44,750
M.Krishnamurthi	At par	1,70,000	Rs. 20/	2,50,000
D Santhanam	At par	1,70,000	Rs. 20/	2,50,000

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, 2014	ESOS, 2015	ESOS, 2014	ESOS, 2015
Santosh Sundararajan	Rs. 10/-	Rs. 20/-	7,79,950	33,44,750
M.Krishnamurthi	Rs. 10/-	Rs. 20/-	1,70,000	-
D. Santhanam	Rs. 10/-	Rs. 20/-	1,70,000	-

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	0.46	0.46
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.	The profits will be lower by Rs. 15.49 lacs and basic and diluted EPS will be Rs.0.46.	The profits will be lower by Rs. 33.79 lacs and basic and diluted EPS will be Rs.0.45.
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	Exercise Price: Rs. 10/-. Weighted Average fair value of the option: Rs. 20.61/-	Exercise Price: Rs. 20/- Weighted Average fair value of the option: Rs. 8.30/-
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	8.40%	8.40%
18.	Expected life	1 Year	1 Year
19.	Expected volatility	61.10%	67.42%
20.	Expected dividends	2%	2%
21.	The price of the underlying share in market at the time of option grant	29.75	21.40

ANNEXURE – VII : 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 FY2016 and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company:

Name	Designation	Ratio of Remuneration to the Median Remuneration of Employees	% Increase in Remuneration During FY 2016	Comparison of Remuneration KMPs' Against Performance of the Company
V. Mohan	Chairman and Independent Director	**Not Applicable	-	-
R. Vasudevan	Managing Directors	35	Nil	Revenue: 0.38% Net Profit: 18.24%
K. G. Krishnamurthy	Independent Director	**Not Applicable	-	-
*R. Kannan	Independent Director	**Not Applicable	-	-
Sowmya Moorthy	Non Executive Director	**Not Applicable	-	-
***Mukesh Malhotra	Additional Director	-	-	-
Santosh Sundararajan	CEO	95	0.84%	Revenue:1.02% Net Profit: 49.26%
M. Krishnamurthi	Company Secretary	18	Nil	Revenue: 0.19% Net Profit: 9.15%
D. Santhanam	CFO	21	Nil	Revenue: 0.22% Net Profit: 10.67%

**Mr. R. Kannan resigned with effect from November 7, 2015*
*** No remuneration is paid to Non executive directors, except sitting fees for attending board meetings.*
****Mr. Mukesh Malhotra was appointed with effect from May 17, 2016.*
KMPs includes our CEO, CFO and CS.
Remuneration does not include perquisite value of ESOS

The percentage increase in the median remuneration of employees in the financial year is 12.17%. Company has total 601 permanent employees at the end of the financial year. The average increase in remuneration paid to employees is Rs. 36,984/- for FY 2016 as compared to FY 2015. Compared to FY 2015, the revenue in FY 2016 increased by Rs 23.18 crs and EBITDA increased to Rs. 156.85 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.2.69 lacs while the revenue in FY2016 increased by Rs.23.18 Crores and EBITDA increased by Rs.156.85 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	31.3.2016	31.3.2015
Market Capitalization	401.65	208.32
Price Earnings Ratio	52.98	-
The closing price of the Company's equity shares on the NSE and BSE as on 31 March 2015 was Rs. 24.90 and Rs. 24.95 respectively. The above price is an increase of about 66% over the issue price of the share on Rights basis (Rs. 15/-) in August 2015.		

b) Average percentage increase in the salaries of employees other than KMPs for FY2016 was 12.17% as compared to FY2015. There was an increase of Rs 2.69 lacs in the total remuneration of CEO for the same period.

c) The median remuneration of employees increased to Rs. 3, 40,945/- per annum in FY2016.

d) Mr. Santosh Sundararajan, CEO and Mr. Siddharth Moorthy, COO receive remuneration in excess of the remuneration paid to the Managing Director.

e) It is hereby affirmed that the remuneration paid during FY2016 is as per the remuneration policy of the Company.

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Designation	*Remuneration	Qualifications	Experience	Date of Commencement of Employment with the Company	Previous Employment	% of Equity Shares held	Any relation with director
Santosh Sundararajan	39	CEO	3,24,12,660	BE (Civil), MBA (Finance), CFA, PHD (Structural Design)	21	01.10.2007	Buro Engineers Singapore Pte. Ltd.	0.96	N.A.
M. Krishnamurthi	55	Company Secretary & Compliance Officer	60,19,296	BGL, ACA, ACS, ACMA, CGMA	32	19.07.2005	Apollo Hospitals Ltd.	0.20	N.A.
D. Santhanam	53	CFO	70,17,768	ACA	30	16.01.1989	LIC of India	0.22	N.A.
Siddharth Vasudevan	30	COO	1,83,57,400	Diploma (Civil), Bachelor in Applied Science (Construction Mgmt)	10	01.04.2011	Vascon Infrastructures Ltd	0.43	Son of Mr. R. Vasudevan, Managing Director

**Remuneration does not include perquisite value of ESOS*

Annexure VIII
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016
Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. Registration & other details:	
CIN	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	42%
2	Real Estate Development	4100 - Construction of buildings	20%
3	Hospitality	55101	1%
4	Manufacturing & BMS	25111	37%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr.No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	**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** Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune - Nagar Road, Pune MH 411014 IN	U70102PN2006PTC128857	Step Subsidiary	100	2(87)(ii)

Sr.No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3.	**Floriana Properties Private Limited** Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune - Nagar Road, Pune MH 411014 IN	U45209PN2006PTC128875	Subsidiary	100	2(87)(ii)
4.	**GMP Technical Solutions Private Limited** 3rd Floor, Swastik Disa Business Park, Lbs Marg, Behind Wadhani Industrial 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	Step Subsidiary	85.00	2(87)(ii)
6.	**GMP Technical Services (LLC)**	Foreign LLC	Step Subsidiary	85.00	2(87)(ii)
7.	**Greystone Premises Private Limited** 201, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	U70101PN2008PTC131237	Subsidiary	100.00	2(87)(ii)
8.	**It-Citi Info park Private Limited** 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W),Mumbai-400080	U72200MH2001PTC133725	Subsidiary	100.00	2(87)(ii)
9.	**Marathawada Realtors Private Limited** 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400083	U24110MH1984PTC034809	Subsidiary	100.00	2(87)(ii)
10.	**Marvel Housing Private Limited** 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400083	U45200MH2005PTC154682	Subsidiary	100.00	2(87)(ii)
11.	**Sansara Developers India Private Limited** Neelkanath Business Park,'C' Wing,502,5th Floor, Near Vidyavihar Bus Stop, Vidyavihar West	U45204MH2006PTC161661	Step Subsidiary	100.00	2(87)(ii)
12.	**Shreyas Strategists Private Limited** B-124, Vardhman Complex, Fitwell Compound, L.B.S Marg, Vikhroli (W), Mumbai Mh 400038	U74140MH2010PTC204618	Step Subsidiary	100.00	2(87)(ii)
13.	**Sunflower Real Estate Developers Private Limited** 201, Phoenix, Bund Garden Road Opp. Residency Club Pune 411001	U45200PN2007PTC129495	Subsidiary	100.00	2(87)(ii)
14.	**Vascon Dwelling Private Limited** 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W),Mumbai-400083	U45200MH2005PTC154825	Subsidiary	100.00	2(87)(ii)
15.	**Vascon Pricol Infrastructures Limited** Vascon Weikfield Chambers, Behind Hotel Novatel, Opposite Hyatt Hotel, Pune Nagar Road, Pune	U45201PN2007PLC165305	Subsidiary	100.00	2(87)(ii)
16.	**Wind Flower Properties Private Limited** 301, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	U45209PN2006PTC128883	Subsidiary	100.00	2(87)(ii)
17.	**Just Homes (India) Pvt. Ltd** S. no 15 Vadgaon Sheri, Kalyani Nagar, Pune-411014	U45201PN2001PTC019652	Subsidiary	100.00	2(87)(ii)
18.	**Mumbai Estate Private Limited** 401, Rajendra Chambers, 19, Nanabhai Lane, Fort, Mumbai	U45201MH2006PTC163672	Associates	44.44	2(6)
19.	**Vascon Qatar WLL** P.O. Box: 1968, Doha- Qatar Tex No: 4488 ECOM DH	Commercial Registration No: 70063	Joint Venture	49.00	2(6)

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
20.	**Phoenix Ventures** 201, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	AOP	Joint Venture	50.00	2(6)
21.	**Ajanta Enterprises** M/1, M/2, Clover Center, Moledina Road, Camp, Pune-411001	Partnership Firm	Joint Venture	50.00	2(6)
22.	**Zenith Ventures** 201, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	AOP	Joint Venture	Based on specific allocation of assets and liabilities	2(6)
23.	**Zircon Ventures** **201**, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	AOP	Joint Venture		2(6)
24.	**Cosmos Premises Private Limited** 201, Phoenix, Bund Garden Road, Opp. Residency Club,Pune-411001	U70100PN1997PTC133546	Joint Venture	43.83	2(6)

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

(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2015				No. of Shares held at the end of the year as on 31-March-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	12891057	-	12891057	14.25	102393424		51196712	31.74	17.49
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	21978766	-	2978766	24.29	24261300	-	24261300	15.04	(9.25)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**34869823**	**-**	**34869823**	**38.54**	**177851436**		**75458012**	**46.78**	**8.24**
(2) **Foreign**									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total (A)	**34869823**		**34869823**	**38.54**	**75458012**		**75458012**	**46.77**	**8.24**
1. Institutions									
a) Mutual Funds	1838095	-	1838095	2.03	7140658		7140658	4.43	2.40
b) Banks / FI/ NBFC	-	-	-	-	149300	-	149300	0.09	0.09
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	774523	-	774523	0.86	-	-	-	-	(0.86)
Financial Institutions/Banks,					924713		924713		0.57
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-		-	-	-	-	-
Sub Total (B)(1):-	**2612618**	**-**	**2612618**	**2.89**	**8214671**	**-**	**8214671**	**5.09**	**2.20**

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2015				No. of Shares held at the end of the year as on 31-March-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
a) Bodies Corp.	46209995	1370910	47580905	51.07	28502212	-	28502212	17.67	(33.40)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1782639	2	1782641	1.97	11111894	2	11111896	6.89	4.92
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3133162	-	3133162	3.46	37097786		37097786	23.00	19.54
c) Others (specify)	-	-	-	-	--	-	-	-	-
HUF	188960	-	188960	0.21	-	-	-	-	(0.21)
Non Resident Indians	295812	-	295812	0.33	498445		498445	0.31	(0.02)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	12006		12006	0.01	423694	-	423694	0.26	0.25
Trusts	-	-	-	-					
Foreign Bodies - D R	-	-	-	-	-		-	-	-
Sub-Total (B)(2):-	**51622574**		**52993486**	**58.57**	77634031	2	77634033	**48.13**	(8.93)
Total Public (B)	**54235192**	**1370912**	**55606104**	**61.46**	85699402	**2**	85699404	**53.13**	**(6.82)**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**89105015**	**1370912**	**90475927**	**100.00**	**161306714**	2	**161306716**		

(II) Shareholding of Promoter as on March 31, 2016

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered	No. of Shares	% of total shares of the Company	% Of Shares pledged/ encumbered	
	Indian							
	Individuals/Hindu undivided Family							
1.	Vasudevan Rammoorthy	23979567	10.41	Nil	41686586	25.84	8982308	15.43
2.	Lalitha Vasudevan	2669128	2.95	Nil	8109538	5.03	Nil	2.08
3.	Sowmya Vasudevan Moorthy	403200	0.45	Nil	700294	0.43	Nil	-0.02
4.	Siddharth Vasudevan Moorthy	403200	0.45	Nil	700294	0.43	Nil	-0.02
	Any Other	-	-	-	-	-	-	-
5.	Golden Temple Pharma Private Limited	9783273	10.81	Nil	7783273	4.83	Nil	-5.98
6.	Premratan Exports Pvt Ltd	6,667,637	7.37	Nil	6,667,637	4.13	Nil	-3.24
7.	Vatsalya Enterprises Private Limited	5,227,273	5.78	0	9078947	5.63	0	-0.15
8.	Bellflower Premises Private Limited	300583	0.33	0	520328	0.32	0	-0.01
9.	Vasumangal Constructions LLP	-	-	-	211115	0.13		0.13

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

(Iv) Change In Promoter's Shareholding (Please Specify, If there is no change)

Type	Name of the Share Holder	Shareholding at the beginning of the Year 01.04.2015		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
Opening Balance	Golden Temple Pharma Private Limited	9783273	10.81	31/03/2015			9783273	10.81
Sale				22/05/2015	-2000000	Transfer	7783273	8.60
Closing Balance				31/03/2016			7783273	4.83
Opening Balance	Vasudevan Rammoorthy	9415529	10.41	31/03/2015			9415529	10.41
Purchase				07/08/2015	32271057	Transfer	41686586	26.53
Closing Balance				31/03/2016			41686586	25.84
Opening Balance	Premratan Exports Pvt Ltd	6667637	7.37	31/03/2015			6667637	7.37
Closing Balance				31/03/2016			6667637	4.13
Opening Balance	Vatsalya Enterprises Private Limited	5227273	5.78	31/03/2015			5227273	5.78
Closing Balance				31/03/2016			9078947	5.63
Opening Balance	Lalitha Vasudevan	2669128	2.95	31/03/2015			2669128	2.95
Purchase				22/05/2015	2000000	Transfer	4669128	5.16
Purchase				07/08/2015	3440410	Transfer	8109538	5.16
Closing Balance				31/03/2016			8109538	5.03
Opening Balance	Siddharth Vasudevan Moorthy	403200	0.45	31/03/2015			403200	0.45
Closing Balance				31/03/2016			700294	0.43
Opening Balance	Sowmya Vasudevan Moorthy	403200	0.45	31/03/2015			403200	0.45
Closing Balance				31/03/2016			700294	0.43
Opening Balance	Bellflower Premises Private Limited	300583	0.33	31/03/2015			300583	0.33
Sale				26/06/2015	-1000	Transfer	299583	0.33
Closing Balance				31/03/2016			520328	0.32
Opening Balance	Vasumangal Constructions LLP	0	0.00	31/03/2015			0	0.00
Purchase				26/06/2015	1000	Transfer	1000	0.00
Closing Balance				31/03/2016			211115	0.13

Shareholding Pattern of top ten Shareholders as on March 31, 2016

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

Sr. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Opening Balance	HDFC Ventures Trustee Company Limited	11612407	12.83	31/03/2015			11612407	12.83
	Sale				26/06/2015	-9464106	Transfer	2148301	2.37
	Sale				03/07/2015	-1219302	Transfer	928999	1.03
	Sale				16/10/2015	-290310	Transfer	638689	0.40
	Sale				31/03/2016	-58062	Transfer	580627	0.36
	Closing Balance				31/03/2016			580627	0.36
2	Opening Balance	Dreamz Impex Pvt Ltd	9783273	10.81	31/03/2015			9783273	10.81
	Sale				31/07/2015	-9783273	Transfer	0	0.00
	Closing Balance				31/03/2016			0	0.00
3	Opening Balance	Amrit Petroleums Pvt Limited	0	0.00	31/03/2015			0	0.00
	Purchase				31/12/2015	9783273	Transfer	9783273	6.07
	Closing Balance				31/03/2016			9783273	6.07
4	Opening Balance	DNA Pharma Pvt Ltd	8968000	9.91	31/03/2015			8968000	9.91
	Sale				31/07/2015	-8968000	Transfer	0	0.00
	Closing Balance				31/03/2016			0	0.00
5	Opening Balance	Payal Bhanshali	215000	0.24	31/03/2015			215000	0.24
	Purchase				07/08/2015	1200000	Transfer	1415000	0.90
	Purchase				18/09/2015	6302000	Transfer	7717000	4.91
	Sale				31/03/2016	-593789	Transfer	7123211	4.42
	Closing Balance				31/03/2016			7123211	4.42
6	Opening Balance	Medicreams India Pvt Ltd	6667637	7.37	31/03/2015			6667637	7.37
	Sale				31/07/2015	-6667637	Transfer	0	0.00
	Closing Balance				31/03/2016			0	0.00
7	Opening Balance	Orion Life Sciences Pvt Ltd	6112000	6.76	31/03/2015			6112000	6.76
	Sale				31/07/2015	-6112000	Transfer	0	0.00
	Closing Balance				31/03/2016			0	0.00
8	Opening Balance	UTI-Mid Cap Fund	313136	0.35	31/03/2015			313136	0.35
	Purchase				10/04/2015	541023	Transfer	854159	0.94
	Purchase				07/08/2015	5137818	Transfer	5991977	3.81
	Closing Balance				31/03/2016			5991977	3.71
9	Opening Balance	Shah Durgesh Sumatilal	0	0.00	31/03/2015			0	0.00
	Purchase				18/09/2015	3333000	Transfer	3333000	2.12
	Closing Balance				31/03/2016			3333000	2.07
10	Opening Balance	Talma Chemical Industries Pvt Ltd	440389	0.49	31/03/2015			440389	0.49
	Purchase				07/08/2015	2500000	Transfer	2940389	1.87
	Closing Balance				31/03/2016			2940389	1.82

V) Shareholding Directors and Key Managerial Personnel as on March 31, 2016

Sr. No.	Shareholding Directors And Key Managerial Personnel	Date	Reason	Shareholding at the Beginning of the year April 1, 2015		Cumulative Shareholding During The Year March 31, 2016	
				No. of Shares	% of total Share	No. of Shares	% of total Shares
1.	**Name: V. Mohan, Independent Director**						
	At the beginning of the year	1.4.2015	-	-	-	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.3.2016	-	-	-	-	-

2.	**Name: R. Vasudevan, Managing Director**						
	At the beginning of the year	1.4.2015	-	9415529	10.41	9415529	10.41
	Changes during the year	1.8.2015	Purchase-Rights Issue	32271057	48.41	32271057	48.41
	At the end of the year	31.3.2016	-			41686586	25.84
3.	**Name: K G Krishnamurthy, Independent Director**						
	At the beginning of the year	1.4.2015	-	-	-	-	-
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31.3.2016	-	-	-	-	-
4.	**Name: Sowmya Vasudevan Moorthy , Non Executive Director**						
	At the beginning of the year	1.4.2015	-	403200	0.45	403200	0.45
	Changes during the year	1.8.2015	Purchase-Rights Issue	297094	0.45	297094	0.45
	At the end of the year	31.3.2016	-	700294	0.43	700294	0.43
5.	**Name: Mukesh Malhotra, Additional Director**						
	At the beginning of the year	1.4.2015	-	525	0.00	525	0.00
	Changes during the year	1.8.2015	1.4.2015	5000	0.00	5000	0.00
	At the end of the year	31.3.2016		5525	0.00	5525	0.00
6.	**Name: Santosh Sundararajan , CEO**						
	At the beginning of the year	1.4.2015	-	38634	0.04	38634	0.04
	Changes during the year	1.8.2015	Rights Issue	66667	0.10	105301	0.16
		2.9.2015	ESOS 2013	736,201	0.46	841,502	0.53
		7.11.2015	ESOS 2014	779,950	0.48	1,621,452	1.01
			Sale	78, 634	0.5	1542818	0.96
	At the end of the year	31.3.2016	-	1542818	0.96	1542818	0.96
7.	**Name: M. Krishnamurthi, Company Secretary & Compliance Officer**						
	At the beginning of the year	1.4.2015	-	13500	0.01	13500	0.01
	Changes during the year	1.8.2015	Rights Issue	1000	0.00	14500	0.22
		2.9.2015	ESOS 2013	166184	0.10	180684	0.11
		7.11.2015	ESOS 2014	170000	0.11	350684	0.22
			Sell	22684	0.01	328000	0.20
	At the end of the year	31.3.2016	-	328000	0.20	328000	0.20
8.	**Name: D. Santhanam, CFO**						
	At the beginning of the year	1.4.2015	-	18,498			
	Changes during the year	2.9.2015	ESOS 2013	1,66,194	0.10	184,692	0.12
		7.11.2015	ESOS 2014	1,70,000	0.11	354,692	0.21
			Sale	6,000		348692	0.21
	At the end of the year	31.3.2016	-	348692	0.21	348692	0.21

V. INDEBTEDNESS

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness At The Beginning Of The Financial Year				
i) Principal Amount	(198,44,90,561)	(78,70,10,061)	(19,66,42,000)	(2,96,81,42,623)
ii) Interest due but not paid	(47,81,232)	(4,80,74,434)	-	(5,28,55,666)
iii) Interest accrued but not due	(6,35,934)	(17,42,45,481)	-	(17,48,81,415)
Total (i+ii+iii)	**(1,989,271,792)**	**(1,009,329,976)**	**(196,642,000)**	**(3,195,243,768)**
Change In Indebtedness During The Financial Year				
* Addition	(57,311,382)	-	-	(57,311,382)
* Reduction	-	642,144,859	137,092,000	779,236,859
Net Change	**(57,311,382)**	**642,144,859**	**137,092,000**	**721,925,477**
INDEBTEDNESS AT THE END OF THE FINANCIAL YEAR				
i) Principal Amount	(2,043,327,014)	(300,481,892)	(59,550,000)	(2,403,358,906)
ii) Interest due but not paid	(3,240,205)	(6,394,962)	-	(9,635,167)
iii) Interest accrued but not due	(15,954)	(60,308,264)	-	(60,324,218)
Total (i+ii+iii)	**(2,046,583,174)**	**(367,185,118)**	**(59,550,000)**	**(2,473,318,291)**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

B. Remuneration to other Directors **Amount in Rs.**

SN	Particulars of Remuneration	Name of Directors			
		V. Mohan	K.G. Krishnamurthy	R. Kannan	Sowmya Moorthy
1	Independent Directors				
	Fee for attending board committee meetings	1,75,000	1,50,000	-	
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	1,25,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**1,75,000**	**1,50,000**	**-**	**1,25,000**
	Total (B)=(1+2)	**1,75,000**	**1,50,000**	**-**	**1,25,000**
	Total Managerial Remuneration to Non executive Directors including Independent Directors	1,75,000	1,50,000	-	1,25,000
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A

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

Pursuant to the corporate governance requirements prescribed under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the report containing the details of corporate governance systems and processes at Vascon Engineers Limited ('**Vascon'**) is as follows:

1. Philosophy

The Company is committed to good corporate governance. The 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 SEBI Listing Regulations.

2. Board Of Directors

A. Composition

Composition of Board of Directors of Vascon Engineers Limited as on March 31, 2016 is as mentioned in Table A.

Table A

Sr. No/	Name of the Director	DIN	Position	Category
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.	Sowmya Vasudevan Moorthy	06470039	Director	Non-Executive Director (Promoter Non-Executive)

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 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, 2016

Table B

Name	Position	Date of Joining	Relationship with other Directors	Directorships U/S. 165 of the Companies Act, 2013		Other Directorship	Committees membership	Committees Chairmanship
				Public Co's	Private Co's			
V. Mohan	Chairman & Independent Director	6.3.2007	None	6	7	-	1	1
R. Vasudevan	Managing Director	1.1.1986	Father of Sowmya Moorthy	1	1	2	2	-
K. G. Krishnamurthy	Independent Director	21.6.2006	None	6	2	-	4	2
Sowmya Vasudevan Moorthy	Non Executive Director	31.3. 2015	Daughter of R. Vasudevan	1	-	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 Grievance Committees of all public limited companies, whether listed or not, including Vascon are considered. Membership/Chairmanship of foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 has been excluded.*
3. *None of the Independent Directors serves as an Independent Director in more than seven listed companies.*
4. *Other than Sowmya Vasudevan Moorthy, who is the daughter of our Managing Director, Mr. R Vasudevan, none of our Directors on the Board are related to each other.*

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

B. Term of Board Membership

The Board, on the recommendations of the Nomination, 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 Ms. Sowmya Vasydevan Moorthy, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

The Board of Directors at their meeting held on February 9, 2016, re-appointed Mr. R. Vasudevan as Whole-time Director designated as Managing Director of the Company. Further, during the board meeting conducted on May 17, 2016, Mr. Muksesh Malhotra was appointed an Additional Director of the Company, categorized as Independent.

In view of the above, approval of the shareholders is being sought for:
i. The re-appointment of Mr. R. Vasudevan as Whole-time Director designated as Managing Director, for a period of five years with effect from April 1, 2016.
ii. The appointment of Mr. Muksesh Malhotra as Independent Directors, under Section 149 of the Companies Act, 2013 for a term of five years each, with effect from May 17, 2016.

C. Directors' Profile

A brief resume of Directors, nature of their expertise in specific functional areas is given below:

I. Brief Biography of Directors

Mr. V. Mohan is 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. 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.

Ms. Sowmya Vasudevan Moorthy holds bachelor's degree in business administration from Symbiosis International University, Pune and an

advanced diploma in Interior Design from Raffles College of Higher Education, Singapore. She has over 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.

Mr. Mukesh Malhotra holds a Bachelor of Engineering degree from College of Engineering, Pune. He was appointed Managing Director of Weikfield Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. With his focus on International Trade, Mukesh has travelled to over 60 countries and 150 cities, thus giving him a broad appreciation and understanding of International business practices and economic scenarios. The Company's products have received International Quality Awards from Europe and America.

He is actively involved in the activities of MCCIA with a track record of over 25 years, having served as President, 2008- 2010. Mr. Mukesh Malhotra is a Founder Trustee of the Pune International Centre (PIC) a think tank on the lines of the India International Centre, and Vice Chairman of the Malhotra Weikfield Foundation, which provides Scholarships to students in Pure Sciences, and is setting up a state of the art Skill Development Institute with Swiss Collaboration.

II. Nature of relationship between Directors

Other than Ms. 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.

III. 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.

IV. 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.

V. Service contracts entered into between our Company and our Directors:

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

D. Selection and Appointment of New Directors

Induction of a new member on the Board of Directors is the responsibility of the Nomination, 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 the SEBI Listing Regulations. The Committee then places the details of shortlisted candidate who meet these criteria to the Board for its consideration. If the Board approves, the person is appointed as an Additional Director, subject to the approval of shareholders in the Company's general meeting.

E. Familiarization Process for Independent Directors

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 also it is available on the Company's website at http://vascon.com/investor.asp.

F. Letter of Appointment

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter *inter alia* containing the term of appointment, roles, function, duties & responsibilities, code of conduct, disclosures, confidentiality, etc. The terms and conditions of the appointments of Independent Directors are available on the Company's website 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 Regulation 16(1)(b) of the Listing Regulations.

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

Remuneration Paid or Payable to the Directors for FY 2016:

Sr. No.	Name of the Director	Salary Paid (in Rs.)	Sitting Fees Paid (in Rs.)	Shareholding in the Company
1.	V. Mohan	-	1,75,000	-
2.	R. Vasudevan	1,20,00,000	-	4,16,86,586
3.	R. Kannan	-	-	-
4.	K. G. Krishnamurthy	-	1,50,000	-
5.	Sowmya Vasudevan Moorthy	-	1,25,000	7,00,294

**Mr. R. Kannan resigned from his directorship with effect from November 7, 2015*

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

Ms. Sowmya Vasudevan Moorthy

Ms. Sowmya Vasudevan Moorthy (age 27 years) holds a holds degree of bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education. She has over 3 years of experience in the interior design industry.

Ms. Sowmya Vasudevan Moorthy was appointed as a Non Executive Director of the Company on September 29, 2016.

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

Apart from the Committee chairmanship or memberships in Vascon she is not a chairman or member of any Committee in any other Public Limited Company.

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

None of the Directors or Key Managerial Personnel or their relatives except Mr. R. Vasudevan and Ms. Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in in the proposal of Ms. Sowmya Moorthy's re-appointment (retiring by rotation) at the ensuing Annual General Meeting.

Mr. R Vasudevan

Mr. R. Vasudevan a civil engineer and has done his Owner Management Program Harvard Business School. He had a brilliant academic background. He has been awarded with several awards for his contribution in the field of construction and Real Estate industry.

He has been awarded the Top Management Consortium Award of Excellence for the year 2005, the "Construction World -Top Builder Award" in 2007, Award for Life Time Achievements by the Alumni Association of College of Engineering, Pune in 2005 and the South Indian Education Society on the occasion of its Platinum Jubilee (1932-2008) honored and felicitated Mr. R. Vasudevan as a distinguished alumni. He has over 35 years of experience in the construction industry.

Vascon Engineers Limited from 1986 is providing Engineering Procurement Construction Services and the Real Estate Development. The Company undertakes the entire spectrum of Real Estate Development activities including identification and acquisition of land, providing EPC services, and sales and marketing of projects and operation of the completed projects. It has Pan India operations.

Mr. R Vasudevan has been instrumental in bringing the company from scratch to the position of eminence over the last 30 years. He has been our director since January 1, 1986. He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature.

The EPC Business requires special skill set for timely execution of projects and monitoring on continuous basis. Mr. R. Vasudevan possesses these special skill set due to which the Company has grown tremendously in the last 28 years. Under the supervision of Mr. R. Vasudevan, Managing Director the Company 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.

Moreover, the Real Estate business of Vascon was developed on asset light model of Joint Development basis. This requires special skill set to handle partners, launching of correct product mix and pricing of the products optionally. Presently, this highly profitable portfolio is being handled personally by Mr. R. Vasudevan and his expertise is very essential for further growth of the Company.

In the last few two, three years, the construction industry has been deeply affected by market conditions and Government policies and the entire set of companies in the industry has suffered. Hence the company has incurred losses. With the stewardship of Mr. R. Vasudevan, the company shall cope up with the situation and shall move ahead in the next two years. His personal involvement in the execution of projects enables the company to deliver quality projects in a cost effective manner. He also brings in new JDA projects through his charismatic approach.

He is also a Director on the Boards of: NovaCare Drug Specialties Private Limited and he a partner in following partnerships

1. Venus Ventures; and
2. Vasumangal Constructions LLP.

Apart from the Committee chairmanship or memberships in Vascon he is not a chairman or member of any Committee in any other Public Limited Company.

Except Mr. R. Vasudevan, Ms. Sowmya Vasudevan Moorthy and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposal of Mr. R. Vasudevan's re-appointment at the ensuing Annual General Meeting.

Mr. Mukesh Satpal Malhotra

Mr. Mukesh Malhotra completed his schooling at The Bishop's School, Pune & then went on to complete his Bachelor of Engineering at the College of Engineering, Pune.

He was appointed Managing Director of Weikfield Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. With his focus on International Trade, Mukesh has travelled to over 60 countries and 150 cities, thus giving him a broad appreciation and understanding of International business practices and economic scenarios. The Company's products have received International Quality Awards from Europe and America.

He is actively involved in the activities of MCCIA with a track record of over 25 years, having served as President, 2008- 2010.

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

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

He does not hold any Committee memberships.
Mr. Mukesh Malhotra holds 5525 equity shares in the Company.

Except Mr. Mukesh Satpal Malhotra and his relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposal of Mr. Mukesh Malhotra's appointment at the ensuing Annual General Meeting.

I. Board Meetings:

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

Under Indian law, the Board of Directors must meet at least four times a year, with a maximum gap of 120 days between two Board meetings. Board of Vascon Engineers Limited met seven times (including a separate meeting of Independent Directors) during the financial year under review: on May 12, 2015, June 13, 2015, August 11, 2015, November 7, 2015, December 30, 2015, February 9, 2016, and March 10, 2016.

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

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

Directors Attendance for FY 2016

Sr. No.	Name of the Director	Meetings held during year	Number of Board Meetings Attended	Attendance in Last AGM held on September 29, 2015
1.	V. Mohan	7	7	Present
2.	R. Vasudevan	6	6	Present
3.	K. G. Krishnamurthy	7	6	Present
4.	R. Kannan	3	-	Present
5.	Sowmya Vasudevan Moorthy	6	5	Present

**Mr. R. Kannan resigned from his directorship with effect from November 7, 2015*

J. Meeting Of Independent Directors

During FY 2016, the Independent Directors of Vascon Engineers Limited met once in executive sessions without the presence of Executive Directors and other members of management.

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

The Independent Directors also discussed the performance of the Company, agenda of meetings, strategy, risks, competition and succession planning for the Board and the senior management. The

Lead Independent Director, with or without other Independent Directors, provides structured feedback to the Board about the key elements that emerge out of these executive sessions.

K. Annual General Meeting/ Extra Ordinary General Meeting:

Last Three Annual General Meetings of the Company

The special resolutions in the Annual General Meetings held in 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, 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
September 29 2015 at 4.00 P.M.	Babasaheb Dhanakur Hall, Oricon House, 12, K. Dubhash Marg, Near Jahangir Art Gallery, Kalaghoda, Fort, Mumbai 400001	1. Amendment of incidental or ancillary objects clause of the memorandum of association 2. Deletion of the other objects clause of the memorandum of association 3. Amendment of the liability clause of the memorandum of association 4. Adoption of new set of articles of association 5. Borrowing powers of the company 6. Mortgaging/charging of the properties of the company 7. Issue of non-convertible debentures on a private placement basis 8. Employees stock options scheme 2015 ('ESOS, 2015') 9. Grant of employees stock options to the employees equal to or more than 1%. 10. Shifting of registered office of the company

L. Extra Ordinary General Meeting:

During the financial year 2015 and 2016, Company did not conduct any extra ordinary general meeting or a postal ballot and no special resolution was passed through Postal ballot.

During the current year Company has not conducted a postal ballot for passing of a special resolution. The Board of Directors and the Restructuring Committee of the Company has approved Merger of eleven subsidiaries into the Company. Accordingly the Company is proposing to obtain the approval of the Shareholders through Postal Ballot,

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.

7. 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. Vascon Engineers Ltd, adheres to the best practices pursuant to the Secretarial Standards and applicable laws.

8. 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

9. 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.

10. 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. The details are specified in Annexure III to the Board of Directors Report. 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

11. Subsidiary Companies

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

The minutes of each 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

12. Disclosure on Accounting Treatment

In the preparation of financial statements for FY 2016, 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.

13. 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.

14. Prohibition on Insider Trading

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

15. Committee Meetings

Following are Committees Company has formed:

The Company has Board Level Committees, namely:

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

I. Audit Committee:

The Audit Committee comprises three directors and Mr. V. Mohan, Independent Director is a Chairman of the Committee.

During the year the Audit committee met on May 12, 2015, August 11, 2015, November 7, 2015 and December 30 and February 9, 2016.

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

Name	Designation	No of Meeting Attended
V. Mohan	Chairman	5
K. G. Krishnamurthy	Member	4
R. Vasudevan	Member	5

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. Supervise the financial reporting process.
2. Review the quarterly and annual financial results before placing them to the Board along with the related disclosures and filing requirements.

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

II. Nomination and Remuneration Committee

During the year the Remuneration/Compensation Committee met May 12, 2015, August 11, 2015, November 7, 2015 and February 9, 2016, February 29, 2016.

The current composition of the Remuneration Committee is as follows:

Name	Status	No of Meeting Attended
K.G. Krishnamurthy	Chairman	4
V. Mohan	Member	4
Sowmya Moorthy	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. Examine the structure, composition and functioning of the Board, and recommend changes, as necessary, to improve the Board's effectiveness.
2. Formulate policies on remuneration of Directors, KMPs and other employees and on Board diversity.
3. Formulate criteria for evaluation of Independent Directors and the Board.
4. Assess the Company's policies and processes in key areas of corporate governance, other than those explicitly assigned to other Board Committees, with a view to ensure that the Company is at the forefront of good governance practices.
5. Regularly examine ways to strengthen the Company's organisational health, by improving the hiring, retention, motivation, development, deployment and behavior of management and other employees. In this context, the Committee also reviews the framework and processes for motivating and rewarding performance at all levels of the organisation, reviews the resulting compensation awards, and makes appropriate proposals for Board approval. In particular, it recommends all forms of compensation to be granted to the Executive Directors, KMPs and senior management of the Company.
6. The NRC shall attend to any other responsibility as may be entrusted by the Board.

Framework for Performance Evaluation of Independent Directors and the Board

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

The Board is committed to assessing its own 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:
   a. Knowledge to perform the role;
   b. Time and level of participation;
   c. Performance of duties and level of oversight; and
   d. 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.

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

Remuneration details of Mr. R. Vasudevan, Managing Director are as follows:

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

III. Stakeholders Grievance Committee:

The Shareholders Grievance Committee was constituted on June 11, 2007 and reconstituted on September 16, 2009 and November 7, 2016 to specially oversee & redress the issues pertaining to Investor Grievances.

During the year the Stakeholders Grievance Committee met four times on May 12, 2015, August 11, 2015, November 7, 2015 and February 9, 2016,.

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

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

Mr. M. Krishnamurhi, 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 Grievance Committee are broadly as under:

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

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

IV. Corporate Social Responsibility Committee (CSR Committee)

The CSR Committee was reconstituted on November 7, 2016.

During the year the CSR Committee met four times on May 12, 2015, August 11, 2015, November 7, 2015 and February 9, 2016.

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
Sowmya Vasudevan Moorthy	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.

V. Risk Management Committee

During the year the Risk Management Committee met four times on May 12, 2015, August 11, 2015, November 7, 2015 and February 9, 2016.

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

Name	Status	No of Meetings Attended
V. Mohan	Chairman	4
Sowmya Vasudevan Moorthy	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.

VI. Rights Issue Committee

The composition of the Rights Issue Committee is as follows:

Name	Status	No of Meetings Attended
V. Mohan	Chairman	1
R. Vasudevan	Member	1
Sowmy Vasudevan Moorthy	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.

VII. Restructuring Committee

The current composition of the Restructuring Committee is as follows:

Name	Status	No of Meetings Attended
R. Vasudevan	Chairman	1
Sowmya Vasudevan Moorthy	Member	1
M. Krishnamurthi	Member	1
Santosh Sundararajan	Member	1
D. Santhanam	Member	1

The restructuring committee be and is hereby authorized to take all actions and decide all matters relating to and/ or incidental to the aforesaid Scheme, including but not limited to: –

1. To prepare and sign the scheme of amalgamation, applications, petitions, affidavits, undertakings, vakalatnamas, declarations, letters, notices, documents, papers and the like
5. To settle any questions or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolutions;

6. To do all such acts, matters, deeds and things as may be considered necessary and expedient to obtain necessary orders from the Court to do or perform such incidental, consequential and supplemental acts as are necessary or considered appropriate to implement the aforesaid scheme of amalgamation

7. To represent the Company before the jurisdictional High Court(s) and other regulatory authorities including Central or State Government, Regional Director, Registrar of Companies and before all Courts of law or tribunals for the purpose of the proposed Scheme, signing and filing of all documents, deeds, applications, notices, petitions and letters, to finalise and execute all necessary applications/ documents/ papers for and behalf of the Company and to do all such acts, deeds, on behalf of the Company in consultation with the advocates appointed for the purpose of giving effect to the said scheme of amalgamation;

2. To file and submit the scheme of amalgamation, necessary petitions, affidavits, letters, documents, papers and the like with the High Court of Judicature at Bombay, Registrar of Companies, Regional Director and/or any other authority as may be required pursuant to the relevant provisions and applicable laws, rules and regulations;

3. To make such modifications/ alterations/ changes therein as may be suggested, prescribed, expedient or necessary for satisfying the requirements or conditions imposed by the High Court, Registrar of Companies, Regional Director, Income-tax Authorities, other Governmental authorities and/ or any other authority;

4. To withdraw the scheme at any stage in case the changes or modifications required in this Scheme or the conditions imposed by the Court and/ or any other authority, are not acceptable, and if the Scheme cannot be implemented otherwise and to do all such acts, deeds and things considered necessary in connection therewith and incidental thereto;

matters and things necessary and convenient for all or any of the purposes aforesaid.

Reconstitution of the Committees during the year is as follows:

Name	Members	Status
Audit Committee	V. Mohan	Chairman
	K. G. Krishnamurthy	Member
	R. Vasudevan	Member
Nomination Remuneration Committee	K. G. Krishnamurthy	Chairman
	Mr. V. Mohan	Member
	Sowmya Vasudevan Moorthy	Member
Stakeholders Grivance Committee	K. G. Krishnamurthy	Chairman
	V. Mohan	Member
	R. Vasudevan	Member
Corporate Social Responsibility	R. Vasudevan	Chairman
	V. Mohan	Member

Committee	Sowmya Vasudevan Moorthy	Member
Risk Management Committee	V. Mohan	Chairman
	Sowmya Vasudevan Moorthy	Member
	R. Vasudevan	Member

16. Other Disclosure

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

b) Details of non - compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: Nil

c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee :
The Company has 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 http://vascon.com/investor_services.asp.

17. 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.

It is confirmed that no personnel has been denied access to the audit committee;

d) Details of compliance with mandatory requirements and adoption of the non mandatory requirements: Company has complied with all the mandatory requirements and Company strives to comply with non mandatory requires as well.

e) The policy for determining material'subsidiaries can be seen at http://vascon.com/investor_services.asp

f) The policy on dealing with related party transactions http://vascon.com/investor_services.asp

g) Disclosure of commodity price risks and commodity hedging activities:

The Company maybe affected by the variation in the prices of input commodities of it's EPC and Real Estate projects. The Company has not done any hedging transaction.

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

a. Separate posts of chairperson and chief executive officer Company has appointed and designated Dr. Santosh Sundararajan as a CEO of the Company and Mr.R. Vasudevan is a Managing Director of the Company and Mr. V. Mohan, independent Director is a Chairperon for the Board Meetings.

b. Reporting of internal Auditor:
Internal auditor M/s GKDJ & Associates reports directly to the audit committee.

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, *interalia,* 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 In terms of Regulation 6(2)(d) of the Listing Regulations, Vascon has designated an email exclusively for investor service: compliance.officer@vascon.com.

18. 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, 2016.

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

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

I hereby confirm that:

All members of the Board & Senior Management Personnel of the Company have affirmed compliance with Vascon's Code of Conduct for the financial year 2015-2016.

Sd/-
Managing Director
Mumbai May 17, 2016

19. Shareholders Information

a) Details of Annual General Meeting

31st 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 : Thursday, September 15, 2016
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) 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.

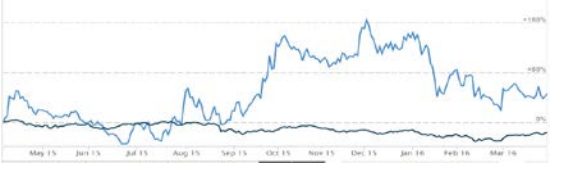
f) Master Price Data

Company shares are listed on Bombay Stock Exchange and National Stock Exchange. High and Low in the share price during FY 2016 are mentioned below:

Month and Year	BSE		NSE	
	High	Low	High	Low
April 2015	26.45	19.10	26.40	18.15
May 2015	22.4	19.25	24.35	19.05
June 2015	20.00	14.6	20.70	14.90
July 2015	26.5	15.35	26.50	15.20
August 2015	27.00	17.75	27.05	17.10
September 2015	35.6	20.25	35.25	20.10
October 2015	37.6	30.3	37.70	30.20
November 2015	39.05	28.5	39.00	28.70
December 2015	41.25	32.05	41.25	31.20
January 2016	37.6	23.7	37.50	23.70
February 2016	30.65	20.8	30.65	20.55
March 2016	27.6	21.65	27.65	21.70

g) Share Price Chart- FY 2016

Comparison with Sensex



Indicator Vascon: Sensex

h) Stock Code/ Symbol:

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

i) Distribution of shareholding of the Company as on March 31, 2016:

No. of Equity Shares held	Shareholders		Equity shares held	
	No. of share holders	% to Total	No. of Shares	% To Equity
001-500	8018	66.41	1457011	0.9
501-1000	1604	13.29	1363848	0.85
1001-2000	858	7.11	1384609	0.86
2001-3000	374	3.1	982404	0.61
3001-4000	179	1.48	650181	0.4
4001-5000	219	1.82	1059202	0.66
5001-10000	329	2.72	2594698	1.6
10001 & Above	491	4.07	151814763	94.12
Total	12072	100	161306716	100

j) Shareholding pattern of the Company as on 31st March, 2016

Category	No. of Shares held	% to Total
Promoters Holdings	51196712	31.73
Promoters Bodies Corporate	24261300	15.04
Public Shareholding		
Resident Individuals	43054708	26.69
Bodies Corporates	28502212	17.67
Mutual Funds	7140658	4.43
Employees	3492670	2.17
H U F	1662304	1.03
Banks	652669	0.41
Non Resident Indians	498445	0.31
Clearing Members	423694	0.26
Indian Financial Institutions	272044	0.17
NBFC	149300	0.09
Total	**16,13,06,716**	**100.00**

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

The Company has not issues any GDRs/ADRs/Warrants

l) Investors Complaint

During the year total 5 complaints were received from shareholders/investors and were resolved.

Investors' complaint status as on 31.3.2016

Particulars	No. of compliant received	No. of Complaints resolved	No. of complaints pending
April 1, 2015 to June 30, 2015	-	-	-
July 1, 2015 to September 30, 2015	4	4	-
October 1, 2015 to December 31, 2015	1	1	-
January 1, 2016 to March 31, 2016	-	-	-

m) Details of unclaimed shares

At the being of the year		During the year		At the end of the year	
Aggregate number of shareholder 01.04.2015	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 shareholder	Outstanding shares in the suspense account lying at the end of the year
Nil	Nil	Nil	Nil	Nil	Nil

n) Commodity Price Risk or hedging transaction.

The Company maybe affected by the variation in the prices of input commodities of it's EPC and Real Estate projects. At present the Company does not have any imports and hence may not be affected by variation in foreign exchange rate of Indian rupee. The Company has not done any hedging transaction.

a) 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.

b) Debenture Trustees

The details of Debenture Trustees in terms of SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 are given below:

IL&FS Trust Company Limited
CIN: U66020MH1995PLC095507
Rregistered office: IL&FS Financial Centre, Plot C-22, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 05
Phone No. : 022 2659 3535
E-mail address : dipti.jain@ilfsindia.com

c) Shareholders' Correspondence:

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

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

Or

Vascon Engineers Limited
Mr. M. Krishnamurthi

Fax: +91 +91 20 30562600.
Website: www.vascon.com
Email: compliance.officer@vascon.com

Company Secretary and Compliance Officer
Vascon Weikfield Chamber, Behind Hotel Novotel, Opposite Hyatt Hotel, Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200

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 Regulation 9(4) of the Listing Regulations.

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

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

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

2. Definitions:

Independent Director means a director referred to in Section 149(6) of the Act and SEBI Listing Regulations, 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 SEBI Listing Regulations.

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

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 SEBI Listing Regulations or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. Composition of the Committee:

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

4. Role of the Committee:

The Committee shall:

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

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 / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and the SEBI Listing Rugulations, as amended from time to time.

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

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. Board Diversity

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

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

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

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

8. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under 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 SEBI Listing Regulations, as amended from time to time.

Framework for Performance Evaluation of Independent Directors and the Board

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

The Board is committed to assessing its own 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:

5. 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;
6. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
   a. Knowledge to perform the role;
   b. Time and level of participation;
   c. Performance of duties and level of oversight; and
   d. Professional conduct and independence.
7. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
8. 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 SEBI Listing Regulations, 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 SEBI Listing Regulations, the Company is required to develop a Familiarisation Programme for the Independent Directors of the Company. It can be found here http://vascon.com/investor_services.asp.

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:

SEBI Listing Regulations 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.

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.

Scale	Performance
3	*Surpasses Expectations*
2	*Meets Expectations*
1	*Below Expectations*

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:

Sr. 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 Grievances 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 2015-16.

R. Vasudevan
Managing Director

Place Pune
Date May 17, 2016

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

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

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the year;
   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having asignificant role in the listed entity's internal control system over financial reporting.

Santosh Sundararajan, CEO

D. Santhanam, CFO

Place Mumbai, Date May 17, 2016

Certificate on Compliance with Clause 49 of the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 by Vascon Engineers Limited

I have examined compliance by Vascon Engineers Limited ('the Company') with the requirements under Clause 49 of the erstwhile Listing Agreement entered into by the Company with the Bombay Stock Exchange and under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations') relating to corporate governance requirements for the year ended on 31 March 2016.

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 and the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under Clause 49 and under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I 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 Stakeholders 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.

Kulbhushan D Rane
Practising Company Secretary
ACS No. 30644
Certificate of Practice No. 11195
Pune, May 17, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Vascon Engineers Ltd is one of the leading EPC Company in India, with presence in the asset light Real Estate business and in the high growth Clean Room Partition manufacturing business. It is probably one of the rare companies that have the construction capabilities to execute not only its own real estate projects but also third-party contracts. With a strong track record of 30 years in EPC and Real Estate operations, the Company 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. The company has executed over 200 projects across all building segments since inception with an execution capability of ~8 mn sqft per year and has a track record of successful & timely execution of Landmark projects such as Ruby Mills (Mumbai), Suzlon One Earth (Pune), Nucleus Mall & Offices (Pune), Symbiosis College (Pune), IGI Airport MCLP (New Delhi), Cipla SEZ (Indore).

On other hand Real Estate segment 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 economy has emerged as a bright spot in the world economy, becoming one of the fastest growing large economies in the world. The 7.6% growth in the GDP at constant market prices in FY16, compares favourably with growth in the previous three years; 7.2% in FY15, 6.6% in FY14 and 5.6% in FY13. It is noteworthy that this growth is achieved despite subdued global demand that dampened India's exports significantly, and two consecutive below-normal monsoons that impacted farm output and productivity.

The macroeconomic stability has improved substantially with the continuance of fiscal prudence, lower inflation, lower current account deficit, decline in the price of Indian basket of crude oil and robust foreign exchange reserves. All this shows that the Indian economy has effectively weathered the global challenges, and the near term growth prospects appear bright.

The year witnessed the continuation of the reform momentum built in FY15, aiming at aiding growth and macroeconomic stability. The reforms that were initiated last year for debottlenecking the economy, removing structural constraints, promoting industry and enterprise via Make-in-India initiative and the attendant measures to improve the ease of doing business, encouraging saving and financial linkages through deepening of banking services and liberalising foreign direct investment policy in various sectors have been taken forward this year. The economic outlook for FY17 looks positive with an expected GDP growth of over 7.7% in FY17 as per Government projections.

India's Infrastructure and Construction Sector

The recovery of the infrastructure and construction sector in FY16 has been a mixed bag with some segments like roads and urban infrastructure registering improvement in the pace of execution and awarding of fresh projects at a time when the overall construction activities have remained tepid at best. This comes at a time when corporates and banks have stressed balance sheets, limiting the funding avenues for newer projects. The recovery in the sector is likely to be gradual as most players are still burdened with leveraged balance sheets. Further, structural constraints like uncertainty in land acquisition, delays in approvals, delays in payments, long working capital cycle, etc., have affected the progress of the projects and Companies.

In FY16, many Companies across the sector looked to deleverage their balance sheets. Many construction and infrastructure companies have either raised or have plans to raise funds through the equity route [via qualified institutional placements (QIPs), rights issues, warrants, preference shares] or asset monetization to reduce their overall indebtedness. For companies such as Vascon with improved Balance Sheet in FY16, execution has witnessed improvement in FY16 leading to profitability.

The Government has recently spearheaded several reforms such as easing of FDI norms, liberalization of ECB policy, Housing for All & development of affordable housing, Smart Cities, redevelopment of Government colonies, providing incentives to promote Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs). The macroeconomic stability and initiatives taken by the Central Government is likely to boost sector prospects in the coming years. Vascon, which has

managed to rise above the economic downturn witnessed in the previous few years, looks set to benefit from the huge opportunities going forward.

Real Estate

Indian real estate is going through a phase of transition in the process of its development. The challenge for the sector today is to meet the rising demand for world class infrastructure in cities, housing across different income levels and create sustainable cities for future generation. 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.

The government has allowed FDI of up to 100% for townships and settlements development projects. Under the Housing For All scheme, 6 crore houses are to be built in which 4 crore in rural areas and 2 crore in urban area by 2022. Further, clearing of Real Estate Regulatory Act (RERA) is a great step towards building buyer's confidence through increase in transparency and removing various bottlenecks.

India is an underserved economy in terms of real estate requirements. There is a wedge between demand and supply of housing, largely as a result of information asymmetry. However, with increased market transparency, this demand/supply mismatch can offer immense opportunities for developers and investors alike. Demand for residential properties has surged due to increased urbanization and rising household income. On the other hand, growing economy is driving demand for commercial and retail space. Growth in the Indian economy will definitely see favourable reflection in the real estate sector, as well.

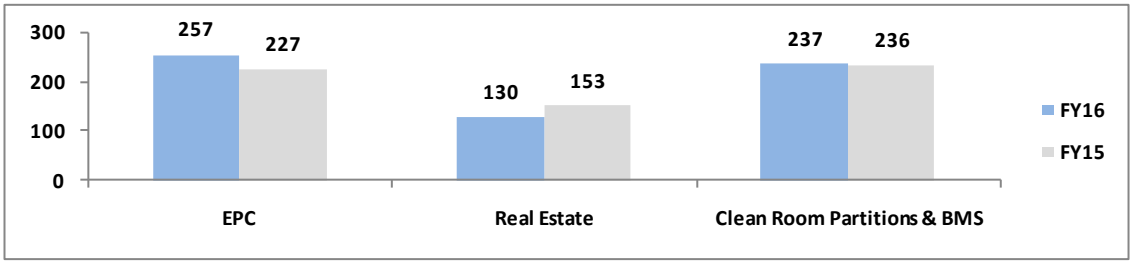
Company Performance

During the Financial Year 2015-16, the total turnover on consolidated basis increased to Rs. 658.58 crores as against Rs. 638.11 crores in Financial Year 2014-15. EBITDA for FY16 was reported at Rs 75.18 Crores as compared to a loss of Rs 80.29 Crores in FY15. Improved operational performance led the Company towards profitability, with the Company reporting Profit After Tax of Rs 7.02 Crores for FY16 as against a loss of Rs 144.77 Crores in FY15.

The Company is taking concrete steps for a healthier EPC order book; focus on completion of current land portfolio with preferences on new phases of existing fast moving real estate projects; and cost optimization and better utilization in Clean Room business to improve overall revenue and profitability of the company.

Revenue break-up

Revenue break-up chart segment wise for FY16 & FY15



EPC

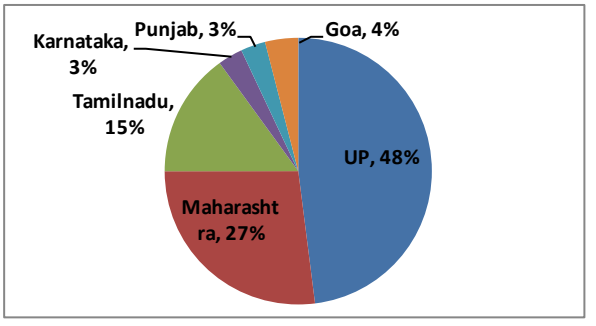
The EPC Business is growing strong with a focus on diversified order book across segments. The Company has formulated stringent criteria for selection of clients and intends to work with reputed developers with better credential. The Company in FY15 has completely dealt with all the past non remunerative contracts and is currently having new contracts with good profitability.

In FY16, EPC segment contributed Rs 257.41 crores to consolidated revenues as against Rs. 227.38 crores in previous year.

The company has a third party order book of Rs 781.1 Crores as of March 2016 and received an order inflow of Rs 286 Crores in FY16.

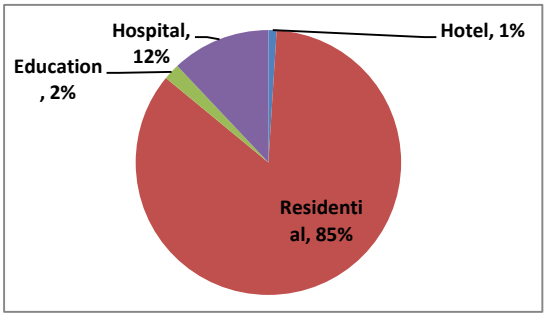
Geographical Order book split

Geographical Order book split chart for FY16



Order book segment wise

Order book segment wise split



Real Estate

During the year, total revenue from Real Estate was Rs 130.28 crores against Rs 153.35 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 0.06 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 1,115 Sq to 1,595 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 is a thoughtfully designed, premium quality home at Koregaon Park, Pune. The total area of the site is 4.75 acres and will be developed in 2 phases. The project has total saleable area of around 0.42 msft.

The quality apartment comprises apartments of 3,000 Sq.ft, 3,800 Sq.ft & 8,500 sq. ft with its own private swimming pool. The project has latest amenities such as renewable energy system, architectural design that ensure good ventilation and maximum natural light, water, conservation through maximum recycling organic waste management, rain water harvesting, etc.

The Project is certified as platinum rating project from by 'The Indian green building council' (ICBG) green home the project is designed as a five star rated Eco – housing project.

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 1,215 Sq.ft to 2,720 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.

Platinum Square:

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

Clean Room Partition & BMS Business

As a part of backward integration the Company had acquired GMP technical solutions, an integrated provider of Engineering services, in August 2010. GMP is one of the largest manufacturers of Clean Room Partitioning Systems and Turnkey Solution Provider.
GMP 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 was under pressure due to losses in the services division despite the manufacturing division performing well. Company's continued focus on cost optimization and reduction in overheads has resulted in a better performance for the services division in FY16. The Company expects growth momentum to pick up in the coming years.

Strength, Opportunities, Strategy

The Company will continue to focus on improving operational efficiencies and strengthening of Balance Sheet. It is committed towards cash flow monetization by sale of certain non-core assets for incremental cash generation to improve liquidity in business and achieve higher growth.

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 maximize customer satisfaction in both our EPC operations and real estate development businesses.

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. The Company focus remains on design and built turnkey project and to build order books across segments from creditable client especially institutions like hospitals, hotels, industrial construction, and certain government agencies.

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.

GMP Technical Solutions has manufacturing facilities at Baddi, Himachal Pradesh and Bhiwandi in Maharasthra. The Company is expanding manufacturing facility for clean room partitions at Bhiwandi to cater to high demand of the clean room partition.

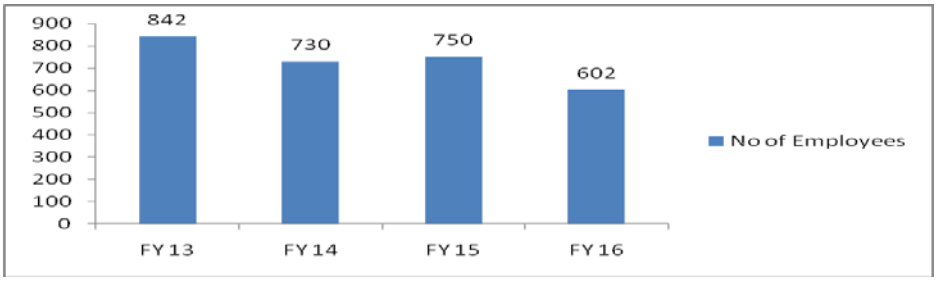
Threats, Risks, Concerns

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 organization's pace of growth and increasing complexity of operations. The extensive audits are carried out throughout the year, across all functional areas and reports to the Audit Committee of the Board of Directors.

Risk Management

The Company has developed a robust risk management framework. It has been identified as one of key enablers to achieve the company's objectives.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
VASCON ENGINEERS LIMITED
Report on the Standalone 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, 2016, the Statement of Profit and Loss andthe 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 prescribed under section 133 of the Act, as applicable.

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.

Auditor's 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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. 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 March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 withthe Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Hemant M. Joshi
Partner
(Membership No. 38019)
Pune, May 17, 2016

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)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f)under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Vascon Engineers Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Hemant M. Joshi
Partner
(Membership No. 38019)
Pune, May 17, 2016

ANNEXURE "B"TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered documents provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie,* not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) There were delays by the Company in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable except for as given below:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Income Tax Act, 1961	Tax Deducted at Source (TDS)	59,502,074	April 2014 to August 2015	7th of every following month
Finance Act, 1994	Service Tax	92,097,248	March 2014 to August 2015	6th of the following month
Employee Provident Fund Act, 1952	Provident Fund	6,430,300	April 2014 to August 2015	15th of every following month
Employees State Insurance Act, 1948	ESIC	11,503	June 2015 to August 2015	21st of every following month
Sales Tax Act	Sales Tax	4,999,167	April 2011 to June 2015	20th of every following month
Bombay Provincial Municipal Corporations Act, 1949	Local Body Tax	819,630	April 2015 to August 2015	20th of every following month

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty and cess which have not been deposited on account of any dispute except as given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Sales Tax Act	Sales Tax / Value added tax / Central Sales Tax	Deputy Commissioner, Mumbai	Financial Year 2005-06	3,057,591	2,607,591
			Financial Year 2008-09	14,631,098	13,161,098
			Financial Year 2010-11	13,414,461	12,914,461
			Financial Year 2011-12	2,519,637	2,519,591
		Commercial Tax Officer, Goa	Financial Year 2011-12	1,624,835	1,624,835
		Commissioner of Appeals, UP	Financial Year 2011-12	136,171	136,171
			Financial Year 2012-13	340,365	340,365
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	Assessment Year 1998-99	6,768,009	6,768,009
			Assessment Year 2008-09	23,235,387	7,138,821
			Assessment Year 2009-10	46,407,820	46,407,820
Finance Act, 1994	Service Tax	Service Tax Tribunal, Mumbai	April & May 2006	6,988,858	6,988,858
		Service Tax Tribunal, Delhi	January, 2007 to December, 2007	1,413,354	530,008
		Service Tax Tribunal, Mumbai	January, 2008 to September, 2008	634,088	317,044
			October, 2007 to September, 2008	6,391,956	4,793,967

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders, except as under:

(a) In case of defaults in the repayment of loans or borrowings to financial institutions, banks and government:

Particulars	Amount of default of repayment (Rs)		Period of default
	Principal	Interest	
Dues to Banks:			
The Saraswat Co-operative Bank Limited	2,873,383	874,349	1 to 73 days

(b) In case of defaults in the repayment of dues to the debenture holders:

Particulars	Amount of default of repayment (Rs)		Period of default
	Principal	Interest	
Due to Debenture-holders			
19.25% Non - Convertible Debentures	50,000,000	66,387,115	1 to 84 days

(ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds and further the Company has not raised any term loan during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Hemant M. Joshi
Partner
(Membership No. 38019)
Pune, May 17, 2016

Vascon Engineers Limited
Balance Sheet as at March 31,2016

(Amount in Rupees)

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,61,30,67,160	90,47,59,270
Reserves and surplus	4	4,33,55,01,253	3,92,89,36,643
		5,94,85,68,413	4,83,36,95,913
Non current liabilities			
Long term borrowings	5	1,05,39,70,707	25,14,95,188
Long term provisions	6	3,16,30,873	3,17,18,072
		1,08,56,01,580	28,32,13,260
Current liabilities			
Short term borrowings	7	1,12,82,85,196	2,02,01,25,368
Trade payables			
(i) Total outstanding dues of Micro, Small and Medium Enterprises	8	4,90,292	6,27,375
(ii) Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	8	1,45,90,44,131	1,59,80,77,697
Other current liabilities	9	1,73,24,80,967	2,35,16,83,717
Short term provisions	10	5,44,98,129	4,87,64,138
		4,37,47,98,715	6,01,92,78,295
Total equity and liabilities		11,40,89,68,708	11,13,61,87,468
Assets			
Non current assets			
Fixed assets			
- Tangible assets	11	57,06,69,765	62,31,84,676
- Intangible assets	11	-	-
- Capital work in progress		-	2,12,50,578
Non current investments	12	1,82,03,72,989	1,81,73,42,235
Deferred tax assets (net)	13	-	-
Long term loans and advances	14	3,20,34,14,631	2,90,79,76,689
Other non current assets	15	82,50,000	-
		5,60,27,07,385	5,36,97,54,178
Current assets			
Current investments	16	20,96,97,830	27,65,31,478
Inventories	17	2,19,04,85,615	2,25,32,61,444
Trade receivables	18	1,58,79,71,459	1,46,65,29,756
Cash and bank balances	19	36,33,29,180	27,25,89,957
Short term loans and advances	20	48,88,08,466	43,02,91,884
Other current assets	21	96,59,68,773	1,06,72,28,771
		5,80,62,61,323	5,76,64,33,290
Total assets		11,40,89,68,708	11,13,61,87,468

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Place : Pune
Date : 17th May, 2016

For and on behalf of the Board of Directors

R Vasudevan
Managing Director

V Mohan
Chairman

Dr Santosh Sundararajan
Chief Executive Officer

Company Secretary & Compliance

Chief Financial Officer

Place : Pune
Date : 17th May, 2016

Vascon Engineers Limited
Statement of Profit and Loss for the year ended March 31, 2016

(Amount in Rupees)

Particulars	Note No	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from operations	22	3,18,26,44,935	2,95,08,62,935
Other income	23	31,74,68,254	16,28,55,882
Total revenue		3,50,01,13,189	3,11,37,18,817
Construction expenses	24	2,43,33,58,768	3,22,64,36,381
Purchases of stock-in-trade	25	3,93,613	15,33,66,871
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(2,16,50,955)	(9,99,15,286)
Employee benefit expense	27	24,98,99,536	41,50,51,853
Finance costs	28	37,92,50,828	26,95,67,712
Depreciation and amortization expense	11	10,89,43,667	10,97,64,393
Other expenses	29	28,40,24,792	43,31,74,727
Total expenses		3,43,42,20,249	4,50,74,46,651
Profit / (loss) before exceptional Items and tax		6,58,92,940	(1,39,37,27,834)
Exceptional items	30	-	(2,23,24,586)
Profit before tax		6,58,92,940	(1,41,60,52,420)
Tax expense:			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
(Excess) / Short provision for tax of earlier years	31	69,410	3,08,63,929
		69,410	3,08,63,929
Profit after tax for the year		**6,58,23,530**	**(1,44,69,16,349)**
Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :			
Basic		0.47	(14.31)
Diluted		0.46	(14.31)

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

R Vasudevan
Managing Director

V Mohan
Chairman

Hemant M. Joshi
Partner

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Place : Pune
Date : 17th May, 2016

Place : Pune
Date : 17th May, 2016

Vascon Engineers Limited
Cash Flow Statement for the year ended March 31, 2016

(Amount in Rupees)

Particulars	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
Profit/(loss) before taxation	6,58,92,940	(1,41,60,52,419)
Adjustments for:-		
- Depreciation and amortisation expense	10,89,43,667	10,97,64,360
- Finance costs	37,92,50,828	26,74,51,625
- Dividend income	(10,30,957)	(5,67,245)
- Expense employee stock option scheme	1,93,42,292	3,50,62,500
- Reversals of employee stock option compensation	(73,125)	-
- Provision for Dimunition in value of investment	1,75,00,000	3,71,50,950.00
- Interest income	(11,67,18,852)	(8,16,71,537)
- Provision for doubtful debt and advances	1,42,16,358	5,44,78,124
- Bad debts and other receivables, loans and advances written off	4,07,27,295	8,52,02,377
- Decline in value of Investment (exceptional items)	-	2,23,24,586
- Provision no longer required wriitten back	(7,69,18,335)	(4,26,66,061)
- Provision for unapproved sales	(14,59,360)	22,11,480
- (Profit) loss on sale of assets	(11,64,63,008)	(2,45,56,497)
Operating Profit/(loss) before working capital changes	33,32,09,743	(95,18,67,757)
Adjustments for (increase)/ decrease in operating assets		
Inventories before capitalisation of borrowing cost (Refer note 2 below)	20,31,23,645	32,11,26,884
Trade receivables (Refer note 2 ,4 & 5 below)	(12,49,25,996)	23,64,91,488
Unbilled revenues and unearned receivables	(27,75,47,755)	37,17,48,527
Long term loans and advances	1,66,47,755	23,67,66,363
Other non current assets	(82,50,000)	88,007
Short term loans and advances (Refer note 6 below)	3,42,74,635	14,65,26,112
Other current assets	(51,28,673)	14,30,97,839
Adjustments for (increase)/ decrease in operating liabilities		
Current trade payables	(6,22,52,314)	6,46,47,089
Provisions	56,46,792	(15,69,766)
Other current liabilities (Refer note 5 below)	14,06,73,188	9,91,59,078
Cash generated from operations	25,54,71,020	66,62,13,864
Net Income tax (paid)/refund	(7,24,13,989)	(9,34,71,244)
Net Cash flow from/(used in) operating activities	18,30,57,031	57,27,42,620
Cash flow from investing activities		
Purchase of fixed assets including capital work in progress (Refer note 4 & 5 below)	(7,12,39,778)	(6,56,80,817)
Dividend received	10,30,957	5,67,246
Proceeds on disposal of fixed assets (Refer Note 4 below)	10,49,37,766	3,28,36,518
Proceeds on redemption of prefrence shares investment	1,50,00,000	4,81,63,894
Proceeds on disposal of securities/investments (Refer note 6 below)	30,42,01,680	-
Investment in optionally convertible redeemable debenture	(30,42,01,680)	-
Purchase of Long Term investments	(2,024)	(3,70,00,000)
Share application money (given)/ refund	-	(1,08,12,800)
Investments in fixed deposits with banks	(8,89,18,328)	8,17,26,837
Investments in liquid mutual funds	4,93,33,648	(4,44,46,555)
Net Cash generated / (used) in investing activities	1,01,42,241	53,54,323
Cash flow from financing activities		
Proceed from issue of Equity shares	1,04,16,41,221	29,33,771
Expenses towards Right issue	(1,18,61,418)	-
Proceed / repayment from/to long term borrowing (Refer note 3 below)	(9,86,40,465)	(5,35,79,523)
Increase / (decrease) in Non Convertible Debentures	(26,00,00,000)	-
Proceed / repayment from/to Short term borrowing	(40,49,40,172)	(2,90,75,926)
(Increase) / decrease in advances to joint venture, subsidiaries	(10,53,00,391)	(3,56,09,694)
(Increase) / decrease in advances from Firms / AOP	(1,67,51,212)	-
Interest income	11,26,50,399	7,94,82,659
Finance cost including capitalised to qualifying assets	(44,81,76,339)	(48,51,98,166)

Net Cash generated / (used) in financing activities	(19,13,78,377)	(52,10,46,879)
Net cash inflow / (outflow)	18,20,895	5,70,50,064
Cash and cash equivalents at the beginning of the year (Refer note - 19)	23,60,27,551	17,88,62,771
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)	23,78,48,446	23,60,27,548
Net (decrease) / increase in cash and cash equivalents	18,20,895	5,70,50,064

See accompaning notes forming part of the financial statements

Notes :-

1. Figures in brackets represent outflow of cash and cash equivalents.

2. During the year, the Company has received land worth Rs. 300 lakhs from customer in lieu of trade receivable of Rs. 322.50 lakhs and balance is shown under due from customer. This being a non-cash transaction, the same has been appropriately excluded from inventory and trade receivable .

3. During the year, the Company has converted short term borrowing amounting to Rs. 4,869 lakhs and interest accured on borrowing amounting to Rs. 1,992 lakhs in to long term borrowing as Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertiable Debetures.

4. During the year, the Company has disposed a fixed asset - Building unit amounting to Rs. 800 lakhs, sale procceds for which were received after March 31, 2016. This being a non-cash transaction, the same has been appropriately excluded from sale of fixed assets and trade receivable.

5. During the previous 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.

6. During the previous year, 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 report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Hemant M. Joshi
Partner

Place : Pune
Date : 17th May, 2016

For and on behalf of the Board of Directors

R Vasudevan
Managing Director

V Mohan
Chairman

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary &
Compliance Officer

D Santhanam
Chief Financial Officer

Place : Pune
Date : 17th May, 2016

Vascon Engineers Limtied
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 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") 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 recognised immediately in the Statement of Profit and Loss.

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 Direcor / 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 Employee Benefits

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

b) **Post Employment Benefits**

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 Warranty cost are accured 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.

2.14 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.

2.15 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.

2.16 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".

2.17 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.

2.18 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.

2.19 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.

2.20 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.

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
3 Share capital		
Authorised capital		
200000000 (200000000) equity shares of Rs. 10/- each	2,00,00,00,000	2,00,00,00,000
	2,00,00,00,000	2,00,00,00,000
Issued, subscribed and paid up		
161306716 (90475927) equity shares of Rs. 10/- each fully paid up	1,61,30,67,160	90,47,59,270
	1,61,30,67,160	90,47,59,270

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

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

	As at March 31, 2016		As at March 31, 2015	
Description	No of shares	(Amount in Rupees)	No of shares	(Amount in Rupees)
No of shares outstanding at the beginning of the Year	9,04,75,927	90,47,59,270	9,01,82,550	90,18,25,500
Fresh allotment	6,66,66,666	66,66,66,660	-	-
Bonus shares	-	-	-	-
Shares issued on exercise of employee stock options	41,64,123	4,16,41,230	2,93,377	29,33,770
No of shares outstanding at the end of the Year	16,13,06,716	1,61,30,67,160	9,04,75,927	90,47,59,270

Pursuant to the approval of the Right Issue Committee of the Board of Directors dated 1st August, 2015, the Company approved the allotment of 6,66,66,666 equity shares of face value of Rs.10 each at a price of Rs. 15 per equity share (including share premium of Rs. 5 per equity share) for an amount not exceeding Rs 10000 lakhs to the existing equity shareholders of the Company on rights basis in the ratio of 14 equity shares for every 19 equity shares held by equity shareholders under chapter IV of the SEBI ICDR Regulations and provisions of all other applicable laws and regulations.

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
Golden Temple Pharma Private Limited	77,83,273	4.83	97,83,273	10.81
Dreamz Impex Private Limited	-	-	97,83,273	10.81
R. Vasudevan	4,16,86,586	25.84	94,15,529	10.41
Dna Pharma Private Limited	-	-	89,68,000	9.91
Premratan Exports LLP	66,67,637	4.13	66,67,637	7.37
Medicreams India Private Limited	-	-	66,67,637	7.37
Orion Life Sciences Private Limited	-	-	61,12,000	6.76
Vatsalya Enterprises Private Limited	90,78,947	5.63	52,27,273	5.78
Lalitha Vasudevan	81,09,538	5.03	-	-
Amrit Petroleum Private Limited	97,83,273	6.07	-	-

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
4 Reserves and surplus		
Securities premium		
Opening Balance	3,88,57,50,281	3,88,28,89,855
Add: Premium on shares issued during the year	39,60,83,530	28,60,426
Less : Shares issue expenses on rights issue	(1,18,61,418)	-
	4,26,99,72,393	3,88,57,50,281
Debenture Redemption Reserved		
Opening Balance	15,37,50,000	-
Add : Transferred to General Reserve	(6,50,00,000)	15,37,50,000
	8,87,50,000	15,37,50,000
Share options outstanding account		
Opening Balance	4,49,98,947	1,27,96,873
Add: Amount recorded on grants	1,93,42,292	3,50,62,500
Less: Transferred to securities premium account on exercise	(6,27,50,199)	(28,60,426)
Less: Forfeited during the year	(73,125)	-
	15,17,915	4,49,98,947
General Reserve		
Opening balance	-	-
Add : Transferred from Debenture redemption reserve on redemption of debenture	6,50,00,000	-
	6,50,00,000	-
Surplus/(Deficit) in statement of Profit & Loss		
Opening Balance	(15,55,62,585)	1,44,83,90,841
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)	-	32,87,077
Add: Profit/(loss) for the year	6,58,23,530	(1,44,69,16,349)
	(8,97,39,055)	(15,55,62,585)
	4,33,55,01,253	3,92,89,36,643
5 Long term borrowings		
Secured		
Privately Placed Non Convertible & Non Transferable Debentures		
19.50% Non - Convertible Debentures of Rs 1,00,000/- each	19,00,00,000	22,80,00,000
Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures of Rs.1,00,000/- each (Refer note 46)	68,61,00,000	-
	87,61,00,000	22,80,00,000
Term loans		
- from banks	9,37,000	65,14,951
	9,37,000	65,14,951
Long term maturities of finance lease obligations		
- from financial institution	34,20,601	38,66,488
	34,20,601	38,66,488
Unsecured		
Public deposits	67,00,000	20,50,000
Inter corporate deposits	10,31,63,107	20,02,603
Loans and advances from related parties (subsidiaries) (Refer Note 38)	6,36,49,999	90,61,146
	17,35,13,106	1,31,13,749
	1,05,39,70,707	25,14,95,188

Vascon Engineers Limited
Notes forming part of the Financial statements

5.1 Disclosure regarding long term borrowings

Name of the lender	Outstanding amount	Current Maturities	Long Term				Rate of interest	Nature of security
			2017-18	2018-19	2019-20	Total Long Term Borrowings		
I. Secured								
a) Privately Placed 19.50% Non Convertible & Non Transferable Debentures of Rs 1,00,000/- each	35,50,00,000	16,50,00,000	19,00,00,000	-	-	19,00,00,000	19.50%	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 personel guranttee by Managing Director.
b) Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures of Rs.1,00,000/- each	68,61,00,000	-	-	68,61,00,000		68,61,00,000	-	Pledge of shares of one of it's subsidiary company
Term loans								
from banks								
The Saraswat Co Operative Bank Ltd	32,53,000	23,16,000	9,37,000	-	-	9,37,000	14.50%	Equitable mortgage of office no.502 ("C" Wing),Neelkanth Business Park,Vidya Vihar , Mumbai
from financial institution								
Volkswagen Finance Private Limited	43,51,034	9,30,433	13,33,512	13,33,512	7,53,577	34,20,601	10.25%	Hypothecation of Vehicle financed by them
II. Unsecured								
a) Public deposits (accepted for a period of 400 days)	5,95,50,000	5,28,50,000	67,00,000			67,00,000	12.50%	Not Applicable
b) Inter corporate loans								
IBM India Pvt Ltd	6,570	6,570	-	-	-	-	13% to 13.54%	Not Applicable
Yester Investment Pvt Ltd	10,00,00,000	-	10,00,00,000	-	-	10,00,00,000	12.00%	
Conamore Reosrts Pvt Ltd	31,63,107	-	31,63,107	-	-	31,63,107	11.00%	
c) Loans and advances from related parties								
- Subsidiaries								
Almet Corporation Limited	80,90,642	-	80,90,642	-	-	80,90,642	9.00%	
Marathawada Realtors Private Limited	15,59,357	-	15,59,357	-	-	15,59,357	9.00%	Not Applicable
Angelica Properties Pvt LTd	5,40,00,000	-	5,40,00,000	-	-	5,40,00,000	11.00%	
Total	**1,27,50,73,710**	**22,11,03,003**	**36,57,83,618**	**68,74,33,512**	**7,53,577**	**1,05,39,70,707**		

* Interest accrued and due on borrowings as on 31st March, 2016 disclosed under other current liabilities (Refer note No.9)

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
6 Long term provisions		
Provision for employee benefits		
Compensated Absences (Refer Note 10.2)	3,16,30,873	3,17,18,072
	3,16,30,873	3,17,18,072
7 Short term borrowings		
Secured		
Loans repayable on demand from banks	-	81,00,000
Cash credit from banks	99,46,22,980	1,34,42,92,269
	99,46,22,980	1,35,23,92,269
Unsecured		
a) Loans and advances from other parties	12,60,08,169	66,00,79,053
	12,60,08,169	66,00,79,053
b) Loans and advances from related parties	76,54,047	76,54,046
	76,54,047	76,54,046
	1,12,82,85,196	2,02,01,25,368
Cash Credit from State Bank of India @ 14.80% 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.	89,35,28,248	1,24,30,61,913
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.	10,10,94,732	10,12,30,356
Aggregate amount of short term borrowing guaranteed by director	99,46,22,980	1,34,42,92,269
The Demand Loan from bank is secured by Fixed deposit placed with the bank	-	81,00,000
	-	81,00,000
(Unsecured loan have been availed at interest rate ranging from 11% - 16.5%)		
8 Trade Payables		
Trade payables (Refer Note - 39)		
(i) Total outstanding dues of Micro, Small and Medium Enterprises	4,90,292	6,27,375
(ii) Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	1,45,90,44,131	1,59,80,77,697
	1,45,95,34,423	1,59,87,05,072

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
9 Other current liabilities		
Current maturities of long term debt (Refer note 5.1)	22,01,72,570	69,51,88,554
Current maturities of finance lease obligations (Refer note 5.1)	9,30,433	13,33,512
Interest accrued but not due on borrowings	96,35,167	5,28,55,666
Interest accrued and due on borrowings	6,03,24,218	17,48,81,415
Income received in advance (Unearned revenue)	23,84,39,607	55,53,15,077
Less: related debtors	(15,79,89,507)	(35,92,56,243)
	8,04,50,100	19,60,58,834
Unpaid dividends*	15,702	15,702
Other Payables		
i) Statutory remittances (Contribution to PF,ESIC,with holding taxes,VAT,Service Tax etc.	33,44,82,935	29,37,95,742
ii) Payable on purchase of fixed assets	74,81,408	22,03,720
iii) Commitment and other deposits	27,04,91,027	21,32,12,994
iv) Advance from customers	1,05,62,21,203	83,66,34,511
Less: related unbilled revenue	(37,90,11,546)	(26,07,65,699)
	67,72,09,657	57,58,68,812
v) Advances / loans from firms / AOP in which Company or subsidiary is partner / member	5,51,11,272	7,18,62,484
vi) Overdrawn Bank Balance	68,28,710	6,68,27,015
vii) Others	93,47,768	75,79,267
	1,73,24,80,967	2,35,16,83,717

*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
Interest accrued and due on borrowings from banks not paid	15,954	1,51,344
Interest accrued and due on borrowings from other parties not paid	6,03,08,264	17,42,45,481

10 Short term provisions		
a) Provision for employee benefits		
(i) Compensated absences	1,06,47,360	1,07,32,602
(ii) Gratuity	4,01,22,764	3,31,09,506
	5,07,70,124	4,38,42,108
b) Others		
(i) Taxation	37,28,005	37,22,866
(ii) Warranty	-	11,99,164
	37,28,005	49,22,030
	5,44,98,129	4,87,64,138

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

Warranty cost are accured 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.

Vascon Engineers Limited
Notes forming part of the Financial statements

(Amount in Rupees)

11 Fixed assets

	I. Tangible assets								II. Intangible assets
	Leasehold land	Buildings *	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Lease Hold Improvements	Total	Softwares
Gross carrying value									
As at April 1, 2015	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
Additions	-	-	4,86,87,446	80,36,145	16,32,559	28,28,740	3,37,09,979	9,48,94,869	5,37,374
Disposals	-	(8,39,81,908)	(2,51,64,461)	(15,35,637)	(31,55,308)	(39,88,443)	-	(11,78,25,757)	-
As at March 31, 2016 (A)	16,78,245	30,26,82,753	60,17,81,485	4,53,15,515	2,05,49,869	5,23,61,941	3,37,09,979	1,05,80,79,787	4,33,38,200
Accumulated depreciation									
As at April 1, 2015	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
Additions #	40,435	1,45,81,945	5,12,90,695	57,84,135	35,50,544	21,91,620	14,95,648	7,89,35,022	5,37,374
Disposals	-	(2,48,84,822)	(1,69,37,502)	(11,63,143)	(24,32,960)	(39,32,572)	-	(4,93,50,999)	-
As at March 31, 2016 (B)	4,02,299	4,01,85,872	35,15,92,061	3,20,42,741	1,26,44,058	4,90,47,343	14,95,648	48,74,10,022	4,33,38,200
Net carrying value as at March 31, 2016 (A) - (B)								57,06,69,765	-
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	-	-	-	-	-	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	-

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

The amount of depreciation and amortization expense appearing in Statement of Profit and Loss includes amortization of goodwill on purchase of additional stake in Ajanta Enterprises of Rs 2,94,71,270/- (Previous year Rs 23,607,232) (Refer note -12)

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
12 Non current investments		
- Carried at cost		
Trade:-		
Investment in equity instruments		
a) Subsidiaries		
Greystone Premises Private Limited (Refer note 38) 10000 (6500) Equity Shares of Rs. 10/- Each Fully Paid	66,000	65,000
Almet Corporation Limited 58824 (58824) Equity Shares of Rs 100/- Each Fully Paid	14,75,66,080	14,75,66,080
Marathawada Realtors Private Limited 39216 (39216) Equity Shares of Rs 100/- each Fully Paid	22,51,06,171	22,51,06,171
IT Citi Infopark Private Limited 10000 (10000)Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
Wind Flower Properties Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
Floriana Properties Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
Marvel Housing Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
Vascon Dwelling Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	1,00,000	1,00,000
Vascon Pricol Infrastructures Limited 7100000 (4970000) Equity Shares of Rs. 10/- Each Fully Paid	8,67,00,000	8,67,00,000
GMP Technical Solutions Private Limited 12689 (12689) Equity Shares of Rs. 10/- Each Fully Paid	39,40,62,542	39,40,62,542
Just Homes India Private Limited 10000 (10000) Equity Shares of Rs. 10/- Each Fully Paid	6,00,50,000	6,00,50,000
Sunflower Real Estate Developers Pvt Ltd (Refer Note 38) 1000000 (Nil) Equity Shares of Rs. 10/- Each Fully Paid	1,00,00,000	-
Angelica Properties Private Limited (Refer note 38) 605131 (Nil) Equity Shares of Rs. 10/- Each Fully Paid	60,51,310	-
	93,01,02,103	91,40,49,793
b) Joint ventures		
Cosmos Premises Private Limited 177401 (177401) Equity Shares of Rs. 10/- Each Fully Paid	3,67,90,610	3,67,90,610
Vascon Engineers Ltd Wll (Qatar) 49% stake	1,024	-
Phoenix Venture	2,00,00,000	2,00,00,000
	5,67,91,634	5,67,90,610
c) Associates		
Mumbai Estates Private Limited 99999 (99999) Equity Shares of Rs. 10 /- Each Fully Paid	9,99,990	9,99,990
Angelica Properties Private Limited (Refer note 38) Nil (605131) Equity Shares of Rs. 10/- Each Fully Paid	-	60,51,310
	9,99,990	70,51,300
Investment in preference shares		
GMP Technical Solutions Private Limited (Refer note 48) 7% Redeemable Non-Cumulative Preference Shares	12,78,79,300	14,28,79,300
	12,78,79,300	14,28,79,300
Investment in Debenture		
Ascent Hotels Private Limited (Refer note 50 and 51) Optionally Convertible Redeemable Debenture 6726396 Opt convertible Debentures of face Value Rs.10/- each	30,42,01,680	-
	30,42,01,680	-

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
Investment in partnership firms (Refer Note 37)		
Ajanta Enterprises		
Capital investment	3,19,70,000	3,19,70,000
Cost of investment	39,53,23,552	41,89,30,784
Less: amortization of cost of investment	(2,94,71,270)	(2,36,07,232)
	36,58,52,282	39,53,23,552
Investment in Government or trust securities		
7 Years National Savings Certificate	20,000	20,000
	20,000	20,000
Other investments - Equity instruments		
Quoted		
Corporation Bank Limited 1000 (1000) Equity Shares of Rs.10/- Each fully paid	16,000	16,000
	16,000	16,000
Unquoted		
The Saraswat Co Operative Bank Ltd 2500 (2500) Equity Shares Of Rs.10/- Each Fully Paid	25,000	25,000
Sahyadri Hospitals Limited 250000 (250000) Equity Shares Of Rs.10/- Each Fully Paid	25,00,000	25,00,000
Core Fitness Private Limited 150 (150) Equity Shares of Rs. 100/- Each Fully Paid	15,000	15,000
Ascent Hotels Private Limited (Refer note 50 and 51) Nil (6669492) Equity Shares of Rs. 10 /- Each Fully Paid	-	26,67,01,680
	25,40,000	26,92,41,680
	1,82,03,72,989	1,81,73,42,235
Quoted investments		
- Book value	16,000	16,000
- Market value	38,950	52,200
Unquoted investments		
- Book value	1,82,03,56,989	1,81,73,26,235

13 Deferred tax assets (net)

Deferred tax asset	-	-
	-	-

Deferred tax (liability) / asset

Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of Fixed Assets	4,41,79,821	3,22,21,817
Tax effect of items constituting deferred tax liability	4,41,79,821	3,22,21,817
Tax effect of items constituting deferred tax asset		
Provision for compensated absences and gratuity	2,67,35,004	2,33,48,095
Unabsorbed depreciation carried forward and brought forward business losses	1,74,44,817	88,73,722
Tax effect of items constituting deferred tax asset	4,41,79,821	3,22,21,817

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, 2016	As at March 31, 2015
14 Long term loans and advances		
(Unsecured considered good, unless otherwise stated)		
Capital advances	40,27,134	16,91,334
Security deposits		
Considered good	8,77,73,521	8,53,61,164
Considered doubtful	10,00,000	10,00,000
	8,87,73,521	8,63,61,164
Add / (less) : provision for doubtful loans and advances	(10,00,000)	(10,00,000)
	8,77,73,521	8,53,61,164
Loans and advances to Subsidiaries (Refer note 38)	67,76,28,182	44,57,49,131
Advances / loans to firms / AOP in which Company or subsidiary is partner / member	8,93,93,100	6,35,95,289
Advance income tax (Net of Provision for tax Rs.592,585,858 Previous year : Rs.592,590,997)	45,30,07,479	38,06,62,900
MAT credit entitlement	20,50,379	20,50,379
Statutory dues recoverable	11,57,11,288	11,44,39,385
i) Project advances (Refer note below)	1,60,18,58,548	1,64,24,62,107
ii) Intercorporate deposits	17,19,65,000	17,19,65,000
	3,20,34,14,631	2,90,79,76,689

Project Advance

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	82,50,000	-
	82,50,000	-
16 Current investments		
- Carried at lower of cost or fair value		
Viorica Hotels Private Limited(refer note 50)	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	(5,46,50,950)	(3,71,50,950)
	18,62,97,830	20,37,97,830
Sita Lakshmi Mills Limited	2,34,00,000	2,34,00,000
806000 (806000) Equity Shares of Rs 50/- Each Fully Paid		
	2,34,00,000	2,34,00,000
Investment in Mutual Funds		
IDFC CASH FUND	-	4,93,33,648
	-	4,93,33,648
	20,96,97,830	27,65,31,478
Aggregate amount of unquoted investments	20,96,97,830	27,65,31,478
17 Inventories		
(At lower of cost or net realizable value)		
Building materials / tools	31,54,08,825	39,98,35,610
Projects under Development	1,87,50,76,790	1,85,34,25,834
	2,19,04,85,615	2,25,32,61,444

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
18 Trade receivables		
a) Debtors		
(Unsecured considered good, unless otherwise stated)		
Outstanding for period exceeding six months		
Considered good	1,08,24,55,679	1,20,34,25,994
Considered doubtful	16,07,24,467	15,48,52,411
	1,24,31,80,146	1,35,82,78,405
Add / (less) : provision for doubtful debts	(16,07,24,467)	(15,48,52,411)
	1,08,24,55,679	1,20,34,25,994
Outstanding for period less than six months		
Others considered good	32,67,30,663	26,54,42,753
(Less) : provision for doubtful debts	(6,64,610)	(21,23,970)
	32,60,66,053	26,33,18,783
b) Retention (accrued but not due)	38,19,35,125	39,51,92,811
(Less) : provision for doubtful debts	(4,44,95,891)	(3,61,51,589)
	33,74,39,234	35,90,41,222
Total debtors	**1,74,59,60,966**	**1,82,57,85,999**
(Less) : related unearned receivables	(15,79,89,507)	(35,92,56,243)
	(15,79,89,507)	(35,92,56,243)
	1,58,79,71,459	1,46,65,29,756
The activity in the provision for unapproved sales is given below:		
Balance at the beginning of the Year	21,23,970	43,35,443
Additions during the Year	-	19,70,045
Utilization / transfers	(14,59,360)	(41,81,518)
Balance at the end of the Year	6,64,610	21,23,970
The activity in the provision for doubtful debts is given below:		
Balance at the beginning of the Year	19,10,04,000	13,65,25,875
Additions during the Year	5,14,80,538	12,40,35,873
Utilization / reversals	(3,72,64,180)	(6,95,57,748)
	20,52,20,358	19,10,04,000
19 Cash and bank balances		
A) Cash and cash equivalents		
a)Cash on hand	1,06,34,790	1,61,87,881
b) Cheques, drafts on hand	-	6,50,00,000
c) Balances with banks		
i) In current accounts	4,36,10,464	2,92,45,089
ii)In other deposit accounts - original maturity less than 3 months	18,36,03,192	12,55,94,581
	23,78,48,446	23,60,27,551
B) Other bank balances		
i)In other deposit account - original maturity more than 3 months	4,00,27,974	10,76,400
ii) In earmarked accounts		
- Unpaid dividend account	15,702	15,702
- Balances held as margin money or security against borrowing, gurantee and other commitments	8,54,37,058	3,54,70,304
		-
	12,54,80,734	3,65,62,406
	36,33,29,180	27,25,89,957

(Amount in Rupees)

	As at March 31, 2016	As at March 31, 2015
20 Short term loans and advances		
(Unsecured considered good, unless otherwise stated)		
Advances / loans to firms / AOP in which Company or subsidiary is partner / member	26,88,81,647	12,85,90,429
Security deposits	4,42,05,515	3,35,06,204
Prepaid expenses	2,57,61,398	1,77,71,456
Others (Trade Advances and Share & Bond application money paid)	14,99,59,906	25,04,23,795
	48,88,08,466	43,02,91,884
21 Other current assets		
(Unsecured considered good, unless otherwise stated)		
Unbilled revenues	92,64,84,059	64,62,99,191
(Less) : related advance payment received	(37,90,11,546)	(26,07,65,699)
	54,74,72,513	38,55,33,492
Interest accrued on deposits	62,57,332	21,88,879
Other recoverables and receivables	41,22,38,928	67,95,06,400
	96,59,68,773	1,06,72,28,771

(Amount in Rupees)

		For the year ended 31, March 2016	For the year ended March 31, 2015
22	**Revenue from operations**		
	Contract revenue recognized / sales (gross)		
	- Contract revenue	2,72,52,13,873	2,27,30,36,273
	- Sale of unit	27,82,58,955	39,03,66,464
	- Trading sales	24,82,596	15,46,98,637
	- Other sales (Includes maintenance charges of soceity,Hire chagres,Scrap Sales)	2,56,61,338	3,33,80,252
	Other operating income		
	- Rent earned	3,96,929	4,25,334
	- Share of profit / (loss) from AOP / Partnership firms (net)	15,06,31,244	9,89,55,975
		3,18,26,44,935	2,95,08,62,935
23	**Other income**		
	Interest income	11,67,18,852	8,16,71,538
	Dividend income from long term investments - other than trade	10,30,957	5,67,246
	Other non operating income (net of expenses directly attributable to such income)	82,081	5,04,938
	Net gain / loss on sale of fixed assets	11,64,63,008	2,45,56,497
	Provision / Creditors no longer required written back	7,69,18,335	4,26,66,062
	Misc Income	62,55,021	1,28,89,601
		31,74,68,254	16,28,55,882
24	**Construction expenses**		
	Contract	2,12,04,73,050	2,70,43,84,437
	Development	20,25,37,903	24,53,28,629
	Incidental borrowing cost incurred attributable to qualifying assets	11,03,47,815	27,67,23,315
		2,43,33,58,768	3,22,64,36,381
25	**Purchases of stock-in-trade**		
	Purchases of stock-in-trade	3,93,613	15,33,66,871
		3,93,613	15,33,66,871
26	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year:		
	Finished goods	9,75,86,336	9,75,86,336
	Work-in-progress	1,77,74,90,453	1,75,58,39,498
		1,87,50,76,789	1,85,34,25,834
	Inventories at the beginning of the year:		
	Finished goods	9,75,86,336	4,25,00,000
	Work-in-progress	1,75,58,39,498	1,71,10,10,548
		1,85,34,25,834	1,75,35,10,548
		(2,16,50,955)	(9,99,15,286)
27	**Employee benefit expense**		
	Salaries and wages (Refer note 45)	20,87,32,405	35,98,06,338
	Contribution to provident and other funds	1,99,37,050	1,64,97,781
	Expense on Employee Stock Option Scheme	1,93,42,292	3,50,62,500
	Staff welfare expenses	18,87,789	36,85,234
		24,98,99,536	41,50,51,853

(Amount in Rupees)

		For the year ended 31, March 2016	For the year ended March 31, 2015
28	**Finance costs**		
	Interest expense	47,85,80,033	54,09,26,343
	Other borrowing costs	1,10,18,610	53,64,684
	Less : borrowing cost transferred to qualifying assets	(11,03,47,815)	(27,67,23,315)
		37,92,50,828	26,95,67,712
29	**Other expenses**		
	Power and Fuel	62,63,511	63,95,183
	Rent/compensation	3,22,33,474	2,58,56,533
	Repairs, renovation and maintenance		
	Building	34,66,800	69,85,120
	Plant and machinery	-	40,554
	Others	27,72,933	28,86,348
	Insurance	79,00,493	95,62,536
	Rates & taxes	30,76,713	23,54,421
	Postage and telephone	43,75,963	59,80,596
	Travelling expenses	49,42,498	50,03,087
	Printing and stationery	20,45,966	29,23,890
	Brokerage / commission	24,22,010	72,12,349
	Sales promotion expenses	9,51,310	12,85,374
	Advertisement	1,27,73,025	62,11,504
	Donations	43,75,000	24,99,102
	Legal ,Professional and retainer ship fees (Refer note-41)	5,07,76,661	5,49,27,850
	Bad debts and other receivables, loans and advances written off	4,07,27,295	8,52,02,377
	Provision for diminution in value in investment	1,75,00,000	3,71,50,950
	Provision for doubtful debt and advances	1,42,16,358	5,44,78,125
	Bank charges	2,11,23,759	1,21,03,945
	Bank Guarantee Commission to Managing Director	-	5,54,00,000
	Conveyance Expenses	35,25,562	50,77,432
	Foreign exchange gain / loss (net)	-	23,921
	Hire Charges Paid	2,12,46,833	1,85,11,932
	Stamp duty expenses for increase in authorised share capital	-	95,00,000
	Misellaneous Expenses	2,73,08,628	1,56,01,598
		28,40,24,792	43,31,74,727
30	**Exceptional items**		
	Decline in value of Investment (Refer Note no - 50)	-	(2,23,24,586)
			(2,23,24,586)
31	**Tax expense:**		
	Current tax	-	-
	MAT credit entitlement	-	-
	Deferred tax	-	-
	(Excess) / short provision for tax of ealier years	69,410	3,08,63,929
		69,410	3,08,63,929

During the financial year, the Company's application to settlement Commission u/s 245D stands admitted and in an interim order, directions for verification on certain matters have been given to department concerned.

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.18,930,458 for Provident Fund contributions (March 31, 2015 : Rs.15,242,043) and Rs 1,006,952 (March 31, 2015 : Rs.1,255,728) towards ESIC in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(B) Defined Benefit 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,	3,55,93,389	3,05,91,804
Current Service cost	77,04,710	74,15,505
Interest Cost	26,56,124	26,39,820
Losses (gains) on Curtailment	-	-
Liabilities extinguished on settlements	-	-
Plan amendments	-	-
Actuarial (gains) / losses	(22,36,747)	(12,57,521)
Benefits paid	(30,81,029)	(37,96,219)
Present value of Defined Benefit Obligation as on Balance Sheet date.	4,06,36,447	3,55,93,389

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,	24,83,883	55,67,147
Expected return on plan assets	1,56,142	3,54,168
Actuarial gains/(losses)	(5,71,524)	(44,513)
Actual contributions by employers	15,26,211	4,03,300
Benefits paid	(30,81,029)	(37,96,219)
Plan assets as on March 31,	5,13,683	24,83,883

Acturial (Gain) / Loss Recognised	**Current year**	**Previous Year**
Acturial (Gain) / Loss for the period - obligation	(22,36,747)	(12,57,521)
Acturial (Gain) / Loss for the period - Plan Assets	(5,71,524)	(44,513)
Total Acturial (Gain) / Loss for the period	(28,08,271)	(13,02,034)
Acturial (Gain) / Loss Recognised	(28,08,271)	(13,02,034)

Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet :	**Current year**	**Previous Year**
Present value of Defined Benefit Obligation	4,06,36,447	3,55,93,389
Fair value of plan assets	5,13,683	24,83,883
Funded status [Surplus/(Deficit)]	(4,01,22,764)	(3,31,09,506)
Unrecognized Past Service Costs	-	-
Net asset/(Liability) recognized in Balance Sheet	**(4,01,22,764)**	**(3,31,09,506)**

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	77,04,710	74,15,505
Interest cost	26,56,124	26,39,820
Expected return on plan assets	(1,56,142)	(3,54,168)
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service cost	-	-
Actuarial Losses/(Gains)	(16,65,223)	(12,13,008)
Total expense recognized in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	**85,39,469**	**84,88,149**

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

	Gratuity	
Principal Actuarial Assumptions :	**March 31,2016**	**March 31,2015**
Discount Rate (%)	7.90%	7.80%
Expected Return on plan assets (%)	9.15%	9.15%
Salary Escalation (%)	5%-10%	5%-10%
Expected average remaining working lives of employees	8.44%	8.55%

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, promotion

Experience History	**Gratuity as at March 31,2016**				
	March 31, 2016	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
Defined Benefit Obligation at the end of the period	4,06,36,447	3,55,93,389	3,05,91,804	3,16,12,292	3,18,40,729
Plan Assets at the end of the period	5,13,683	24,83,883	55,67,147	1,10,88,855	2,41,50,585
Funded Status	(4,01,22,764)	(3,31,09,506)	(2,50,24,657)	(2,05,23,437)	(76,90,144)
Experience adjustments on plan liabilities	(20,11,348)	(41,90,816)	(20,35,983)	45,41,423	(33,50,624)
Experience adjustments on plan assets	5,71,524	44,513	-	2,05,883	31,598
Actuarial Gain / Loss due to change on assumption					

Actual Return on Plan Assets	**March 31, 2016**	**March 31, 2015**
Expected return on Plan Assets	1,56,142	3,54,168
Actuarial gains and (losses)	(5,71,524)	(44,513)
Actual Return on Plan Assets	(4,15,382)	3,09,655

Contributions expected to be paid to the plan during the next financial year Rs.40,122,764 (Previous Year : Rs.33,109,506)

(C) Compensated Absences

Compensated absenses charged to Statement of Profit and Loss Rs.5,628,912 (Previous Year Rs.6,243,436) and liability as at March 31, 2016 was Rs.42,278,233 (Previous Year Rs.42,450,674).

32 Employee stock option plans (ESOP)

1. 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 2015-16	FY 2014-15
Options granted, beginning of the year	19,56,623	22,50,000
Granted during the year	-	-
Exercised during the year	(19,49,123)	(2,93,377)
Cancelled/lapsed during the year	(7,500)	-
Options granted, end of the year	-	19,56,623
Weighted Average remaining life	-	0.42

2. 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 2015-16	FY 2014-15
Options granted, beginning of the year	22,50,000	-
Granted during the year		22,50,000
Exercised during the year	(22,15,000)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	35,000	22,50,000
Weighted Average remaining life	0.42	1.42

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

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

Particulars	FY 2015-16	FY 2014-15
Options granted, beginning of the year	-	-
Granted during the year	64,00,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	64,00,000	-
Weighted Average remaining life	1.83	-

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 Profit for the year ended March 31, 2016 would have been lower by Rs. 49.29 lakhs (Previous year: lower loss of Rs. 14.96 lakhs) and Basic and diluted EPS would have been revised to profit of Rs. 0.43 per share (Previous year loss of 14.30 per share) and profit Rs. 0.43 per share (Previous year loss of 14.30 per share) respectively as compared to profit of Rs. 0.47 per share (Previous year loss of 14.31 per share) and profit of Rs. 0.46 per share (Previous year loss of 14.31 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 8.40% and weighted average volatility in the share price in the range of 61.10% - 67.42%. 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.

33 Earning per share (EPS) **(Amount in Rupees)**

Particulars	As at March 31, 2016	As at March 31, 2015
Net profit available for equity share holder	6,58,23,530	(1,44,69,16,349)
Weighted average number of equity shares for Basic EPS	14,05,51,988	10,10,87,277
Face value per share	10	10
Basic EPS	0.47	(14.31)
Weighted average number of equity shares for Diluted EPS	14,20,01,204	10,31,97,954
Diluted EPS*	0.46	(14.31)

* 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, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	14,97,44,904	4,09,16,371
	14,97,44,904	4,09,16,371

35 Contingent liabilities **(Amount in Rupees)**

	As at March 31, 2016	As at March 31, 2015
a) Disputed demands for Income Tax	7,64,11,216	7,64,11,216
b) Disputed demands for Service Tax	1,54,28,256	1,54,28,256
c) Disputed demands for Value Added Tax	3,57,24,158	3,11,03,150
d) Performance and financial guarantees given by the Banks on behalf of the Company	99,53,79,708	1,33,50,69,633
e) Corporate guarantees given for other companies / entities and mobilization	1,91,50,00,000	2,01,50,00,000
f) Claims against the Company not acknowledged as debts	3,89,91,12,051	3,61,09,33,994

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) The Creditors of the Company have filed a civil suit claiming of Rs 1,11,49,741/- (Previous year Rs. 1,00,66,624/-) 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 labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for Rs.3,94,840/- (Previous year - Nil).
v) One of the customer has filed arbitration proceeding against the Company for loss on account of wastage i.e. excess consumption of cement and steel, loss on account of escalation of cement and steel, additional cost incured for completing the balance work, loss for rectifying defective work, refund of amount in VAT and excess duty, loss of reputation and liquidated damages and interest, amounting to Rs. 28,67,00,100/- (Previous year - Nil).

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

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, 2016**	**As at March 31, 2015**
Not later than 1 year	2,68,48,119	4,35,32,438
Later than 1 year and not later than 5 years	6,96,69,238	7,05,94,695
Later than 5 years	-	-
Expenses recognised during the Year	4,78,72,182	8,19,00,904

Vascon Engineers Limited
Notes forming part of the Financial Statements

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	**2015 - 16**	**2014 - 15**
Assets acquired under finance lease	61,98,300	61,98,300
Net carrying amount at the balance sheet date	42,55,004	61,92,996
Minimum lease payment as on 31.03.2016	53,19,344	66,67,531
Present value of the above	43,51,033	52,00,000

			(Amount in Rupees)
Particulars	**Present Value**	**Interest**	**Minimum Lease**
Not later than one year	9,30,436	4,03,095	13,33,531
Later than one year & not later than five years	34,20,597	5,65,216	39,85,813
Later than five years	-	-	-
Total	**43,51,033**	**9,68,311**	**53,19,344**

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, 2016**	**As at March 31, 2015**
Vascon share in firm's capital	25,15,61,367	11,20,41,630
Share of profit / (loss) from partnership firm recognized during the Year	15,44,19,283	9,32,78,911
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)
- Sunflower Real Estate Developers Pvt Ltd (Wef 31.08.2015)
- Angelica Properties Private Limited (Wef 14.04.2015)
- Shreyas strategists Private limited (Wef 31.08.2015)
- Sansara Development India Private limited (Wef 31.08.2015)
- GMP Technical Services LLC

2. Joint Ventures
- Weikfield IT CITI Infopark (Upto October 1,2014)
- Phoenix Ventures
- Zenith Ventures
- Zircon Ventures
- Just Homes (AOP)
- Cosmos Premises Private Limited
- Ajanta Enterprises
- Vascon Qatar WLL

3. Associates
- Mumbai Estate Private Limited

4. Key Management Personnel
- Mr. R. Vasudevan
- Dr Santosh Sundararajan
- Mr. D.Santhanam
- Mr.M.Krishnamurthi

5. Relatives of Key Management Personnel
- Mrs. Lalitha Vasudevan
- Ms. Soumya Vasudevan
- Mrs. Thangam Moorthy
- Mrs. Lalitha Sundararajan
- Mr. Siddarth Vasudevan
- Mrs Shilpa Shivram
- Mrs. Sailaxmi Santhanam Mudaliar
- Ms Mathangi Krishnamuthy

6. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence
- Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
- Vastech Consultants Private Limited
- Vastech consultants and engineers LLP
- Vatsalya Enterprises Private Limited
- Bellflower Premises Private Limited
- Cherry Construction Private Limited
- Stresstech Engineers Pvt Ltd.
- Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
- Vascon Infrastructure Limited
- Venus Ventures
- Seraphic Design Private Limited
- D. Santanam (HUF)
- M krishnamurthi (HUF)

Vascon Engineers Limited
Notes forming part of the Financial Statements

(Amount in Rupees)

	II Related party transactions	As at March 31, 2016	As at March 31, 2015
(a)	**Sales and work**	**26,97,52,226**	**30,81,39,493**
	Subsidiaries		
	Sunflower Real Estate Developers Pvt Ltd	6,85,233	-
	Windflower Premises Private Limited		4,33,500
	Vascon Pricol Infrastructure Limited	47,51,391	13,26,15,866
	Total	54,36,624	13,30,49,366
	Joint Ventures		
	Ajanta Enterprises	19,96,91,587	10,74,17,052
	Total	19,96,91,587	10,74,17,052
	Associates		
	Angelica Properties Private. Limited.	-	2,60,000
	Total	-	2,60,000
	Key management Personnel		
	Dr Santosh Sundararajan	-	42,29,701
	Total	-	42,29,701
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	3,90,08,759	1,36,15,530
	Cherry Constructions Private Limited.	2,56,15,256	4,95,67,844
	Total	6,46,24,015	6,31,83,374
(b)	**Interest Income**	**9,33,88,660**	**5,19,79,907**
	Subsidiaries		
	Vascon Dwellings Private Limited	3,11,71,142	3,54,34,082
	Vascon Pricol Infrastructures	1,94,63,109	74,56,990
	Sunflower Real Estate Developers Private Limited	4,27,54,409	-
	GMP Technical Solutions Private Limited	-	90,88,835
	Total	9,33,88,660	5,19,79,907
(c)	**Interest Expense**	**2,51,98,004**	**4,72,06,454**
	Subsidiaries		
	Almet Corporation Limited	7,34,765	7,03,612
	Angelica Properties Pvt LTd	55,82,951	-
	Marathawada Realtors Private Limited	1,48,270	1,82,041
	Total	64,65,986	8,85,653
	Joint Venture		
	Ajanta Enterprises	59,22,505	3,52,50,916
	Total	59,22,505	3,52,50,916
	Enterprise where KMP & Relatives of KMP significant influence		
	Stresstech Engineers Private Limited	2,02,500	2,57,240
	Vastech Consultants Private Limited	10,33,296	11,73,770
	D Santhanam- HUF	1,29,211	-
	Flora Facilities Private Limited	34,71,781	
	M. Krishnamurthi (HUF)	2,84,217	-
	Total	51,21,005	14,31,010

	Relatives of Key Management Personnel		
	Mr. Siddarth Vasudevan	75,155	39,945
	Mrs. Mathangi Krishnamurthi	-	1,11,544
	Ms. Sailaxmi Santhanam Mudaliar	50,130	72,481
	Mrs. Thangam Moorthy	2,39,707	3,65,753
	Total	3,64,992	5,89,723
	Key Management Personnel		
	Mr. R. Vasudevan	41,17,616	61,38,186
	Mr. Santosh Sundararajan	27,12,528	23,63,764
	D Santhanam	4,93,372	5,47,202
	Total	73,23,516	90,49,152
(d)	**Purchase of Goods / Work/Rent**	**10,84,34,186**	**12,79,48,342**
	Subsidiaries		
	GMP Technical Solution Pvt Ltd	4,72,11,858	8,28,85,871
	Total	4,72,11,858	8,28,85,871
	Enterprise where KMP & Relatives of KMP significant influence		
	Bellflower Premises Private Limited	-	36,00,000
	Vatsalya Enterprises Private Limited	-	36,00,000
	Rent		
	Flora Facilities Private Limited	2,34,08,436	1,26,23,530
	Works		
	Stresstech Engineers Private Limited	2,27,27,172	2,45,12,389
	Vastech Consultants & Engineers LLP	1,50,86,720	7,26,552
	Total	6,12,22,328	4,50,62,471
(e)	**Receiving of Services**	**2,45,32,240**	**18,64,70,558**
	Key Management Personnel		
	Mr R Vasudevan (Refer note 45)	(4,52,92,462)	11,74,52,862
	Dr Santosh Sundararajan	3,08,51,280	3,25,18,000
	Mr. D.Santhanam	68,46,336	73,18,840
	Mr.M.Krishnamurthi	55,35,769	58,27,000
	Total	-20,59,077	16,31,16,702
	Relatives of Key Management Personnel		
	Mr. Siddarth Vasudevan	1,96,53,400	93,20,000
	Mrs. Sailaxmi Santhanam Mudaliar	10,000	18,000
	Mrs.Shilpa Sivram	1,30,500	2,77,420
	Total	1,97,93,900	96,15,420
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	-	3,99,431
	Vastech Consultants Private Limited	49,42,041	1,33,39,005
	D Santhanam-HUF	34,000	-
	Seraphic Designs Private Limited	18,21,376	-
	Total	67,97,417	1,37,38,436
(f)	**Share of Profit from AOP/Firm**	**15,70,71,744**	**10,38,78,404**
	Subsidiary		
	Joint Ventures		
	Phoenix Ventures	7,71,482	-
	Zircon Ventures	18,80,979	30,37,162
	Ajanta Enterprises	15,44,19,283	10,08,41,242
	Total	15,70,71,744	10,38,78,404
(g)	**Share of Loss from AOP/Firm**	**64,40,500**	**49,22,430**
	Joint Ventures		
	Phoenix Ventures	-	19,77,980
	Weikfield ITCITI Info Park (AOP)	-	10,99,844
	Zenith Ventures	64,40,500	18,44,606
	Total	64,40,500	49,22,430

(h)	**Reimbursement of expenses**	**2,66,02,841**	**1,84,15,163**
	Subsidiary		
	Vascon Pricol Infrastructures Limited	2,47,077	57,04,854
	Windflower Properties private Limited	-	57,671
	Total	2,47,077	57,62,525
	Joint Ventures		
	Ajanta Enterprises	1,12,25,592	1,17,83,077
	Cosmos Premises Private Limited	1,43,81,100	-
	Phoenix Ventures	6,00,000	6,09,924
	Zircon Ventures	-	62,001
	Total	2,62,06,692	1,24,55,002
	Key Management Personnel		
	Dr Santosh Sundararajan	40,800	57,800
	M. Krishnamurthi	40,800	70,275
	D Santhanam	67,472	69,561
	Total	1,49,072	1,97,636
(i)	**Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit**	**64,63,58,717**	**67,85,40,475**
	Subsidiaries		
	Floriana Properties Private Limited	6,78,16,410	1,03,781
	Marvel Housing Private Limited	38,80,000	-
	IT Citi Infopark Private Limited	2,50,00,000	1,77,123
	Greystone Premises Private Limited	1,60,26,800	-
	Marathawada Realtors Private Limited	1,70,800	6,24,958
	Almet Corporation Limited	1,26,000	3,10,944
	Vascon Dwellings Private Limited	11,45,87,179	6,61,51,687
	Vascon Pricol Infrastructure Limited	-	55,18,756
	Just Homes (India) Private Limited	12,17,925	25,590
	Shreyas Strategists Private Limited	1,02,360	-
	Sansara Hotels India Private Limited	38,78,234	-
	Sunflower Real Estate Developers Private Limited	5,96,43,398	-
	Total	29,24,49,106	7,29,12,839
	Joint Ventures		
	Phoenix Ventures	1,13,71,210	1,45,94,418
	Zenith Ventures	35,21,965	9,84,160
	Just Homes (AOP)	42,53,011	4,45,051
	Ajanta Enterprises	2,55,92,251	16,49,65,134
	Zircon Ventures	1,80,15,987	85,32,955
	Total	6,27,54,424	18,95,21,718
	Associates		
	Mumbai Estate Private Limited	-	10,00,000
	Angelica PropertiersPrivate. Limited.		19895242
	Total	-	2,08,95,242
	Enterprise where KMP & Relatives of KMP significant influence		
	Stresstech Engineers Private Limited	-	60,25,724
	Vastech Consultants Private Limited	-	1,33,17,377
	Sunflower Real Estate Developers Private Limited	-	35,24,13,079
	M. Krishnamurthi (HUF)	20,55,794	-
	Venus Ventures	-	50,00,000
	D.Santhanam (HUF)	1,00,000	-
	Total	21,55,794	37,67,56,180
	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	15,00,000	3,65,753
	Total	15,00,000	18,08,290
	Key Management Personnel		
	Mr. R. Vasudevan	27,59,57,393	61,38,186
	Mr. Santosh Sundararajan	99,42,000	98,80,433
	D Santhanam	16,00,000	6,27,587
	Total	28,74,99,393	1,66,46,206

(j)	**Finance availed /Received back(including equity contributions in cash or in kind)**	**64,15,39,140**	**39,57,06,806**
	Subsidiary		
	Almet Corporation Limited	7,03,612	-
	Angelica PropertiersPrivate. Limited.	5,40,00,000	-
	Floriana properties Private Limited	6,77,38,131	10,000
	Marathawada Realtors Private Limited	1,82,041	-
	IT Citi Info Park Private Limited	7,06,200	20,40,324
	Greystone Premises Private Limited	1,00,20,000	-
	Vascon Pricol Infrastructure Limited	5,80,00,000	-
	Just Homes (India) Private Limited	10,00,000	6,00,00,000
	Sunflower Real Estate Dev Private Limited	90,00,000	-
	GMP Technical Solution Private Limited	1,50,00,000	1,29,60,104
	Vascon Dwellings Private Limited	21,14,90,000	2,52,95,764
	Total	42,78,39,984	10,03,06,192
	Joint Ventures		
	Phoenix Venture	9,73,001	5,00,000
	Zircon Ventures	44,97,364	-
	Just Homes Associates (AOP)	8,00,000	-
	Total	62,70,365	5,00,000
	Enterprise where KMP & Relatives of KMP significant influence		
	Flora Facilities Private Limited	5,00,00,000	-
	Vastech Consultants Private Limited	-	1,40,00,000
	Sunflower Real Estate Dev Private Limited	-	12,85,70,614
	Stresstech Engineers Private Limited	-	75,00,000
	Venus Ventures	13,00,000	2,74,30,000
	Total	5,13,00,000	17,75,00,614
	Relatives of Key Management Personnel (Through Fixed Deposit)		
	Mr. Siddarth Vasudevan (Through Fixed Deposit)	-	6,00,000
	Mr. Siddarth Vasudevan (Others)	4,93,791	-
	Total	4,93,791	6,00,000
	Key Management Personnel		
	Mr. R. Vasudevan	15,45,35,000	11,50,00,000
	Mr. Santosh Sundararajan	11,00,000	-
	D Santhanam	-	18,00,000
	Total	15,56,35,000	11,68,00,000
(k)	**Outstanding corporate / bank guarantees given**	**1,16,50,00,000**	**1,26,50,00,000**
	Subsidiaries		
	GMP Technical Solution Private Limited	1,06,50,00,000	1,06,50,00,000
	Total	1,06,50,00,000	1,06,50,00,000
	Joint Ventures		
	Phoenix Ventures	10,00,00,000	10,00,00,000
	Cosmos Premises Private Limited	-	10,00,00,000
	Total	10,00,00,000	20,00,00,000
(l)	**Outstanding as on**		
	A) Receivable to Vascon Engineers Limited	**3,03,81,49,699**	**1,90,23,32,451**
	Subsidiaries	**2,15,81,79,318**	**96,09,83,130**
	a) Sundry Debtors		
	GMP Technical Solution Private Limited	-	51,11,657
	Vascon Dwellings Private Limited	18,55,35,400	25,11,10,400
	Vascon Pricol Infrastructure Limited	4,31,46,487	8,44,49,908
	Sunflower Real Estate Developers Private Limited	7,22,750	-
	Sansara Hotels India Private Limited	47,09,48,695	-
	Windflower Properties Private Limited	2,00,084	2,30,084
	Total	70,05,53,416	34,09,02,049
	b) Loans & Advances / Project Advances		
	Floriana Properties Private Limited	6,75,05,783	6,74,27,505
	GMP Technical Solution Private Limited	-	14,28,79,268
	Just Homes (India) Private Limited	3,01,12,705	2,98,94,780
	Greystone Premises Private Limited	60,05,800	-
	IT Citi Info Park Private Limited	2,44,70,924	1,77,124
	Marvel Housing Private Limited	38,80,000	-
	Vascon Dwellings Private Limited	17,67,02,711	24,55,51,504
	Shreyas Strategists Private Limited	69,98,14,779	-
	Sansara Developers India Private Limited	2,39,71,458	-
	Vascon Pricol Infrastructure Limited.	9,22,86,920	13,27,70,122
	Sunflower Real Estate Developers Private Limited	33,12,46,967	
	Total	1,45,59,98,047	61,87,00,303

Vascon Engineers Limited
Notes forming part of the Financial Statements

c) Expenses reimbursement		
Vascon pricol Infrastructure Limited	16,27,855	13,80,778
Total	16,27,855	13,80,778
Joint Ventures	**51,99,45,293**	**27,23,46,274**
a) Sundry Debtors		
Phoenix Ventures	6,33,11,405	6,27,31,671
Ajanta Enterprises	4,56,67,637	-
Zircon Ventures	7,21,504	7,21,504
Total	10,97,00,546	6,34,53,175
b) Loans & Advances		
Phoenix Ventures	2,29,98,783	1,26,00,574
Total	2,29,98,783	1,26,00,574
c) Balance in capital and current accounts		
Phoenix Ventures	6,92,90,280	6,85,18,798
Ajanta Enterprises	25,15,61,367	7,67,79,012
Zircon Ventures	6,63,94,317	5,09,94,715
Total	38,72,45,964	19,62,92,525
Associates	**25,63,00,010**	**25,66,03,346**
a) Loans & Advances		
Mumbai Estate Private Limited	25,63,00,010	25,63,00,010
Total	25,63,00,010	25,63,00,010
b) Sundry Debtors		
Angelica Properties Private Limited		2,66,136
Total	-	2,66,136
c) Share Application money		
Angelica Properties Private Limited		37,200
		37,200
Enterprise where KMP & Relatives of KMP significant influence	**9,87,04,151**	**40,74,82,245**
a) Sundry Debtors		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	32,41,312	1,46,08,267
Cherry Constructions Private Limited.	3,10,20,052	2,82,54,969
Total	3,42,61,364	4,28,63,236
b) Loans & Advances (Including deposits and trade advances)		
Vastech Consultants Private Limited	33,43,803	4,00,00,000
Bellflower Premises Private Limited	50,00,000	50,00,000
Flora Facilities Private Limited	1,25,00,000	1,25,00,000
Vatsalya Enterprises Private Limited	50,00,000	1,49,00,000
Venus Ventures	3,85,98,984	3,98,98,984
Sunflower Real Estate Developers Private Limited	-	25,21,24,601
Syringa Engineers Private Limited	-	1,95,424
Total	6,44,42,787	36,46,19,009
Key Management Personnel	**50,20,928**	**49,17,456**
a) Sundry Debtors		
Mr. R. Vasudevan	1,03,470	-
Mr.Santosh Sundararajan	49,17,458	49,17,456
Total	50,20,928	49,17,456
B) Receivable from Vascon Engineers Limited	**72,25,76,258**	**80,81,55,907**
Subsidiaries	**17,60,53,328**	**13,27,05,545**
a) Sundry Creditors		
GMP Technical Solution Pvt Ltd	10,65,83,942	12,27,58,746
Total	10,65,83,942	12,27,58,746
b) Loans & Advances		
Almet Corporation Limited	87,51,930	82,16,642
Marathawada Realtors Private Limited	16,92,800	17,30,157
Angelica Properties Private Limited	5,90,24,656	-
Total	6,94,69,386	99,46,799
Joint Venture	**41,40,58,847**	**38,43,36,352**
a) Loans & Advances		
Ajanta Enterprises	3,02,56,972	-
Just Homes (AOP)	35,89,47,574	36,24,00,585
Total	38,92,04,546	36,24,00,585

Vascon Engineers Limited
Notes forming part of the Financial Statements

b) Balance in current account		
Zenith Ventures	2,48,54,301	2,19,35,767
Total	2,48,54,301	2,19,35,767
Key Management Personnel	**3,44,37,657**	**23,15,16,188**
a) For Services Received		
Mr. R Vasudevan	-	7,62,92,024
Santosh Sundararajan	47,81,716	49,81,107
M. Krishnamurthi	13,52,626	10,28,603
D Santhanam	16,98,005	12,70,330
Total	78,32,347	8,35,72,064
b) For Deposit Received		
Mr. R Vasudevan		11,50,00,000
Dr.Santosh Sundararajan	1,89,00,000	2,77,42,000
D Santhanam	34,00,000	50,00,000
Total	2,23,00,000	14,77,42,000
c) Expenses reimbursement		
M. Krishnamurthi	17,000	39,565
D Santhanam	29,342	16,809
Mr.Santosh Sundararajan	10,200	1,45,750
Total	56,542	2,02,124
d) Loans and advances		
Mr. R Vasudevan	42,48,768	-
	42,48,768	-
Enterprise where KMP & Relatives of KMP significant influence	**9,18,00,545**	**5,40,30,269**
a) Sundry Creditors		
Vatsalya Enterprises Private Limited	-	29,04,942
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	31,33,590	97,77,678
Stresstech Engineers Private Limited	1,24,92,238	1,56,33,179
Bellflower Premises Private Limited	-	30,24,719
Seraphic Design Private Limited	3,30,000	-
Vastech Consultants & Engineers LLP	1,03,96,477	6,53,897
D. Santhanam HUF	12,600	-
Vastech Consultants Private Limited	-	91,94,978
Total	2,63,64,905	4,11,89,393
b) Loans/(Advances)		
Flora Facilities Private Limited	5,00,32,548	-
Stresstech Engineers Private Limited	19,13,766	17,31,516
Vastech Consultants Private Limited	1,09,39,326	1,00,09,360
Total	6,28,85,640	1,17,40,876
c) Deposit Received		
M. Krishnamurthi	15,50,000	
D. Santhanam HUF	10,00,000	11,00,000
Total	25,50,000	11,00,000
Relatives of Key Management Personnel	**62,25,881**	**55,67,553**
a) Deposits Recd.		
Mr. Siddarth Vasudevan	6,00,000	6,00,000
Mrs. Sailaxmi Santhanam Mudaliar	4,00,000	4,00,000
Mrs. Thangam Moorthy	15,00,000	30,00,000
Total	25,00,000	40,00,000
b) For services received		
Siddharth Vasudevan	31,69,090	15,67,553
Total	31,69,090	15,67,553
c) Loans /(Advances		
Mr. Siddarth Vasudevan	4,93,791	-
Total	4,93,791	-
c) Sundry Creditors		
MRs. Shilpa Sivram	63,000	
Total	63,000	-

Notes:-

i) Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.
ii) No provision have been made in respect of receivable from related party as at March 31, 2016.
iii) During the financial year one of the subsidiaries IT CITI Infopark Pvt Litd has purchased 74% equity stake in Angelica Properties Pvt Ltd (In which company holds 26% equity stakes) for a consideration of Rs.241.55 Lakhs.Consequently, Angelica Properties Pvt Ltd has become fully owned subsidiary of the company.

IV) During the year ended 31st March 2016 following acquisition have taken place.
1.The Company had acquired 100% stake in " Sunflower real Estate Developers Private Limited" for a consideration of Rs.100.00 Lakhs on 31st August 2015.
2. The Company had acquired 100% Stake in " Shreyas Strategies Private Limited " through one of its subsidiary Vascon Pricol Infrastructures Limited for a consideration of Rs.1 Lakhs on 31st August 2015.
3. The Company had acquired 35% stake in "Greystone Premises Private Limited" for a consideration of Rs.0.01 lakhs on 20th January 2016.

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

Particulars	As at 31 March, 2016	As at 31 March, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	4,90,292	6,27,374
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6,86,456	7,84,041
(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	1,13,993	1,55,996
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	6,86,456	7,84,041
(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 of provision for taxation.

41 Auditors' Remuneration

Payment to the auditors (Net of Service Tax)

Audit Fees	17,00,000	35,00,000
Audit Fees/Limited Review fees in respect of Interim Financial Statement	30,00,000	20,00,000
Other Services	11,10,046	22,50,000
Total	58,10,046	77,50,000

42 Details of Earnings & Expenditure In Foreign Currency

Expenditure on account of		
Purchase of Spares/ materials	30,36,123	26,58,334
Purchase of services	17,77,879	13,53,865
Travelling & other expenditure	9,38,826	3,30,333
Purchase of Fixed Assets	-	-
Total	57,52,828	43,42,532

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, 2016	As at March 31, 2015
Contract Revenue Recognized during the year	2,72,52,13,873	2,27,30,36,273
Contract costs incured during the year	2,12,04,73,050	2,70,43,84,437
Advances received for contracts in progress	54,19,19,188	44,05,91,329
Retention money for contracts in progress	38,19,35,125	39,51,92,811
Gross amount due from customer for contract work (assets)	65,41,48,465	38,11,26,670
Gross amount due to customer for contract work (liabilty)	22,41,70,474	50,62,49,251

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 Consequent to non-receipt of necessary approval, the provision for Managerial Remuneration for FY 2014 - 15 amounting to Rs. 587 lakhs and FY 2015 – 16 provided till September, 2015 amounting to Rs. 316 lakhs has been reversed in the quarter ended 31st December, 2015 and credited to Employees benefits expenses.

46 The company has converted unsecured loan of Rs 4,869 lakhs and interest of Rs 1,992 lakhs on November 7,2015 in to Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures of Rs 1,00,000 /- each

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

48 During the current year the company has redeemed preference shares from one of the subsidiary " GMP Technical Solutions Pvt Ltd" amounting to Rs.150 lakhs.

49 The Company had issued equity shares of face value of Rs. 10 each at a price of Rs. 15 per share (including premium of Rs. 5 per share) amounting to ` 10,000 lakhs to the existing shareholders of the Company on rights basis in the ratio of 14 equity shares for every 19 shares held by equity shareholders under Chapter IV of the SEBI ICDR Regulations and provisions of all other applicable laws and regulations. As at 31 March, 2016, an amount of ` 1021 lakhs (31 March, 2015 ` Nil) is pending utilisation in future periods . Accordingly, the unutilised amount has been invested in fixed deposits with banks.

50 During the financial year the company has sold stake in one of its assciate Ascent Hotels Private Limited for a consideration of Rs. 30,42,01,680/- (6669492 equity shares of Rs.10/- each fully paid and share application money Rs. 37,500,000).

51 During the financial year the Company has invested an amount of Rs. 30,42,01,680/- (Face Value of Rs 10 each) in Optionally Convertible Redeemable Debentures of Ascent Hotels Private Limited.

52 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 Krishnamurthi
Company Secretary &
Compliance Officer

D Santhanam
Chief Financial Officer

Place : Pune
Date : 17th May, 2016

Vascon Engineers Limited

Disclosure under Regulation 34(3) of the SEBI (Listing and Disclosure Requirements) Regulations, 2015

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, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
A	Loans and advances in the nature of loan to subsidiaries				
1	Floriana Properties Private Limited	67,505,784	67,427,505	67,505,784	67,427,505
2	Grey Stone Premises Private Limited	6,005,800	-	6,005,800	-
3	Marvel Housing Private Limited	3,880,000	-	3,880,000	-
4	Vascon Dwellings Private Limited	176,702,711	245,551,504	255,486,683	245,551,504
5	Vascon Pricol Infrastructures Ltd.	92,286,920	132,770,122	152,233,231	132,770,122
6	Sunflower Real Estate Dev Private Limited	331,246,967	-	335,522,408	-
B	Loans & Advances in the nature of loan to Assocaites (Associates are considered as defined in AS -18 issued by ICAI)				
	There are no transactions of loans and advances to associates.				

• There are no transactions of loans and advances to subsidiaries, associate firms/ companies in which Directors are interested other than as disclosed above.
• There are no Investment by loanee in share of parent or subsidiary where Company made loan or advances in the nature of loan.

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, 2016						
		Assets	Liabilities	Income	Expenditure	Tax expense	Contingent liabilities	Capital commitments
Zircon Ventures	Refer note below	96,516,018	30,121,700	25,296,947	22,011,233	1,404,735	-	-
		(106,109,820)	(55,115,104)	(19,965,156)	(15,569,843)	(1,358,152)	-	-
Phoenix Ventures	50% Share of Profits	147,150,247	54,861,184	11,215,368	10,098,895	344,991	-	-
		(135,292,317)	(54,172,945)	(6,873,743)	(8,179,390)	(672,333)	-	-
Zenith Ventures	Refer note below	189,979	189,979	-	6,440,500	-	-	-
		(216,404)	(22,152,171)	-	(1,844,606)	-	-	-
Weikfield IT City Infor Park (AOP)	Refer note below	-	-	-	-		-	-
		-	-	(254,194)	(1,354,038)		-	-
Cosmos Premises Private Limited	43.83% Share of Profits	99,396,810	16,627,341	70,663,569	59,903,869	5,718,545	-	-
		(98,223,880)	(16,201,946)	(61,281,535)	(50,416,350)	(2,103,840)	-	-
Ajanta Enterprises	50% Share of Profits	655,538,132	388,566,099	606,353,835	367,316,293	84,688,295		
		(460,208,318)	(398,093,404)	(468,607,462)	(327,370,532)	(47,958,019)	-	-

Note: Share of assets and liabilities of Zircon Ventures, Weikfield ITCITI 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 Partners.

Weikfield IT City Info Park (AOP) has been dissolved in previous financial year.
(The above information is provided on the basis of latest available financial statements of the Joint Venture Entities)

INDEPENDENT AUDITORS' REPORT

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 associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, 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 Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable The respective Board of Directors of the companies included in the Group and of its associate 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. 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 (a) 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 associate and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the financial statements of 13subsidiaries whose financial statements reflect total assets of Rs. 29,294 lakhs as at March 31, 2016, total revenues of Rs. 3,462 lakhs and net cash outflows amounting to Rs. 118 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 jointly controlled entities, is based solely on the reports of the other auditors.

b) We did not audit the financial statements of 2 Subsidiaries and 2jointly controlled entities, whose financial statements reflect total assets of Rs. 6,684 lakhs as at March 31, 2016, total revenues of Rs.1,267 lakhs and net cash outflow amounting to Rs. 603 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. NILfor the year endedMarch 31, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. 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 prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the

Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's incorporated in India for internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer note no 29 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the 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
(Membership No. 38019)

Pune, May 17, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Vascon Engineers Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate company and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 11 subsidiary companies ,which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Hemant M. Joshi
Partner
(Membership No. 38019)

Pune, May 17, 2016

Vascon Engineers Limited
Consolidated Balance Sheet as at March 31, 2016

(Amount in Rupees)

Particulars	Note No	As at March31, 2016	As at March 31, 2015
Equity and Liabilities			
Shareholders' Fund			
Share Capital	3	1,613,067,160	904,759,270
Reserves and Surplus	4	4,706,366,496	4,280,212,511
		6,319,433,656	5,184,971,781
Minority Interest		122,589,315	113,090,994
Non Current Liabilities			
Long Term Borrowings	5	1,004,106,500	300,937,867
Deferred Tax Liabilities (net)	38	1,710,606	2,946,781
Other Long Term Liabilities	6	6,257,958	12,257,958
Long Term Provisions	7	50,316,553	53,940,129
		1,062,391,617	370,082,735
Current Liabilities			
Short Term Borrowings	8	1,394,385,480	2,306,108,423
Trade Payables			
(i) Total outstanding dues of Micro, Small and Medium Enterprises		490,292	627,375
(ii) Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	9	1,950,597,465	2,211,663,187
Other Current Liabilities	10	3,031,233,952	3,290,901,623
Short Term Provisions	11	142,583,845	81,983,036
		6,519,291,034	7,891,283,644
Total Equity and Liabilities		14,023,705,622	13,559,429,154
Assets			
Non Current Assets			
Fixed Assets			
- Tangible assets	12	1,057,279,694	1,155,099,271
- Intangible assets	12	2,465,234	4,140,471
		1,059,744,928	1,159,239,742
- Capital work in progress		-	21,250,578
		1,059,744,928	1,180,490,320
Goodwill on Consolidation		782,224,662	730,644,980
Non Current Investments	13	306,778,704	275,326,211
Deferred Tax Asset (Net)	38	66,702,963	35,139,367
Long term loans & Advances	14	2,048,604,318	2,775,904,797
Other Non Current Assets	15	14,278,230	18,650,171
		4,278,333,805	5,016,155,846
Current Assets			
Current Investments	16	212,482,131	336,232,316
Inventories	17	4,683,668,319	3,032,096,187
Trade Receivables	18	2,476,404,093	2,932,004,660
Cash and cash equivalents	19	825,917,897	590,715,110
Short Term Loans & Advances	20	380,128,254	467,497,930
Other Current Assets	21	1,166,771,123	1,184,727,105
		9,745,371,817	8,543,273,308
Total Assets		14,023,705,622	13,559,429,154

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: May 17, 2016

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: Pune
Date: May 17, 2016

Vascon Engineers Limited
Consolidated Statement of Profit and Loss For The Year Ended March 31, 2016

(Amount in Rupees)

Particulars	Note No	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from operations	22	6,318,265,020	6,226,653,209
Other Income	23	267,481,783	154,467,567
Total revenue		6,585,746,803	6,381,120,776
Construction expenses/ Cost of material consumed	24	4,652,933,579	5,073,052,050
Purchases of stock-in-trade	25	393,613	153,366,871
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(150,032,918)	210,925,603
Employee benefit expense	27	603,853,862	776,860,948
Finance costs	28	381,882,595	298,538,980
Depreciation and amortization expense	12	214,354,791	223,654,335
Operating and Other Expenses	29	726,888,421	969,815,058
Total expenses		6,430,273,943	7,706,213,845
Profit / (Loss) before exceptional item and tax		155,472,860	(1,325,093,069)
Exceptional items	48	-	(39,035,153)
Profit / (Loss) before tax		155,472,860	(1,364,128,222)
Less: Tax Expense			
Current Tax		108,090,795	64,957,313
Deferred Tax Expenses / (Gain)		(25,375,226)	(15,126,963)
Excess/ (short) provision for tax of earlier years		2,535,582	33,807,757
		85,251,151	83,638,107
Profit / (loss) for the year		70,221,709	(1,447,766,329)
Minority share of profits / (losses)		(9,498,321)	7,305,229
Profit / (Loss) for the year		**60,723,388**	**(1,440,461,100)**

Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :

Basic	0.43	(14.25)
Diluted	0.43	(14.25)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

R Vasudevan
Managing Director

V Mohan
Chairman

Hemant M. Joshi
Partner

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthy
Company Secretary & Compliance Officer

D Santhanam
Chief Financial Officer

Place: Pune
Date: May 17, 2016

Place: Pune
Date: May 17, 2016

VASCON ENGINEERS LIMITED

Consolidaed Cash Flow Statement For The Year Ended March 31, 2016

PARTICULARS	As at March31, 2016	As at March31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	155,472,860	(1,364,128,222)
Adjustments for :-		
- Depreciation / Amortisation	214,354,791	223,654,335
- Finance Cost	381,882,595	298,538,980
- Dividend Income	(4,157,992)	(3,474,310)
- Employee Compensation Expenses (ESOP)	19,342,291	35,062,500
- Reversals of employee stock option compensation	(73,125)	
- Provision for dimunition in value of shares	17,500,000	20,305,307
- Interest income	(41,799,841)	(34,413,066)
- Provision for doubtful debt and advances	71,905,524	16,174,210
- Bad debts and other receivables, loans and advances written off	80,704,431	99,817,485
- Provision no longer required wriitten back	(83,323,177)	(67,981,921)
- Provision for unapproved sales	(1,459,360)	2,211,480
- Prior Period Adjustments	-	4,777,088
- (Profit) Loss on Sale of Assets	(117,424,932)	(21,611,982)
- (Profit) Loss on Sale of Investments /Subsidiary	-	55,880,796
Operating Profit before working capital changes	692,924,066	(735,187,319)
Adjustments for (increase)/ decrease in operating assets		
Inventories before capitalisation of borrowing cost (Refer note 2 below)	119,114,993	710,473,475
Trade receivables (Refer note 2 ,4 & 5 below)	(54,506,995)	(585,145,201)
Unbilled revenues and unearned receivables	(445,559,803)	449,116,210
Long term loans and advances	57,296,626	242,232,379
Other non current assets	4,371,941	(5,985,385)
Short term loans and advances	40,371,050	448,561,057
Other current assets	(6,150,607)	144,794,703
Adjustments for (increase)/ decrease in operating liabilities		
Current trade payables	(224,543,462)	237,407,803
Provisions	6,566,508	(1,464,750)
Other Long term liabilites	(6,000,000)	(39,024,202)
Other current liabilities (Refer note 5 below)	374,240,922	160,095,458
Cash generated from operations	558,125,239	1,025,874,228
Direct Taxes Paid (Net)	(137,305,214)	(250,894,920)
Net Cash flow from operating activities	**420,820,025**	**774,979,307**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress (Refer note 4 & 5 below)	(129,984,966)	(133,342,395)
Dividend received	4,157,992	3,474,309
Proceeds on disposal of fixed assets (Refer Note 4 below)	107,337,886	167,838,040
Proceeds on disposal of securities/investments	304,201,680	-
Investment in optionally convertible redeemable debenture	(304,201,680)	-
Investment / Proceeds from Non - Current Investments	-	24,254,130
Investment in Subsidiaries / Joint Venture	(24,257,440)	
Share application money paid / refund	-	(10,812,800)
Investments / Proceeds from fixed deposits with banks	(334,075,668)	135,408,410
Investments / Proceeds from liquid mutual funds	161,711,352	(104,147,394)
Net Cash genereated / (used) in investing activities	**(215,110,844)**	**82,672,302**

C CASH FLOW FROM FINANCING ACTIVITIES

Proceed from issue of Equity shares	1,041,641,220	2,933,771
Expenses towards Right issue	(11,861,418)	-
Non Convertible Debentures	(260,000,000)	-
Proceed / repayment from/to long term borrowing	(153,432,751)	(39,645,458)
Proceed / repayment from/to Short term borrowing	(424,822,943)	(68,636,464)
Interest Income	41,799,841	34,413,066
Inter Corporate Deposit / advances to joint venture	-	24,546,880
Interest Paid Including Capitalised to Qualifying Assets	(539,554,877)	(581,718,142)
Net Cash genereated / (used) in financing activities	**(306,230,927)**	**(628,106,346)**
D NET CASH INFLOW / (OUTFLOW) (A+B+C)	**(100,521,746)**	**229,545,263**
Cash and cash equivalents at the beginning of the period	524,337,677	295,861,409
Cash and Cash equivalents pursuant to addition in Subsidiary	(1,648,865)	
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
Cash and cash equivalents at the end of the period	425,464,796	524,337,677
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**(100,521,746)**	**229,545,263**
Reconcliation of cash and bank balances		
Cash and cash equivalents at the beginning of the period	825,917,897	590,715,110
Less: Balances with scheduled bank in deposit accounts	(400,453,101)	(66,377,433)
Add: Mutual fund Investment	-	-
Cash and cash equivalents at the end of the period	425,464,796	524,337,677

See accompaning notes forming part of the financial statements

1. Figures in brackets represent outflows of cash and cash equivalents.
2. During the year, the Company has received land worth Rs.300 lakhs from customer in lieu of trade receivable of Rs.322.5 lakhs and balance is shown under due from customer. This being a non-cash transaction, the same has been appropriately excluded from inventory and trade receivable .
3. During the year company has converted , an short term borrowing amounting to Rs 4869 lakhs and other current liabilities of Rs 1992 lakhs in to long term borrowing as Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures
4. The campany has disposed an fixed asset - Building Unit amounting to Rs 800 lakhs , sale procceds were reciceived after 31st march 2016, effects for the same is taken in cash flow.
5. During the Previous 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

Hemant M. Joshi
Partner

Place: Pune

Date: May 17, 2016

-

For and on behalf of the Board of Directors

R Vasudevan
Managing Director

V Mohan
Chairman

Dr Santosh Sundararajan
Chief Executive Officer

M Krishnamurthi
Company Secretary And Compliance Officer

D Santhanam
Chief Financial Officer

Place: Pune
Date: May 17, 2016

Vascon Engineers Limited

Notes forming part of the Consolidated Financial Statements

1 Principle of Consolidation and Entities Considered in Consolidated Financial Statement

1.1 **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 statements.

(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.

1.2 The Companies / entities considered in Considered Financial Statements are as follows

Name of the company	Relationship	Country of Incorporation	Shareholding As at 31 st March, 2016
Marvel Housing Private Limited	Subsidiary	India	100.00%
Vascon Dwelling Private Limited	Subsidiary	India	100.00%
IT-Citl Infopark Private Limited	Subsidiary	India	100.00%
Greystone Premises Private Limited	Subsidiary	India	100.00%
Vascon Pricol Infrastructure Limited	Subsidiary	India	100.00%
Floriana 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%
GMP Technical Services (LLC),	Step Subsidiary	UAE (Dubai)	85.00%
Almet Corporation Limited	Subsidiary	India	100.00%
Marathawada Realtors Private Limited	Subsidiary	India	100.00%
Just Homes (India) Pvt. Ltd	Subsidiary	India	100.00%
Angelica Properties Private Limited	Step Subsidiary	India	100.00%
Sansara Developers Private Limited	Step Subsidiary	India	100.00%
Shreyas Strategists Private Limited	Step Subsidiary	India	100.00%
Sunflower Real Estate Developers Private Limited	Subsidiary	India	100.00%
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%
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, 2016
Sita Lakshami Mills Limited	India	26.00%
Viorica Properties Private Limited	India	29.76%

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 recognised immediately in the Statement of Profit and Loss.

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 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.

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 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".

2.15 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.

2.16 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.

2.17 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.

2.18 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.

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

Particulars	As at March31, 2016	(Amount in Rupees) As at March 31, 2015
Note No. 3		
Share Capital		
Authorised		
200,000,000 (150,000,000) Equity Shares Of Rs. 10/- Each	2,000,000,000	2,000,000,000
	2,000,000,000	2,000,000,000
Issued And Subscribed		
161306716 (90475927) equity shares of Rs. 10/- each fully paid up	1,613,067,160	904,759,270
	1,613,067,160	904,759,270

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

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

	As at March31, 2016		As at March 31, 2015	
Description	No of shares	(Amount in Rupees)	No of shares	(Amount in Rupees)
No of shares outstanding at the beginning of the Year	90,475,927	904,759,270	90,182,550	901,825,500
Fresh allotment	66,666,666	666,666,660	-	
Bonus shares	-		-	
Shares issued on exercise of employee stock options	4,164,123	41,641,230	293,377	2,933,770
Initial public offer	-		-	
Conversion of debentures	-		-	
No of shares outstanding at the end of the Year	161,306,716	1,613,067,160	90,475,927	904,759,270

Pursuant to the approval of the Right Issue Committee of the Board of Directors dated 1st August, 2015, the Company approved the allotment of 6,66,66,666 equity shares of face value of Rs.10 each at a price of Rs. 15 per equity share (including share premium of Rs. 5 per equity share) for an amount not exceeding Rs 10000 lakhs to the existing equity shareholders of the Company on rights basis in the ratio of 14 equity shares for every 19 equity shares held by equity shareholders under chapter IV of the SEBI ICDR Regulations and provisions of all other applicable laws and regulations.

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
Golden Temple Pharma Pvt Ltd	7,783,273	4.89	9,783,273	10.81
Dreamz Impex Pvt Ltd	-	-	9,783,273	10.81
R Vasudevan	41,686,586	26.20	9,415,529	10.41
Dna Pharma Pvt Ltd	-	-	8,968,000	9.91
Premratan Exports Pvt Ltd	6,667,637	4.13	6,667,637	7.37
Medicreams India Pvt Ltd	-	-	6,667,637	7.37
Orion Life Sciences Pvt Ltd	-	-	6,112,000	6.76
Vatsalya Enterprises Pvt.Ltd.	9,078,947	5.63	5,227,273	5.78
Lalitha Vasudevan	8,109,538	5.03	2,669,128	2.96
Amrit Petroleum Pvt Ltd.	9,783,273	6.07		

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Note No. 4		
Reserves & Surplus		
Capital Reserve		
Opening Balance	13,791,949	13,791,949
Add: Created during the period	22,517,200	-
	36,309,149	13,791,949
Capital Redemption Reserve		
Opening Balance	-	-
Add : Addition during the year	12,750,000	-
	12,750,000	-
Securities Premium Reserve		
Opening Balance	3,942,350,994	3,939,490,568
Add: Premium on Shares Issued during the year	396,083,529	2,860,426
Less: Share Issue Expenses (Rights)	(11,861,418)	-
	4,326,573,105	3,942,350,994
Debenture Redemption Reserved		
Opening Balance	153,750,000	-
Add : Transfer from Statement of Profit & Loss	-	153,750,000
Add : Transferred to General Reserve	(65,000,000)	-
	88,750,000	153,750,000
Share Options Outstanding Account		
Opening Balance	44,998,947	12,796,873
Add: Amount recorded on grants during the year	19,342,291	35,062,500
Less: Transferred to securities premium account on exercise	(62,750,199)	(2,860,426)
Less: Forfeited during the year	(73,125)	-
	1,517,914	44,998,947
General Reserve		
Opening Balance	692,514	(1,100,000)
Add : Transferred from Debenture redemption reserve on redemption of debenture	65,000,000	-
	-	692,514
Add: Transferred from Surplus in Consolidated Statement of Profit & Loss		
Add : Transfer from Statement of Profit & Loss	-	1,100,000
	65,692,514	692,514
Foreign Currency Translation Reserve	-	
Balance At The Commencement	(225,761)	
Add: during the year	619,865	(225,761)
	394,104	(225,761)

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Surplus/(Deficit) in statement of Profit & Loss		
(As per Annexed Profit & Loss Account)		
Opening Balance	124,853,868	1,730,556,708
Less: Transfer to Debenture Redemption Reserve	-	(153,750,000)
Less: Transfer to Capital Redemption Reserve	(12,750,000)	-
Less : - Depreciation on transition to schedule II of the companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deffered tax) (Refer note 51)	-	(6,554,207)
Less: Transfer from General Reserve	-	(1,100,000)
Add: Profit / (Loss) Transferred From Profit & Loss Account	60,723,388	(1,440,461,100)
Add / Less: Consolidation Adjustment (Refer Note 1 below)	1,552,456	(3,837,533)
	174,379,711	124,853,868
	4,706,366,496	**4,280,212,511**

Note
1. Consolidation adjustment represent impact of change in unaudited financials to audited financials

Note No. 5

Long Term Borrowings

Secured		
Privately Placed Non Convertible & Non Transferable Debentures	190,000,000	228,000,000
19.50% Non - Convertible Debentures of Rs 1,00,000/- each		-
Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures (Refer note 54)	686,100,000	-
	876,100,000	228,000,000
Term Loans		
From Banks	7,185,224	65,018,775
	7,185,224	65,018,775
Long term maturities of finance lease obligations		
From Financial Institutions	10,958,168	3,866,488
	10,958,168	3,866,488
Unsecured		
Public Deposits	6,700,000	2,050,000
Inter corporate deposits	103,163,107	2,002,604
	109,863,107	4,052,604
	1,004,106,500	**300,937,867**

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
I. Secured			**2017-18**	**2018-19**	**2019-20**	**Total**		
a) Privately Placed Non Convertible & Non Transferable Debentures of Rs 1,00,000/- each	355,000,000	165,000,000	190,000,000	-	-	190,000,000	19.50%	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 personel guranttee by Managing Director.
b) Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures of Rs.1,00,000/- each	686,100,000			686,100,000		686,100,000	0.00%	Pledge of shares of one of it's subsidiary company
c) Term loans								
from banks								
The Saraswat Co Operative Bank Ltd	3,253,000	2,316,000	937,000	-	-	937,000	14.50%	Equitable mortgage of office no.502 ("C" Wing),Neelkanth Business Park,Vidya Vihar , Mumbai
IDBI Bank	69,999,335	69,999,335	-	-	-	-	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.
Central Bank of India	16,248,224	10,000,000	6,248,224	-	-	6,248,224	3.50%+0.25%+base rate	For proposed Term Loans (Xotech 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. mtrs
from Financial Institutions								
Volkswagen Finance Private Limited	4,351,034	930,433	1,333,512	1,333,512	753,577	3,420,601	10.25%	Hypothecation of Vehicle/Asset financed by them
BMW Financial Services	2,780,861	643,294	710,585	784,914	642,068	2,137,567	9.99%	Hypothecation of Vehicle/Asset financed by them
Tata Capital Financial Services Ltd	11,145,860	5,745,860	5,400,000	-	-	5,400,000	14%	hypothecation of Machineries
II. Unsecured								
a) Public deposits (accepted for a period of 400 days)								
- Due within next 12 months	59,550,000	52,850,000	6,700,000	-	-	6,700,000	12.50%	Not Applicable
b) Inter corporate loans								
IBM India Pvt Ltd	6,570	6,570	-	-	-	-	13% to 13.54%	Not Applicable
Yester Investment Pvt Ltd	100,000,000	-	100,000,000	-	-	100,000,000	12.00%	
Conamore Reosrts Pvt Ltd	3,163,107	-	3,163,107	-	-	3,163,107	11.00%	
	1,311,597,991	**307,491,492**	**314,492,428**	**688,218,426**	**1,395,645**	**1,004,106,500**		

* Interest accrued and due on borrowings as on 31st March, 2016 disclosed under other current liabilities (Refer note 10)

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Note No. 6		
Other long term liabilities		
Project Advances	6,257,958	12,257,958
	6,257,958	**12,257,958**
Note No. 7		
Long Term Provisions		
Provision for employee benefits		
For Compensated Absences (Refer note 40)	50,316,553	53,940,129
	50,316,553	**53,940,129**
Note No. 8		
Short Term Borrowings		
Secured		
Loans repayable on demand from banks	-	8,100,000
Cash Credit From Banks	1,220,813,248	1,580,286,274
Packing Credit	17,775,311	18,335,795
	1,238,588,559	1,606,722,069
Unsecured		
a) Loans and advances from other parties	130,999,999	665,070,883
b) Loans and advances from related parties	24,796,922	34,315,470
	1,394,385,480	**2,306,108,423**
Cash Credit from State Bank of India @ 14.80% 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.	893,528,248	1,243,061,913
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.	101,094,732	101,230,356

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
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 Compnay.	84,706,608	85,497,889
Cash credit from Bank of Baroda @ 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) office at Ghatkopar and Corporate Guarantee of Holding Compnay.	141,483,661	150,496,116
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 Compnay.	-	18,335,795
Packing credit from ICICI Bank @L+1 %, Secured by fixed deposits placed with the bank	17,775,311	-
Aggregate amount of secured short term borrowing	1,238,588,559	1,598,622,069
The Demand loan from bank is secured against Fixed deposits placed with the bank	-	8,100,000
	-	8,100,000

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

Note No. 9

Trade payables

(i) Total outstanding dues of Micro, Small and Medium Enterprises	490,292	627,375
(ii) Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	1,950,597,465	2,211,663,187
	1,950,597,465	**2,211,663,187**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Note No. 10		
Other Current Liabilities		
Current maturities of long term debt (Refer Note 5.1)	300,171,905	736,659,363
Current maturities of finance lease obligations (Refer Note 5.1)	7,319,587	1,333,512
Interest accrued but not due on borrowings	4,610,511	52,945,091
Interest accrued and due on borrowings	62,517,860	176,894,119
Unearned receivables	480,562,321	900,406,481
(Less) : Related Debtors	(260,775,071)	(476,593,076)
	219,787,250	423,813,405
Unapaid dividends *	15,702	15,702
Other Payables		
i) Statutory remittances (Contribution to PF,ESIC,with holding taxes,VAT,Service Tax etc	414,876,253	338,296,405
ii) Payable on purchase of fixed assets	7,481,408	7,246,224
iii) Commitment and other deposits	328,361,440	213,212,994
iv) Advance from customers	1,623,222,008	1,126,604,385
(Less) : Related Unbilled Contract Revenue	(430,073,412)	(266,304,593)
	1,193,148,596	860,299,791
v) Advances / loans from firms / aop in which Company or subsidiary is partner / member	15,128,487	35,709,209
vl) Overdrawn Bank Balance	93,950,502	76,496,515
vil) Others (Corpus fund , Share of JV partner etc)	383,864,451	367,979,292
	3,031,233,952	**3,290,901,623**

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

Note No. 11		
Short Term Provisions		
a) Provision for employee benefits		
Gratuity	53,878,778	44,330,849
Compensated absences	17,167,635	12,405,186
	71,046,413	56,736,035
b) Others		
For Taxation (Net of Advance Tax)	71,537,432	24,047,837
For Warranty (Refer Note 41 (c))	-	1,199,164
	71,537,432	25,247,001
	142,583,845	**81,983,036**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

NoteNo. 12

Amount In Rupees

	I Tangible assets									II. Intangible assets
	LEASEHOLD LAND	LEASEHOLD IMPROVEMENTS	LAND	PREMISES**	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENT'S	Total	SOFTWARES
Gross Carrying Value										
As at April 1, 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	2,145,519,129	52,633,273
Adjustment / Reclassifcation (Refer Note- 1 below)	-	-	-	(15,000)	(3,582,124)	(6,012,870)	-	(18,390)	(9,628,384)	(45,152)
Additions	-	33,709,979	-	1,111,974	77,209,205	8,403,005	2,889,371	3,066,932	126,390,466	537,374
Disposals	-	697,485	-	84,931,908	26,452,104	2,414,269	4,683,554	3,988,443	123,167,763	-
As at Mar 31, 2016	13,602,332	38,416,891	50,801,318	742,748,253	1,101,875,083	103,836,450	33,682,942	54,150,177	2,139,113,448	53,125,495
Accumulated depreciation										
As at April 1, 2015	1,504,633	4,565,897	-	228,404,896	619,011,827	66,323,793	18,513,433	52,095,376	990,419,855	48,492,803
Adjustment / Reclassifcation (Refer Note- 1 below)	-	(1,060,997)	-	(1,164,363)	(5,786,059)	(5,351,607)	(1,052,922)	(134,534)	(14,550,482)	64,471
Additions #	238,743	2,308,209	-	34,078,462	100,840,585	13,257,033	6,160,548	2,335,608	159,219,188	2,102,987
Disposals	-	639,219	-	25,255,142	18,028,166	1,609,803	3,789,907	3,932,572	53,254,809	-
As at Mar 31, 2015	1,743,376	5,173,892	-	236,063,853	696,038,187	72,619,417	19,831,153	50,363,877	1,081,833,752	50,660,261
Net carrying value as at Mar 31, 2016									1,057,279,696	2,465,234
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
Adjustment / Reclassifcation (Refer Note- 1 below)	-	(18,798,901)	-	18,798,901	-	-	-	-	-	-
Additions	-	1,396,652	-	226,341,256	76,941,542	5,271,023	12,150,033	1,570,397	323,670,903	4,096,685
Disposals	-	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
Additions #										
Transition adjustment recorded against surplus balance in Statement of Profit & Loss (Refer Note 51)	-	-	-	-	3,238,620	11,839	-	3,291,997	6,542,456	11,752
Adjustment / Reclassifcation (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
Disposals	-	-	-	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
Capital work in progress									-	
Net carrying value as at March 31, 2015									1,155,099,271	4,140,471

Note
1. Adjustment represent impact of change in unaudited financials to audited financials.

* * 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 stake in Ajanta Enterprises & Sunflower Real Estate Developers Private Limited of Rs 53,032,616/- (Previous year Rs 23,607,200) (Refer Note 12)

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Note No. 13		
Non Current Investments		
Investment in equity instruments		
Joint ventures		
Vascon Engineers Ltd Wll (Quatar) 49% stake	1,024	-
	1,024	-
Associates		
Angelica Properties Private Limited Nil (605131) Equity Shares of Rs. 10/- Each Fully Paid	-	6,048,531
	-	6,048,531
Investment in Government or trust securities		
7 Years National Savings Certificate	20,000	20,000
	20,000	20,000
Investment in Debenture		
Ascent Hotels Private Limited (Refer note 55) Optionally Convertible Redeemable Debenture 6726396 Opt convertible Debentures of face Value Rs.10/- each	304,201,680	-
	304,201,680	-
Other investments		
Quoted		
Corporation Bank Limited 200 (200) Equity Shares of Rs.10/- Each fully paid.	16,000	16,000
	16,000	16,000
Unquoted		
The Saraswat Co-Op Bank Limited 2500 (2500) Equity Shares Of Rs.10/- Each Fully Paid	25,000	25,000
Sahyadri Hospital Limited 250000 (250000) Equity Shares Of Rs.10/- Each Fully Paid	2,500,000	2,500,000
Core Fitness Private Limited 150 (150) Equity Shares of Rs. 100/- Each Fully Paid	15,000	15,000
Ascent Hotels Private Limited Nil (6669492) Equity Shares of Rs. 10 /- Each Fully Paid	-	266,701,680
Subtotal	2,540,000	269,241,680
	306,778,704	**275,326,211**
Quoted investments		
- Book value	16,000	16,000
- Market value	38,900	52,200
Unquoted investments		
- Book value	306,762,704	275,310,211

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Note No. 14		
Long term loans and advances		
(Unsecured considered good unless otherwise stated)		
Capital advances	21,441,694	1,691,334
Security deposits		
Considered good	172,279,763	168,790,333
Considered doubtful	3,500,000	3,500,000
Add / (less) : provision for doubtful loans and advances	(3,500,000)	(3,500,000)
	172,279,763	168,790,333
Advances / Loans to Firms / AOP In Which Company or Subsidiary Is		
Advance Income Tax (Net of Provision)	554,909,544	480,741,112
MAT credit entitlement	2,662,279	2,421,520
Statutory dues recoverable	123,126,179	122,655,876
Other Loans and advances		
i) Project Advances	906,266,018	1,732,643,401
ii) Intercorporate deposits	267,918,841	266,961,221
	2,048,604,318	**2,775,904,797**
Note No. 15		
Other non current assets		
Interest accrued on deposits	2,286,156	4,377,863
Balance held has margin money or security against borrowings,guarantees and other commitments	11,992,074	14,272,308
	14,278,230	18,650,171
Note No. 16		
Current Investments		
(Carried at lower of cost or fair value)		
Unquoted		
Viorica Properties Private Limited	203,797,830	240,948,780
16619939 (16619939) Equity Shares of Rs. 10/- Each Fully Paid		
Less : Provision for diminution in value of investment	(17,500,000)	(37,150,950)
	186,297,830	203,797,830
Sita Lakshmi Mills Limited	23,400,000	23,400,000
806000 (806000) Equity Shares of Rs 50/- Each Fully Paid		
	209,697,830	227,197,830
Investment in Mutual Funds	2,784,301	109,034,486
	2,784,301	109,034,486
	212,482,131	**336,232,316**
Aggregate amount of unquoted investments	**212,482,131**	**336,232,316**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Note No. 17		
Inventories		
(At lower of cost or net realizable value)		
Building materials / Tools	422,018,344	474,514,041
Projects under Development	4,140,264,097	2,485,668,342
W.I.P/ Finished Goods	120,787,657	71,018,810
House Keeping and Kitchen Material	598,221	894,994
	4,683,668,319	**3,032,096,187**
Note No. 18		
Trade receivables		
a) Debtors		
(Unsecured Considered Good, Unless Otherwise Stated)		
Outstanding for period exceeding six months		
Considered Good	1,129,899,721	1,596,693,184
Considered Doubtful	277,008,773	227,413,906
	1,406,908,494	1,824,107,091
Add / (Less) : Provision For Doubtful Debts	(277,008,773)	(212,507,911)
(Refer Note 41 (a))	1,129,899,720	1,611,599,180
Outstanding for period less than six months		
Others considered good	817,325,956	1,042,427,700
(Less) : provision for unapproved sales	(664,610)	(2,123,970)
(Refer Note 41 (b))	816,661,346	1,040,303,730
b) Retention (Accrued but not due)	835,113,988	792,846,415
(Less) : provision for Doubtful Debts	(44,495,891)	(36,151,589)
	790,618,097	756,694,826
Total debtors	2,737,179,164	3,408,597,736
(Less) : Related Unearned Receivables	(260,775,071)	(476,593,076)
	2,476,404,093	**2,932,004,660**
Note No. 19		
Cash And Bank Balances		
A) Cash and cash equivalents		
a)Cash on hand	16,683,545	19,343,353
b) Cheques, drafts on hand	-	65,000,000
c) Balances with banks		
i) In current accounts	175,319,145	296,990,302
iI)In other deposit accounts - original maturity less than 3 months	233,462,106	143,004,021
	425,464,796	524,337,677
B) Other bank balances		
i)In other deposit account - original maturity more than 3 months	300,000,341	30,891,428
ii) In earmarked accounts		
- Unpaid dividend account	15,702	15,702
- Balances held as margin money or security against borrowing, gurantee and other commitments	100,437,058	35,470,304
	400,453,101	66,377,434
	825,917,897	**590,715,110**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the year ended 31st March, 2016

(Amount in Rupees)

Particulars	As at March31, 2016	As at March 31, 2015
Note No. 20		
Short Term Loans and Advances		
(Unsecured Considered Good Unless Otherwise Stated)		
Security deposits	48,800,528	33,556,204
Prepaid Expenses	32,929,517	19,848,250
Balances with Central Excise, VAT, Service Tax & Other Authorities	47,377,920	23,337,338
Loans and advances to Other Parties	-	634,256
Intercorporate Deposits	5,423,843	4,786,564
Others (Trade Advances and Share & Bond application money paid)	245,596,447	385,335,318
	380,128,254	**467,497,930**

Note No. 21		
Other Current Asset		
Unbilled revenues	1,070,812,400	665,509,933
(Less) : related advance payment received	(430,073,412)	(266,304,593)
	640,738,988	399,205,340
Interest accrued on deposits	7,736,748	2,188,879
Other Recoverables and Receivables	518,295,386	783,332,886
	1,166,771,123	**1,184,727,105**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the period ended 31st March, 2016

(Amount in Rupees)

PARTICULARS	For the year ended March 31, 2016	For the year ended March 31, 2015
Note No. 22		
Income From Operations		
Contract Revenue / Sales Revenue (Gross) (Refer Note 2.7)		
- Sale of Unit/Land	1,298,059,774	1,513,419,397
- Contract Revenue	2,548,240,078	2,091,936,328
- Trading Sales & Other Sales	2,482,596	154,698,637
- Manufacturing Sales	2,372,465,852	2,359,153,386
- Hotel Revenue	68,893,587	60,202,731
- Other sales (Includes maintenance charges of soceity,Hire charges,Scrap Sales)	25,661,338	33,380,252
Other Operating Income		
- Rent / Compensation / Maintenance	2,388,979	6,042,012
- Share Of Profit / (Loss) From AOP / Firms/ LLP	70,036	6,462,488
- Share of Profit / (Loss) from Associates	2,780	1,357,978
	6,318,265,020	**6,226,653,209**
Note No. 23		
Other Income		
Interest income	41,799,841	34,413,066
Dividend income	4,157,992	3,474,310
Other non operating income (net of expenses directly attributable to such income)	2,675,921	35,352,920
Foreign exchange gain	11,810,394	1,109,193
Net gain / loss on sale of fixed assets	117,424,932	24,562,416
Provision / Creditors no longer required written back	83,323,177	42,666,062
Miscellaneous income	6,289,526	12,889,601
	267,481,783	**154,467,568**
Note No. 24		
Construction expenses / Cost of material consumed		
Contract	2,126,403,936	2,737,965,687
Cost of Material Consumed	1,610,715,361	1,560,605,335
Development	801,380,994	491,301,866
Incidental borrowing cost incurred attributable to qualifying assets	114,433,288	283,179,162
	4,652,933,579	**5,073,052,050**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the period ended 31st March, 2016

(Amount in Rupees)

PARTICULARS	For the year ended March 31, 2016	For the year ended March 31, 2015
Note No. 25		
Purchases of stock-in-trade		
Purchases of stock-in-trade	393,613	153,366,871
	393,613	**153,366,871**
Note No. 26		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the beginning of the year:		
Finished goods	71,018,810	66,868,346
Work-in-progress	2,485,668,342	2,700,744,409
Add: Stock of Work in Progress taken over on acquisition of subsidiaries (Refer Note 56)	1,554,331,684	-
	4,111,018,836	2,767,612,755
Inventories at the end of the year:		
Finished goods	120,787,657	71,018,810
Work-in-progress	4,140,264,097	2,485,668,342
	4,261,051,754	2,556,687,152
	(150,032,918)	210,925,603
Note No. 27		
Employee benefit expense		
Salaries and wages (Refer Note 52)	525,531,538	685,864,138
Contribution to provident and other funds	34,723,235	33,220,434
Expense on Employee Stock Option Scheme	19,342,292	35,062,500
Staff Welfare & Other Expenses	24,256,797	22,713,876
	603,853,862	**776,860,948**
Note No. 28		
Finance costs		
Interest On: -		
Fixed Loans		
Interest expense	516,585,182	563,841,169
Other borrowing costs	22,969,695	17,876,973
	539,554,877	581,718,142
Less : Borrowing Cost Transferred To Qualifying Assets	157,672,282	283,179,162
	381,882,595	**298,538,980**

VASCON ENGINEERS LIMITED
Notes to the Consolidated financial statements for the period ended 31st March, 2016

(Amount in Rupees)

PARTICULARS	For the year ended March 31, 2016	For the year ended March 31, 2015
Note No. 29		
Operating and Other Expenses		
Power and Fuel	27,796,547	28,021,346
Rent/Compensation	73,740,897	79,632,892
Repairs,Renovation And Maintenance		
Building	5,975,710	11,891,008
Plant and Machinery	5,139,398	4,082,641
Others	5,980,018	12,086,573
Insurance	10,285,438	13,116,414
Rates & Taxes	17,131,713	4,136,448
Postage and telephone	17,929,374	19,231,432
Travelling Expenses	59,152,988	75,135,233
Printing And Stationery	11,600,257	10,929,095
Brokerage / Commission	9,758,615	28,542,279
Sales Promotion Expenses	24,766,382	58,718,108
Advertisement	21,314,347	20,781,381
Donations	4,425,000	3,077,203
Legal ,Professional and retainer ship fees	110,276,432	156,124,635
Bad debts and other receivables, loans and advances written off	80,704,431	99,817,485
Provision for diminution in value in investment	17,500,000	37,150,950
Provision For Doubtful Debt And Advances	71,905,524	58,840,272
Bank Charges	21,291,905	12,180,972
Bank Gurantee Commission to Managing Director	-	55,400,000
Conveyance	3,706,286	5,231,200
Foreign exchange gain / loss (net)	-	4,048,932
Loss on Sale of FA	-	2,950,434
Hire Charges Paid	22,345,369	18,511,932
Stamp duty expenses for increase in authorised share capital	-	9,500,000
Misellaneous Expenses	104,161,790	140,676,193
	726,888,421	**969,815,058**

29 Contingent Liabilities

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
a) Disputed demands for Income Tax	307,351,218	109,157,306
b) Disputed demands for Service Tax / Excise Duty	19,183,073	46,082,818
c) Disputed demands for Value Added Tax	35,724,158	31,103,150
d) Performance and financial guarantees given by the Banks on behalf of the Company	1,493,353,225	1,745,230,169
e) Corporate guarantees given for other companies / entities and mobilization	1,915,000,000	750,000,000
f) Claims against the Company not acknowledged as debts	3,910,769,487	3,620,533,994

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) The Creditors of the Company have filed a civil suit claiming of Rs 1,11,49,741/- (Previous year Rs. 1,00,66,624/-) 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 labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for Rs.3,94,840/- (Previous year - Nil).

v) One of the customer has filed arbritration proceeding against the Company for loss on account of wastage i.e. excess consumption of cement and steel, loss on account of escalation of cement and steel, additional cost incured for completing the balance work, loss for rectifying defective work, refund of amount in VAT and excess duty, loss of reputation and liquidated damages and interest, amounting to Rs. 28,67,00,100/- (Previous year - Nil).

vi) In one of the project, 8 members has filed a suit before the Consumer Court claiming compensation of Rs. 12,00,000/-each aggregating to Rs 96,00,000/-. against the company.

vii) Reimbursement of additional electricity charges of Rs 20,57,436/- towards erstwhile lease.

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	1,514,181,748	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, 2016	March 31, 2015
	Rs.	Rs.
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	217,804,000	40,916,371

31 Particulars of Construction Contract

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Contract Revenue Recognised	2,548,240,078	2,080,511,904
Contract Expenses Recognised	1,984,930,066	2,541,630,838
Advances from Customers	541,919,188	440,591,329
Retention	381,935,125	394,406,466
Gross amount due from customer for contract work (assets)	633,536,745	381,126,670
Gross amount due to customer for contract work (liabilty)	224,170,474	434,750,440

32 Earning per share

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Net (Loss) available for equity share holder	60,723,388	(1,440,461,100)
Weighted average number of shares outstanding for Basic EPS	140,551,988	101,087,277
Face Value per share	10	10
Earning Per Share - Basic	0.43	(14.25)
Weighted average number of equity shares for Diluted EPS	142,001,204	103,197,954
Earning Per Share - Diluted	0.43	(14.25)

* As required by Accounting Standard (AS) 20 - Earning per share, the effect of anti-dilutive potentioal 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.166,81,84,548/- (Rs. 135,78,09,487/-) 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 year ended includes revenues from construction contracts, sale of developed units, sale of materials, consultancy services and room revenue.

36 The profit for the year ended includes net expense of Nil, Previous year Rs. 47,77,088/- 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.

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

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of Fixed Assets	18,409,758	11,346,984
Tax effect of items constituting deferred tax liability	18,409,758	11,346,984
Tax effect of items constituting deferred tax asset		
Provision for compensated absences and gratuity	27,903,630	23,348,095
Disallowance u/s 40a / Provision for Doubtful debts & Advances	20,016,742	11,317,751
Unabsorbed depreciation carried forward and brought forward business losses	35,481,743	8,873,724
Tax effect of items constituting deferred tax asset	83,402,115	43,539,570
Deferred Tax Liability	1,710,606	2,946,781
Deferred Tax Assets	66,702,963	35,139,367

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, 2016	March 31, 2015
	Rs.	Rs.
Gross Carrying Amount of Premises *	-	-
Accumulated Depreciation	-	-
Depreciation for the period ended	-	-

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

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Income recognised during the period	-	22,790

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	41,565,083	50,793,134
Later than 1 year and not later than 5 years	88,381,186	93,276,113
Later than 5 years	3,621,090	7,242,168
Expenses recognised during the period	78,079,747	93,873,042

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, 2016	March 31, 2015
	Rs.	Rs.
Assets acquired under finance lease	32,718,300	12,484,231
Net carrying amount at the balance sheet date	11,792,572	12,478,927
Minimum lease payment as on 31.03.2015	21,379,439	11,814,484
Present value of the above	18,285,397	9,397,534

Particular	Present Value	Interest	Minimum Lease
Not later than 1 year	7,327,232	1,832,839	9,160,071
Later than 1 year and not later than 5 years	10,958,165	1,261,203	12,219,368
Later than 5 years	-	-	-

40 **Employee benefit plans**

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.31,594,347 for Provident Fund contributions (March 31, 2015 : Rs.29,572,050) and Rs 2,535,118 (March 31, 2015 : Rs.3,139,433) towards ESIC in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

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, 2016	**March 31, 2015**
	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,	57,366,303	48,338,736
Current Service cost	13,021,205	11,907,876
Interest Cost	4,394,723	4,272,092
Losses (gains) on Curtailment	-	-
Liabilities extinguished on settlements	-	-
Plan amendments	-	-
Actuarial (gains) / losses	(6,723,790)	(1,690,188)
Benefits paid	(6,711,879)	(5,462,213)
Present value of Defined Benefit Obligation as on Balance Sheet date.	61,346,562	57,366,303
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,	13,035,456	17,030,341
Expected return on plan assets	996,047	1,351,466
Actuarial gains/(losses)	(1,411,429)	(327,468)
Actual contributions by employers	1,526,211	421,205
Benefits paid	(6,678,501)	(5,440,088)
Plan assets as on March 31,	7,467,784	13,035,456
Acturial (Gain) / Loss Recognised		
Acturial (Gain) / Loss for the period - obligation	(6,723,790)	(1,690,188)
Acturial (Gain) / Loss for the period - Plan Assets	268,381	327,468
Total Acturial (Gain) / Loss for the period	(6,455,409)	(1,362,720)
Acturial (Gain) / Loss Recognised	(6,455,409)	(1,362,720)
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	61,346,562	57,366,303
Fair value of plan assets	7,467,784	13,035,456
Funded status [Surplus/(Deficit)]	(53,878,778)	(44,330,847)
Unrecognized Past Service Costs	-	-
Net asset/(Liability) recognized in Balance Sheet	(53,878,778)	(44,330,847)
Components of employer expenses recognized in the statement of profit and loss for the year ended March 31,		
Current Service cost	13,021,205	11,907,876
Interest cost	3,554,818	3,274,794
Expected return on plan assets	(156,142)	(354,168)
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Past Service cost	-	-
Actuarial Losses/(Gains)	(5,312,361)	(1,362,720)
Total expense recognized in the Statement of Profit & Loss under	11,107,520	13,465,782

b) Compensated absenses

Compensated absenses charged to Statement of Profit and Loss Rs. 10,888,288 (Previous Year Rs. 11,809,436) and liability as at 31st March, 2016 was Rs. 67,484,188 (Previous Year Rs. 66,345,315).

41 Disclosure Relating to Provisions

a Provision for Doubtful Debts

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Balance at the beginning of the Year	248,659,500	193,949,690
Add: Provision during the period ended	109,654,723	133,873,017
	358,314,223	327,822,707
Less: Utilisation / Transferred to Bad Debts	36,809,559	79,163,207
Balance at the end of the Year	321,504,664	248,659,500

b Provision for Unapproved Sales

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Balance at the beginning of the Year	2,123,970	4,335,443
Add: Provision during the period ended	-	1,970,045
	2,123,970	6,305,488
Less: Utilisation / Transfers	1,459,360	4,181,518
Balance at the end of the Year	664,610	2,123,970

c Provision for Warranty

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Balance at the beginning of the Year	1,199,163	9,002,514
Add: Provision during the period ended	-	-
	1,199,163	9,002,514
Less :- Amount used during the year	1,199,163	4,612,672
Less :- Unused amount reversed during the year	-	3,190,678
Balance at the end of the Year	-	1,199,164

Warranty cost are accured 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) - 2013

The ESOS was approved by Board of Directors of the Company on 20th May, 2013 and therafter by the share holders on 12th Sept, 2013. A compensation committee comprising of independent directors of the company admisnisters 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 maxium 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, 2016	March 31, 2015
Outstanding at the beginning of the year	1,956,623	2,250,000
Granted during the period	-	-
Exercised during the year	(1,949,123)	(293,377)
Cancelled/lapsed during the year	(7,500)	-
Options granted, end of the year	-	1,956,623
Weighted Average remaining life	-	0.42

2. Employee stock option scheme (ESOS) - 2014

The ESOS was approved by Board of Directors of the Company on 12th August, 2014 and therafter by the share holders on 15th Sept, 2014. A compensation committee comprising of independent directors of the company admisnisters 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 maxium 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, 2016	March 31, 2015
Outstanding at the beginning of the year		-
Granted during the period	2,250,000	2,250,000
Exercised during the year	(2,215,000)	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	35,000	2,250,000
Weighted Average remaining life	0.42	1.42

3. Employee stock option scheme (ESOS) - 2015

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

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

Particulars	March 31, 2016	March 31, 2015
Outstanding at the beginning of the year		-
Granted during the period	6,400,000	-
Exercised during the year	-	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	6,400,000	-
Weighted Average remaining life	1.83	-

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 Profit for the year ended March 31, 2016 would have been lower by Rs. 49.29 lakhs (Previous year: lower loss of Rs. 14.96 lakhs) and Basic and diluted EPS would have been revised to profit of Rs. 0.40 per share (Previous year loss of 14.26 per share) and profit Rs. 0.39 per share (Previous year loss of 14.26 per share) respectively as compared to profit of Rs. 0.43 per share (Previous year loss of 14.25 per share) and profit of Rs. 0.43 per share (Previous year loss of 14.25 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, 2016

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
INCOME		
Revenue From Operation	475,093,554	388,750,529
Other Income	5,067,910	(2,050,080)
EXPENSES		
Cost of Sales	291,903,799	211,487,832
Personnel Expenses	11,565,212	11,860,946
Financial Expenses	765,364	(6,923,030)
Depreciation / Amortisation	6,650,221	9,479,064
Operating & Other Expenses	67,958,870	93,317,769
Provision For Taxation		
Current	90,166,328	51,678,801
Deferred tax expenses / (gain)	(417,147)	-
Excess/(Short) Provision W/Back / (Off)	2,407,385	413,543

Balance sheet Items As At March 31, 2016

Particulars	March 31, 2016	March 31, 2015
	Rs.	Rs.
Long Term Borrlowing	6,248,224	44,577,103
Deferred Tax Liability	1,710,606	2,946,781
Other Long Term Liabilities	-	-
Long Term Provisions	-	283,005
Short Term Borrowings	19,634,705	29,153,253
Trade Payables	134,487,974	62,455,022
Other Current Liabilities	271,359,688	345,733,498
Short Term Provisions	57,207,287	13,687,780
Fixed Assets	62,698,433	68,642,204
Non Current Investment	(454,612,892)	(484,084,194)
Deferred Tax Asset	772,500	772,500
Long Term Loans & Advances	(45,496,600)	(18,812,991)
Other Non Current Assets	-	-
Current Investment	1,626,404	44,684,489
Inventories	449,052,506	334,896,035
Trade Receivables	93,191,216	64,310,011
Cash and Cash Equivalents	119,264,542	69,694,507
Short Term Loans & Advances	(228,281,245)	(50,353,367)
Other Current Assets	170,672,745	111,213,187

44 During the previous year ended March 31, 2015 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, 2016.

Following Subsidiaries along with Joint Ventures and Associates have not been audited for the year ended March 31, 2016 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.

Vascon Dwelling Private Limited (Subsidiary)

Floriana Properties Private Limited (Subsidiary)

Cosmos Premises Private Limited (Joint Venture)

Ajanta Enterprise (Joint Venture)

Mumbai Estate Private Limited (Associate)

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 (A)

The company has entered into agreement for sale in respect of plot of land admeasuring 5,016.95 sq mtrs for a consideration of Rs. 3,76,27,125/-.
In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.
As per the conditional sale the company has to obtain clear enforceable title within 18 months of the execution of the agreement.
In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to Rs. 87,80,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of Rs. 3,00,000/- per month from the date of breach till the date of curing the breach.

Note on litigation (B)

The company has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of Rs. 2,95,50,000/-.
In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land.
As per the conditional sale the company has to obtain clear enforceable title and to obtain certain permission/clearance within 18 months of the execution of the agreement.
In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to Rs. 68,95,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of Rs. 2,35,000/- per month from the date of breach till the date of curing the breach.

Note on Litigation (C)

The company has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of Rs. 8,53,35,000/-.
The company is under obligation to obtain tentative layout approval from corporation, which is subject to new Development Plan to be issued by the corporation.
In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to Rs. 1,00,00,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages.

In respect of the above three agreement to sale of plots the company has recognised the sales amounting to Rs.152,512,125 /- and profit of Rs. 65,966,508/-. As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.

48 Exceptional items

	March 31, 2016	**March 31, 2015**
	Rs.	Rs.
Net gain / loss on sale of long term investments - other than trade	-	(55,880,796)
Reversals of employee stock option compensation	-	
Recersal of diminution in value of shares	-	16,845,643
	-	(39,035,153)

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 Limtied has ceased to be a subsidiary of the company.

b) Reversal for diminution in value of shares

During the year ended 31st March, 2015, 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 Disclosures required under Section 22 of the Micro, Small and Medium

Particulars	**As at 31 March, 2016**	**As at 31 March, 2015**
(i) Principal amount remaining unpaid to any supplier as at the end of	490,292	627,374
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	686,456	784,041
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	113,993	155,996
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	686,456	784,041
(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.		

51 **Details of Earnings & Expenditure In Foreign Currency**	**As at 31 March, 2016**	**As at 31 March, 2015**
Earning in Foreign Currency	175,535,892	457,589,634
Purchase of Spares/ materials	54,130,617	70,952,297
Purchase of services	17,067,902	38,256,709
Travelling & other expenditure	11,277,865	12,934,631
Purchase of Fixed Assets	4,575,790	2,660,905

50 **Auditors' Remuneration**

	March 31, 2016 Rs.	**March 31, 2015** Rs.
Payment to the auditors (Net of Service Tax)		
Audit Fees	1,700,000	3,500,000
Tax Audit	-	-
Audit Fees/Limited Review fees in respect of Interim Financial Statement	3,000,000	2,000,000
other services	1,110,046	2,250,000
Total	5,810,046	7,750,000

51 Consequent to non-receipt of necessary approval, the provision for Managerial Remuneration for FY 2014 - 15 amounting to Rs. 587 lakhs and FY 2015 – 16 provided till September, 2015 amounting to Rs. 316 lakhs has been reversed in the quarter ended 31st December, 2015 and credited to Employees benefits expenses.

52 The company has converted unsecured loan of Rs 4,869 lakhs and interest of Rs 1,992 lakhs on November 7,2015 in to Zero Coupon,Rupee denominated,Unrated,unlisted,secured, Non Convertiable Debetures of Rs 1,00,000 /- each

53 During the financial year the company has sold stake in one of its asscate Ascent Hotels Private Limited for a consideration of Rs. 30,42,01,680/- (6669492 equity shares of Rs.10/- each fully paid and share application money Rs. 37,500,000) and invested an amount of Rs. 30,42,01,680/- (Face Value of Rs 10 each) in Optionally Convertible Redeemable Debentures of Ascent Hotels Private Limited.

54 The company has not performed CSR activities as mentioned in Section 135 read with companies (Corporate Social responsibility)Rules 2014(CSR rules) and Notification and circulars issued by the ministry during any financial year from time to time as the company is not with the criteria of' Qualifying company'.

55 The Company had issued equity shares of face value of Rs. 10 each at a price of Rs. 15 per share (including premium of Rs. 5 per share) amounting to ` 10,000 lakhs to the existing shareholders of the Company on rights basis in the ratio of 14 equity shares for every 19 shares held by equity shareholders under Chapter IV of the SEBI ICDR Regulations and provisions of all other applicable laws and regulations. As at 31 March, 2016, an amount of ` 1021 lakhs (31 March, 2015 ` Nil) is pending utilisation in future periods . Accordingly, the unutilised amount has been invested in fixed deposits with banks.

56 During the financial year one of the subsidiaries IT CITI Infopark Pvt Litd has purchased 74% equity stake in Angelica Properties Pvt Ltd (In which company holds 26% equity stakes) for a consideration of Rs.241.55 Lakhs. Consequently, Angelica Properties Pvt Ltd has become fully owned subsidiary of the company.

The Company had acquired 100% stake in " Sunflower real Estate Developers Private Limited" for a consideration of Rs.100.00 Lakhs on 31st August 2015.

The Company had acquired 100% Stake in " Shreyas Strategies Private Limited " through one of its subsidiary Vascon Pricol Infrastructures Limited for a consideration of Rs.1 Lakhs on 31st August 2015.

The Company had acquired 35% stake in "Greystone Premises Private Limited" for a consideration of Rs.0.01 lakhs on 20th January 2016.

57 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, 2015.

58 Previous years 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: Pune
Date: May 17, 2016

VASCON ENGINEERS LIMITED

Annexure referred to in Note 33 of the notes forming part of accounts for the year ended on March 31, 2016
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
- Just Homes (AOP)
-Ajanta Enterprises
- Vascon Qatar WLL

2 Associates
- Mumbai Estate Private Limited

3 Key Management Personnel
- Mr. R. Vasudevan
- Dr Santosh Sundararajan
- Mr. D.Santhanam
- Mr.M.Krishnamurthi

4 Relatives of Key Management Personnel
- Mrs. Lalitha Vasudevan
- Ms. Soumya Vasudevan
- Mrs. Thangam Moorthy
- Mrs. Lalitha Sundararajan
- Mr. Siddarth Vasudevan
- Mrs 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
- Vastech Consultants Private Limited
- Vastech consultants and engineers LLP
- Vatsalya Enterprises Private Limited
- Bellflower Premises Private Limited
- Cherry Construction Private Limited
- Stresstech Engineers Pvt Ltd.
- Syringa Engineers Private Limited (Formerly known as Syringa
- Vascon Infrastructure Limited
- Venus Ventures
- Seraphic Design Private Limited
- D. Santanam (HUF)
- M krishnamurthi (HUF)

VASCON ENGINEERS LIMITED

SCHEDULE : DETAILS OF TRANSACTIONS WITH RELATED PARTIES AND DETAILS OF OUTSTANDING BALANCES

Particulars	March 31, 2016	March 31, 2015
Sales		
Joint Venture	99,845,794	59,905,027
Associates	-	260,000
Key Management Personel	-	4,229,701
Relatives of KMP	-	-
Establisment where KMP and their relatives exercise significant influence	64,624,015	63,183,374
Purchases / Labour Charges		
Joint Venture	-	-
Key Management Personel	-	-
Relatives of KMP	-	-
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	60,977,415	45,062,471
Receiving of Services		
Joint Venture	-	-
Key Management Personel	(2,059,077)	163,116,702
Relatives of KMP	19,793,900	9,615,420
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	-	-
Rendering of Services		
Joint Venture	-	-
Key Management Personel	-	-
Relatives of KMP	-	-
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	6,797,417	13,738,436
Interest Paid		
Joint Venture	2,961,253	17,625,458
Key Management Personel	7,323,516	9,049,152
Relatives of KMP	364,992	589,723
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	5,121,005	1,431,010
Reimbursement of expenses		
Key Management Personnel	149,072	197,636
Relatives of KMP	-	-
Finance Provided (including loans and equity contributions in cash or in kind)		
Joint Venture	18,481,730	84,435,106
Key Management Personel	289,555,187	16,646,206
Relatives of KMP	1,500,000	1,808,290
Associates	-	20,895,242
Establisment where KMP and their relatives exercise significant influence	2,155,794	376,756,180
Finance Availed (including loans and equity contributions in cash or in kind)		
Joint Venture	486,501	250,000
Key Management Personel	155,635,000	116,800,000
Relatives of KMP	493,791	600,000
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	51,300,000	177,500,614
Balances as on		
Amount Due To Company		
Joint Venture	65,988,913	44,998,172
Key Management Personel	5,020,928	4,917,456
Relatives of KMP	-	-
Associates	256,300,010	256,603,346
Establisment where KMP and their relatives exercise significant influence	98,704,151	407,482,245
Amount Due From Company		
Joint Venture	15,128,486	24,963,359
Key Management Personel	34,381,115	231,314,064
Relatives of KMP	6,225,881	5,567,553
Associates	-	-
Establisment where KMP and their relatives exercise significant influence	89,250,545	52,930,269

VASCON ENGINEERS LIMITED

DETAILS OF TRANSACTIONS WITH RELATED PARTIES AND DETAILS OF OUTSTANDING BALANCES

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2016	March 31, 2015
1	**Sales and Work**		
i)	**Joint Ventures**		
	Phoenix Ventures	-	304,962
	Ajanta Enterprises	99,845,794	59,600,065
		99,845,794	**59,905,027**
ii)	**Associates**		
	Angelica PropertiersPrivate. Limited.	-	260,000
		-	**260,000**
iii)	**Key management Personnel**		
	Dr Santosh Sunderrajan	-	4,229,701
		-	**4,229,701**
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	Flora Facililites Private Limited (Formerly known as Flora Premises Private Limited)	39,008,759	13,615,530
	Cherry Constructions Private Limited.	25,615,256	49,567,844
		64,624,015	**63,183,374**
		-	**-**
2	**Interest Expense**		
i)	**Joint Ventures**		
	Ajanta Enterprises	2,961,253	17,625,458
		2,961,253	**17,625,458**
ii)	**Key management Personnel**		
	Mr. R. Vasudevan	4,117,616	6,138,186
	Dr Santosh Sunderrajan	2,712,528	2,363,764
	D.Santhanam	493,372	547,202
		7,323,516	**9,049,152**
iii)	**Relatives of Key Management Personnel**		
	Ms. Mathangi Krishnamurthi	-	111,544
	Mrs. Sailaxmi Santhanam Muduliar	50,130	72,481
	Mrs. Thangam Moorthy	239,707	365,753
	Mr. Siddarth Vasudevan	75,155	39,945
		364,992	**589,723**
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	Stresstech Engineers Private Limited	202,500	257,240
	Vastech Consultants Private. Limited.	1,033,296	1,173,770
	D Santhanam- HUF	129,211	
	Flora Facilities Private Limited	3,471,781	
	M. Krishnamurthi (HUF)	284,217	-
		5,121,005	**1,431,010**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2016	March 31, 2015
3	**Purchase of Goods / Work**		
i)	**Establisment where KMP and their relatives exercise significant influence**		
	Bellflower Premises Private Limited	-	3,600,000
	Vatsalya Enterprises Private Limited	-	3,600,000
	Syringa Engineers Private Limited	-	-
	Flora Facilities Private Limited	23,408,436	12,623,530
	Stresstech Engineers Private Limited	22,482,259	24,512,389
	Vastech Consultants & Engineers LLP	15,086,720	726,552
		60,977,415	**45,062,471**
4	**Receiving of Services**		
i)	**Key Management Personnel**		
	Mr R Vasudevan (Refer note 51)	(45,292,462)	117,452,862
	Dr Santosh Sunderrajan	30,851,280	32,518,000
	Mr. D Santhanam	6,846,336	7,318,840
	Mr. M. Krishnamurthi	5,535,769	5,827,000
		(2,059,077)	**163,116,702**
ii)	**Relatives of Key Management Personnel**		
	Siddharth Vasudevan	19,653,400	9,320,000
	Mrs. Sailaxmi Santhanam Mudaliar	10,000	18,000
	Mrs.Shilpa Sivram	130,500	277,420
		19,793,900	**9,615,420**
iii)	**Establisment where KMP and their relatives exercise significant influence**		
	Flora Facilities Private Limited	-	399,431
	D Santhanam-HUF	34,000	
	Seraphic Designs Private Limited	1,821,376	
	Vastech Consultants Private Limited	4,942,041	13,339,005
		6,797,417	**13,738,436**
5	**Reimbursement of expenses**		
i)	**Key Management Personnel**		
	Mr. R Vasudevan	-	-
	Dr Santosh Sunderrajan	40,800	57,800
	Mr. D Santhanam	67,472	69,561
	Mr. M. Krishnamurthi	40,800	70,275
		149,072	**197,636**
6	**Outstanding corporate / bank guarantees given**		
i)	**Joint Ventures**		
	Phoenix Ventures	50,000,000	50,000,000
	Cosmos Premises Private Limited	-	43,830,000
		50,000,000	**93,830,000**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2016	March 31, 2015
7	**Finance Provided (including equity contributions in cash or in kind) / repayment of laon / repayment**		
i)	**Joint Ventures**		
	Phoenix Ventures	5,685,605	2,060,745
	Ajanta Enterprises	12,796,125	82,374,361
		18,481,730	**84,435,106**
ii)	**Associates**		
	Mumbai Estate Private Limited	-	1,000,000
	Angelica Properties Private Limited	-	19,895,242
		-	**20,895,242**
iii)	**Key Management Personnel**		
	Mr. R Vasudevan	275,957,393	6,138,186
	Dr Santosh Sunderrajan	9,942,000	9,880,433
	M. Krishnamurthi	2,055,794	
	Mr. D Santhanam	1,600,000	627,587
		289,555,187	**16,646,206**
iv)	**Relatives of Key Management Personnel**		
	Ms. Mathangi Krishnamurthi	-	1,319,138
	Mrs. Sailaxmi Santhanam Muduliar	-	83,454
	Mrs. Thangam Moorthy	1,500,000	365,753
	Mr. Siddarth Vasudevan	-	39,945
		1,500,000	**1,808,290**
v)	**Establisment where KMP and their relatives exercise significant influence**		
	Vastech Consultants Private Limited	-	13,317,377
	Stresstech Engineers Private Limited	-	6,025,724
	Venus Ventures	-	5,000,000
	M. Krishnamurthi (HUF)	2,055,794	-
	D.Santhanam (huf)	100,000	-
	Sunflower Health Services Pvt. Ltd	-	352,413,079
		2,155,794	**376,756,180**
8	**Finance Availed / Received Back (including equity contributions in cash or in kind)**		
i)	**Joint Ventures**		
	Phoenix Venture	486,501	250,000
	Marigold Premises Private Limited	-	-
		486,501	**250,000**
ii)	**Key Management Personnel**		
	Mr. R Vasudevan	154,535,000	115,000,000
	Dr Santosh Sunderrajan	1,100,000	-
	Mr. D Santhanam	-	1,800,000
		155,635,000	**116,800,000**
iii)	**Relatives of Key Management Personnel (Through fixed deposit)**		
	Mr. Siddarth Vasudevan (Through Fixed Deposit)	-	600,000
	Mr. Siddarth Vasudevan (Others)	493,791	-
		493,791	**600,000**
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	Flora Facilities Private Limited	50,000,000	-
	Vastech Consultants Private Limited	-	14,000,000
	Stresstech Engineers Private Limited	-	7,500,000
	Venus Ventures	1,300,000	27,430,000
	Sunflower Health Services Pvt. Ltd	-	128,570,614
		51,300,000	**177,500,614**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2016	March 31, 2015
9	**Outstanding as on Mar 31, 2016**		
	A) Receivable to Vascon Engineers Limited		
i)	**Joint Ventures**		
	a) Sundry Debtors		
	Ajanta Enterprises	22,833,819	7,332,049
	Phoenix Ventures	31,655,703	31,365,836
		54,489,521	**38,697,885**
	b) Loans & Advances		
	Phoenix Ventures	11,499,392	6,300,287
		11,499,392	**6,300,287**
ii)	**Associates**		
	a) Sundry Debtors		
	Angelica Properties Pvt Ltd	-	266,136
		-	**266,136**
	b) Loans & Advances		
	Mumbai Estate Private Limited	256,300,010	256,300,010
		256,300,010	**256,300,010**
	c) Share Application Money		
	Angelica Properties Private Limited	-	37,200
		-	**37,200**
iii)	**Key Management Personnel**		
	a) Sundry Debtors		
	Dr Santosh Sunderrajan	4,917,458	4,917,456
	Mr. R. Vasudevan	103,470	-
		5,020,928	**4,917,456**
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	a) Sundry Debtors		
	Flora Facililites Private Limited	3,241,312	14,608,267
	Cherry Constructions Private Limited.	31,020,052	28,254,969
		34,261,364	**42,863,236**
	a) Loans & Advances		
	Vatsalya Enterprises Private Limited	5,000,000	14,900,000
	Bellflower Premises Private Limited	5,000,000	5,000,000
	Vastech Consultants Private Limited	3,343,803	40,000,000
	Flora Facilities Private Limited	12,500,000	12,500,000
	Sunflower Health Services Pvt. Ltd	-	252,124,601
	Venus Ventures	38,598,984	39,898,984
	Syringa Engineers Private Limited	-	195,424
		64,442,787	**364,619,009**
	B) Receivable from Vascon Engineers Limited		
i)	**Joint Ventures**		
	a) Loans & Advances		
	Ajanta Enterprise	15,128,486	24,963,359
		15,128,486	**24,963,359**

Amount in Rupees

Sr. No	Nature of Transactions/Relationships/ Major Parties	March 31, 2016	March 31, 2015
ii)	**Key Management Personnel**		
	a) For Services Received		
	Mr. R Vasudevan	-	76,292,024
	Dr Santosh Sunderrajan	4,781,716	4,981,107
	D Santhanam	1,698,005	1,270,330
	M. Krishnamurthi	1,352,626	1,028,603
		7,832,347	**83,572,064**
	b) Deposits Recd.		
	R Vasudaven	-	115,000,000
	Dr Santosh Sunderrajan	18,900,000	27,742,000
	D Santhanam	3,400,000	5,000,000
		22,300,000	**147,742,000**
	c) Expenses reimbursement	-	
	M. Krishnamurthi	17,000	39,565
	D Santhanam	29,342	16,809
	Mr.Santosh Sundararajan	10,200	145,750
		56,542	**202,124**
	d) Loans and advances		
	Mr. R Vasudevan	4,248,768	-
		4,248,768	**-**
iii)	**Relatives of Key Management Personnel**		
	a) Deposits Recd.		
	Mrs. Thangam Moorthy	1,500,000	3,000,000
	Mr. Siddarth Vasudevan	600,000	600,000
	Mrs. Sailaxmi Santhanam Mudaliar	400,000	400,000
		2,500,000	**4,000,000**
	b)For Services Received		
	Mr. Siddarth Vasudevan	3,169,090	1,567,553
		3,169,090	**1,567,553**
	c) Loans & Advances		
	Mr. Siddarth Vasudevan	493,791	
		493,791	
	d) Sundry Creditors		
	Mrs. Shilpa Sivram	63,000	
		63,000	
iv)	**Establisment where KMP and their relatives exercise significant influence**		
	a) Sundry Creditors		
	Vastech Consultants Private Limited	-	9,194,978
	Vastech Consultants & Engineers LLP	10,396,477	653,897
	Vatsalya Enterprises Private Limited	-	2,904,942
	D. Santhanam HUF	12,600	-
	Seraphic Design Private Limited	330,000	
	Stresstech Engineers Private Limited	12,492,238	15,633,179
	Bellflower Premises Private Limited	-	3,024,719
	Flora Facililites Private Limited	3,133,590	9,777,678
		26,364,905	**41,189,393**
	b) Loans & Advances		
	Flora Facililites Private Limited	50,032,548	-
	Vastech Consultants Private Limited	10,939,326	10,009,360
	Stresstech Engineers Private Limited	1,913,766	1,731,516
		62,885,640	**11,740,876**

Vascon Engineers Limited

Annexure referred to in Note 46 of the notes forming part of accounts for the period ended on Mar 31, 2016
Disclosure of particulars of segment reporting as required by Accounting Standard 17

Information about primary business segments

Particulars	EPC		Real Estate Development		Hotel		Manufacturing & BMS		Unallocable		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Revenue												
Total Sales including eliminati	2,751,043,112	2,454,855,008	1,301,940,319	1,520,235,635	68,893,587	60,202,731	2,433,995,288	2,396,286,334	-	-	6,555,872,306	6,431,579,709
External sales	2,574,069,317	2,273,755,064	1,301,940,319	1,520,235,635	68,893,587	60,202,731	2,372,465,852	2,359,153,386	-	-	6,317,369,075	6,213,346,816
Less: Eliminations	(176,973,795)	(181,099,945)	-	-	-	-	(61,529,436)	(37,132,948)		-	(238,503,231)	(218,232,893)
Other operating income	-	-	895,944	13,306,393	-	-	-	-	-	-	895,944	13,306,393
Total Revenue	2,751,043,112	2,454,855,008	1,302,836,264	1,533,542,028	68,893,587	60,202,731	2,433,995,288	2,396,286,334	-	-	6,556,768,251	6,444,886,102
Result												
Segment result	403,916,196	(748,860,583)	203,528,733	139,481,664	9,859,424	11,241,326	56,870,071	15,377,415			674,174,424	(582,760,177)
Unallocated expenditure net of unallocated income									(182,777,546)	(522,868,631)	(182,777,548)	(522,868,631)
Operating profit									(182,777,546)	(522,868,631)	491,396,876	(1,105,628,808)
Interest expenses									(381,881,852)	(296,386,789)	(381,881,852)	(296,386,789)
Interest and dividend income									45,957,833	37,887,376	45,957,833	37,887,376
Income taxes									(85,251,150)	(83,638,106)	(85,251,150)	(83,638,106)
Profit after tax									(603,952,715)	(865,006,149)	70,221,707	(1,447,766,326)
Other information												
Segment assets	1,934,246,041	1,731,933,351	7,432,391,952	7,883,674,828	128,689,011	125,742,009	2,254,425,077	1,881,260,111	2,632,901,113	1,930,234,409	14,382,653,193	13,552,844,709
Segment liabilities	1,192,327,675	1,396,646,526	2,571,015,301	3,102,360,511	14,015,022	11,994,164	1,298,377,346	915,325,508	2,987,484,193	2,941,546,217	8,063,219,536	8,367,872,926
Capital expenditure	48,687,446	8,035,296	19,008	468,360	1,676,985	2,651,542	29,799,607	60,193,033	46,744,797	800,208	126,927,843	72,148,439
Depreciation and amortizatio	48,726,160	56,203,832	28,323,124	5,347,074	6,635,404	9,451,491	73,017,132	102,049,505	57,652,971	50,602,432	214,354,791	223,654,335

Notes :

1 The business group/Segment comprise of the following

EPC	Construction of Residential, Commercial, Industrial and other constructions
Real Estate Development	Development of Residential, Hotel premises, Industrial park etc
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. Invetsments, 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, Sansara Developers Private Limited, Shreyas Strategists Private Limited, Sunflower Real Estate Developers Private Limited, Windflower Properties Private Limited, Floriana Properties Private Limited, Vascon Pricol Infrastructure Limited, Greystone Premises Private Limited, Ajanta 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
Hotel	Cosmos Premises Private Limted
Manufacturing & BMS	GMP Technical Solutions Private limited, GMP Technical Solutions Middle East (FZE), GMP Technical Servicers (LLC)

VASCON

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 Weikfield 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 31st 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, Thursday , September 15, 2016 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, 2016, 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, 2016 reports of Auditors thereon.

2. To reappoint Ms. Sowmya Moorthy (DIN: 00129504), who retires by rotation and being eligible offers herself for re-appointment.

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. Re-appointment of Mr. R Vasudevan (DIN 00013519), as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof, for the time being in force) read with Schedule- V to the Companies Act, 2013 and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for the reappointment of Mr. R. Vasudevan, as a Whole Time Director designated as a Managing Director of the Company for a further period of five years with effect from April 1, 2016 to March 31, 2021, liable to retire by rotation, on the terms and conditions and remuneration as set our below:

A. Basic Salary: Rs.10,00,000 per month
B. LTA: One month's salary
C. Rent free furnished accommodation or housing rent allowance 50 % of basic per month at the option of the Managing Director
D. Reimbursement of domiciliary medical treatment expenses of up to Rs. 15,000/- or such other higher or lower limit for self and relatives as may be prescribed by Income Tax rules in any financial year
E. Reimbursement of medical expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
F. Use of company's car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
G. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.
H. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company;

RESOLVED FURTHER THAT, subject to the approval of Central Government the remuneration of Mr. R. Vasudevan is valid effect from April 1, 2016 for a period of five years and he may be paid remuneration, perquisites and amenities on terms and conditions as given below, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of remuneration;

FURTHER RESOLVED that in addition to the aforesaid salary, the said Managing Director is entitled to an additional payment by ex-gratia, bonus, and commission or otherwise in any other manner a sum not exceeding five per cent of the net profits of the Company, including the above remuneration, with liberty to pay such commission in one or more installments;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the designation of Mr. R. Vasudevan and the terms and conditions of his appointment including remuneration and/or perquisites payable or to be provided (including any monetary value thereof) to him to the extent the Board of Directors deem fit;

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. R. Vasudevan, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration;

RESOLVED FURTHER THAT that in the event of loss or inadequacy of profits in any financial year, during the tenure as Managing Director of the Company, Mr. R Vasudevan shall be entitled to receive a total remuneration including perquisites, etc. as stated above as Minimum Remuneration."

5. Appointment of Mr. Mukesh Malhotra (Din: 00129504) as an Independent Director in terms of Section 149 of The Companies Act, 2013.

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 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force),Mr. Mukesh Satpal Malhotra (DIN: 00129504) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 17, 2016 , in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing Mr. Mukesh Satpal Malhotra for the office of Director, be and is

hereby appointed as an Independent Director of the Company with effect from May 17, 2016 to hold office up to May 16, 2021, not liable to retire by rotation."

6. To ratify the remuneration payable to Cost Auditors, Mrs. Varsha S. Limaye for the financial year ending March 31, 2017.

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) Mrs. Varsha S. Limaye, Cost Accountants, Cost Accountants (Membership No.12358) appointed by the Board of Directors of the Company as cost auditors for the financial year ending 31 March 2017, be paid a remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand Only) plus service tax as may be applicable;

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."

7. To approve Reclassification of Promoters.

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the application received from M/s Golden Temple Pharma Private Limited, M/s Premratan Exports Pvt Ltd and Ms. Geeta Lulla (together referred as 'Parties') for excluding them from the list of Promoter/ Promoter Group of the Company; the consent of the members of the company be and is hereby accorded for deletion of the above mentioned persons from Promoters and Promoter Group and reclassification of Promoters/ Promoter Group of the Company;

FURTHER RESOLVED 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."

8. Acceptance of Unsecured Fixed Deposit

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/ accept/ renew from time to time unsecured fixed deposits from members of the Company, on such terms and conditions as the Board of Directors may think proper and beneficial for the Company, up to a limit not exceeding 10% of the aggregate paid up share capital and free reserves of the Company, as prescribed under Rule 3(4)(a) of the Companies (Acceptance of Deposits) Rules, 2014.

FURTHER RESOLVED 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.

9. Employees Stock Options Scheme 2016 ('**ESOS, 2016')**

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 2016' ('ESOS- 2016'), 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-2016, 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 /Remuneration Committee in accordance with ESOS- 2016;

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-2016, 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- 2016 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- 2016, 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."

10. Grant of Employees Stock Options to the employees equal to or more than 1% of the issued capital at the time of grant of Options.

To consider and, if thought fit, to pass, with or without modification, 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 to grant stocks option under 'Employee Stock Option Scheme 2016 ("ESOP - 2016") 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.

Registered Office
15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 (22) 25781143

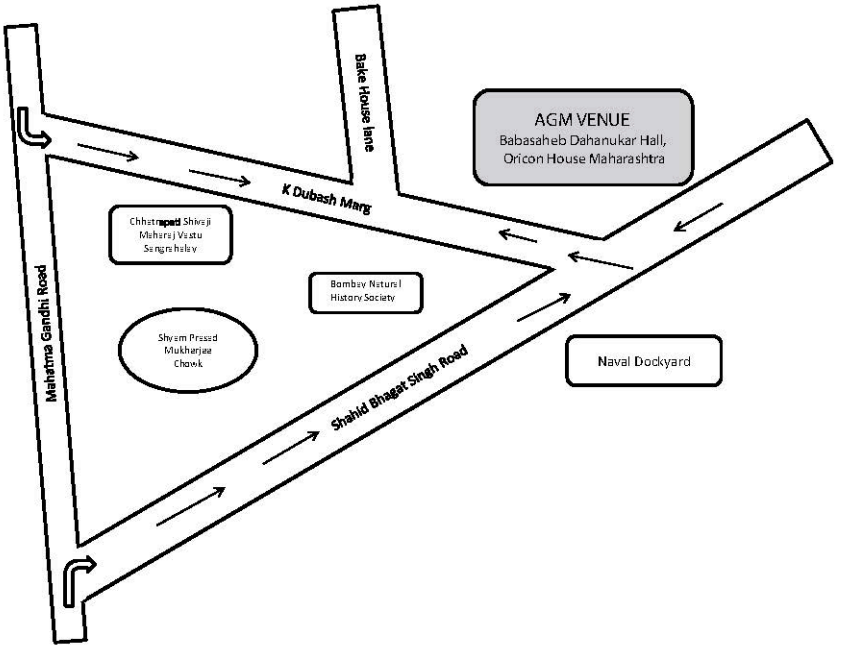
Corporate Office
Vascon Weikfield Chambers,
Behind Hotel Novotel, Opposite Hyatt Hotel,
Nagar Road, Pune-411014.
Tel: +91 (20) 30562 100/ 200
Fax: +91 +91 20 30562600.

By Order of the Board of Directors

M. Krishnamurthi,
Company Secretary & Compliance Office

Place: Mumbai,
Date: May 17, 2016

Route Map to the Venue of AGM



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 annual report for the financial year 2015-16 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.

8. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice. The detailed instructions for e-voting are given as a separate attachment to this notice.

9. 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.

10. 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.

11. The certificate from the Auditors of the Company certifying that the Company's Vascon Employee Stock Option Scheme, 2013 and Employee Stock Option Scheme, 2014 are 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.

12. 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.

13. 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

14. 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

15. 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.

16. 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 31st Annual General Meeting of the Company.

By Order of the Board

Place: Pune
Date: May 17, 2016

M. Krishnamurthi
Company Secretary &
Compliance Officer

ANNEXURE TO NOTICE OF AGM

ITEM NO. 2

This Statement is provided under Secretarial Standard on General Meetings (SS-2)

Ms. Sowmya Vasudevan Moorthy holds a holds degree of bachelor's degree in business administration from Symbiosis International University, Pune and an advanced diploma in Interior Design from Raffles College of Higher Education. She has over 3 years of experience in the interior design industry.

Ms. Sowmya Vasudevan Moorthy is also a partner in Seraphic Design LLP.
She has attended five meetings of the Board held during the financial year 2015-16. She holds the membership of following Committees:

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

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

None of the Directors or Key Managerial Personnel or their relatives except Mr. R. Vasudevan and Ms. Sowmya Vasudevan Moorthy are concerned or interested, financially or otherwise in the resolution set out in item no.3 of the Notice. Ms. Sowmya Vasudevan Moorthy is a daughter of Mr. R. Vasudevan.

The Board recommends the resolution set forth in item No. 2 of the notice for approval of the members.

Statement pursuant to Section 102(1) of the Companies Act, 2013 and under Secretarial Standard on General Meetings (SS-2) for Item Nos. 4 to 11.

Item No. 4:

Re-appointment of Mr. R. Vasudevan (DIN 00013519), as Managing Director of the Company.

Mr. R Vasudevan (DIN 00013519) is a civil engineer and has done his Owner Management Program Harvard Business School. He had a brilliant academic background. He has been awarded with several awards for his contribution in the field of construction and Real Estate industry.

He has been awarded the Top Management Consortium Award of Excellence for the year 2005, the "Construction World -Top Builder Award" in 2007, Award for Life Time Achievements by the Alumni Association of College of Engineering, Pune in 2005 and the South Indian Education Society on the occasion of its Platinum Jubilee (1932-2008) honored and felicitated Mr. R. Vasudevan as a distinguished alumni. He has over 35 years of experience in the construction industry.

Vascon Engineers Limited from 1986 is providing Engineering Procurement Construction Services and the Real Estate Development. The Company undertakes the entire spectrum of Real Estate Development activities including identification and acquisition of land, providing EPC services, and sales and marketing of projects and operation of the completed projects. It has Pan India operations.

Mr. R Vasudevan has been instrumental in bringing the company from scratch to the position of eminence over the last 30 years. He has been our director since January 1, 1986. He is instrumental to introduce the JDA model of real estate development and this unique innovation in Real Estate industry has helped the company to grow to this size and stature.

The EPC Business requires special skill set for timely execution of projects and monitoring on continuous

basis. Mr. R. Vasudevan possesses these special skill set due to which the Company has grown tremendously in the last 28 years. Under the supervision of Mr. R. Vasudevan, Managing Director the Company 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.

Moreover, the Real Estate business of Vascon was developed on asset light model of Joint Development basis. This requires special skill set to handle partners, launching of correct product mix and pricing of the products optionally. Presently, this highly profitable portfolio is being handled personally by Mr. R. Vasudevan and his expertise is very essential for further growth of the Company.

In the last few two, three years, the construction industry has been deeply affected by market conditions and Government policies and the entire set of companies in the industry has suffered. Hence the company has incurred losses.

The company has taken a lot of steps to mitigate the existing situation. The strategy for EPC Contracts has focused on full service contracts from reputed clients. The Governmental Contracts have been given priority. All these measures is expected to turn the company's performance into generating profits and improve the EBITA figures and also EBITA margin. With the stewardship of Mr. R. Vasudevan, the company shall cope up with the situation and shall move ahead in the next two years. Hence, it shall be absolutely essential that Mr. R Vasudevan puts in his best efforts for the company. Accordingly the Board and Shareholders of the company have decided to pay him a minimum remuneration as per the resolution. His personal involvement in the execution of projects enables the company to deliver quality projects in a cost effective manner. He also brings in new JDA projects through his charismatic approach.

Mr. R. Vasudevan is a Director on the Boards of: NovaCare Drug Specialties Private Limited and he a partner in following partnerships

3. Venus Ventures; and
4. Vasumangal Constructions LLP.

He has attended five out of six meetings of the Board held in FY2016.
He holds the membership of following Committees:

Sr. No.	Name of the Company	Name of the Committee
1.	Vascon Engineers Limited	Audit Committee
		Stakeholders Relationship Committee
		Corporate Social Responsibility Committee
		Risk Management Committee
		Restructuring Committee

The Remuneration Nomination and Remuneration Committee has approved the remuneration on February 9, 2016 and the Board also has approved the same on February 9, 2016.

The recommended remuneration for Mr. R. Vasudevan is as below:

A. Basic Salary: Rs.10,00,000 per month
B. LTA: One month's salary
C. Rent free furnished accommodation or housing rent allowance 50 % of basic per month at the option of the Managing Director
D. Reimbursement of domiciliary medical treatment expenses of up to Rs. 15,000/- or such other higher or lower limit for self and relatives as may be prescribed by Income Tax rules in any financial year
E. Reimbursement of medical expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actual.
F. Use of company's car for Company's business and partial private use and telecommunication facilities at residence including broadband, internet and fax.
G. Membership of such prestigious clubs as business exigency may warrant including entrances and admission fees.

H. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and payment of Gratuity, other retirement benefits and leave encashment as per the Rules of the Company;

He is also entitled to an additional payment by ex-gratia, bonus, and commission or otherwise in any other manner a sum not exceeding five per cent of the net profits of the Company,

As we understand the industry remuneration for the post of Managing Director of a similar industry is between three to nine crores.

This disclosure may also be read and treated as compliance with the requirements of Section 190 of the Companies Act, 2013.

Except Mr. R. Vasudevan, Ms. Sowmya Vasudevan Moorthy and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the notice.

The Board recommends the resolution set forth in item No. 4 of the notice for approval of the members.

Item No. 5:

The Board of Directors of the Company on May 17 2016, have appointed Mr. Mukesh Satpal Malhotra (DIN: 00129504) as an Additional Director of the Company, categorised as Independent, in terms of Section 161 of the Companies Act, 2013. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Mukesh Satpal Malhotra for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013.

The Company has received (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. Mukesh Satpal Malhotra to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Mr. Mukesh Satpal Malhotra, fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent of the management.

A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr. Mukesh Satpal Malhotra, is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM. The Board appointed Mr. Mukesh Malhotra as Additional Director with effect from May 17, 2016.

A brief profile of Mr. Mr.Mukesh Malhotra is given below:

Mr.Mukesh Malhotra completed his schooling at The Bishop's School, Pune & then went on to complete his Bachelor of Engineering at the College of Engineering, Pune.

He was appointed Managing Director of Weikfield Products Co. (I) Pvt. Ltd. in 1994 and continues to hold that position. With his focus on International Trade, Mukesh has travelled to over 60 countries and 150 cities, thus giving him a broad appreciation and understanding of International business practices and economic scenarios. The Company's products have received International Quality Awards from Europe and America.

He is actively involved in the activities of MCCIA with a track record of over 25 years, having served as President, 2008- 2010. Mr. Mukesh Malhotra is a Founder Trustee of the Pune International Centre (PIC) a think tank on the lines of the India International Centre, and Vice Chairman of the Malhotra Weikfield Foundation, which provides Scholarships to students in Pure Sciences, and is setting up a state of the art Skill Development Institute with Swiss Collaboration.

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

He does not hold any Committee memberships.
Mr. Mukesh Malhotra holds 5525 equity shares in the Company.

Except Mr. Mukesh Satpal Malhotra and his relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of the notice.

The Board commends the Resolutions at Item Nos. 5 for approval by the Members.

Item Nos. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of Mrs. Varsha S. Limaye, Cost Accountants, as cost auditors at a remuneration of Rs. 2, 50,000/- (Rupees Two Lacs Fifty Thousand Only) per annum plus service taxes, to conduct the audit of the cost records of the Company for the fi nancial year ending 31 March 2017.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No.6 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2017.

None of the Directors/Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the notice.

The Board recommends the resolution set forth in item No. 6 of the notice for approval of the members.

Item Nos. 7

Reclassification of Promoters

Mrs. Geetha Lulla is one of the Promoters of the Company along with her two LLP's viz. M/S. Premratan Exports LLP (Previously Premratan Exports Pvt Ltd) & Golden Temple Pharma LLP (Previously Golden Temple Pharma Private Limited). She is not taking part in the management of the company either as director or in any other executive role. The company had come with the rights issue in the last financial year and the LLPs have not subscribed to the issue. They have also sold part of their holdings in the last financial year. Accordingly their holding in the share capital of the company had come down to 8.96%.

In view of the above, the above said promoters have applied to the stock exchanges to delete their name from the list of promoters of the company. The same has been allowed by the SEBI vide regulation no.31A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The NSE has written to the company to submit the approval of the shareholders. Accordingly, the resolution is placed for the approval of the shareholders.

None of the Directors/Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the resolution set out at item No. 7 of the notice.

The Board recommends the resolution set forth in item No. 7 of the notice for approval of the members.

Item Nos. 8

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 Board commends the Resolution at Item Nos. 8 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 9 & 10

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, 2016 ('**ESOS, 2016**'). 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, 2016 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- 2016 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- 2016.

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- 2016 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 – 2016 is proposed to be implemented and administered by the Company directly.

i) ESOS – 2016 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. 10 is placed for approval of the members.

The options to be granted / shares to be issued under the ESOS - 2016 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. 9 & 10 in relation to the ESOS 2016, 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.

Registered Office
15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Tel: +91 (22) 25781143

Corporate Office
Vascon Weikfield 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: Pune

Date: May 17, 2016

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 Weikfield 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

E VOTING LETTER

Serial No. :

Name & Registered address of the Sole/ First named Member:
Name (s) of the Joint Member(s), if any:
Registered Foilio No./DP ID & Client ID No.:
Number of Shares held:

Dear Member,

Subject: Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2015 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as substituted by Amendment Rules, 2015) and the SEBI Listing Regulations, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited ("Karvy") in respect of all business to be transacted at the 31st Annual General Meeting of the Company scheduled to be held on Thursday, September 15, 2016 at 4.00 p.m.

The Company has engaged Karvy Computershare Private Limited as the authorised agency to provide e-voting facilities. Your e-voting particulars are set out below:

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
2552		

The e-voting facility will be available during the following voting period

Commencement of e-voting	From September 9, 2016, time: 9.00 am
End of e-voting	Up to September 14, 2016, time 5.00 p.m.

The cut-off date (i.e. the record date) for the purpose of e-voting is September 8, 2016. This communication is an integral part of the Notice dated May 17, 2016 for the Annual General Meeting scheduled to be held on September 15, 2016 and is being sent along with the notice of Annual General Meeting. Please read the instructions printed overleaf before exercising the vote.

By Order of the Board of Directors
Registered Office
Vascon Engineers Limited

15/16, Hazari Baug, LBS Marg,
Vikhroli (West), Mumbai 400 083
Date: May 17, 2016

For Vascon Engineers Limited
Sd/-

M. Krishnamurthi
Company Secretary & Compliance Officer

Instructions and other information relating to e-voting are as under:

1. Launch internet browser by typing the URL: https://evoting.karvy.com.
2. Enter the login credentials (i.e. User ID and password mentioned overleaf). Your Folio No./DP ID/ Client ID will be your User ID.
3. After entering these details appropriately, click on "LOGIN".
4. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the E-Voting Event Number for Vascon Engineers Limited.
7. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
8. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
9. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
10. You may then cast your vote by selecting an appropriate option and click on "Submit".
11. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
12. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format/JPG Format) of the Board Resolution / Authority Letter etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: cskdrane@gmail.comor evoting@karvy.com and compliance.officer@vascon.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT No."
13. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
14. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website download section on https://evoting.karvy.com or contact Karvy Computershare Pvt. Ltd. at Tel No. 1800 345 4001 (toll free).
15. A person, whose name is appearing in the register of members or in the register of beneficial owners maintained by the depositories as on the cutoff date i. e.Thrusday, September 8, 2015, shall only be entitled to avail the facility of remote e-voting/ poll.
16. Any person who becomes the member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cutoff date may write Karvy on their e-mail ID evoting@karvy.com, or Karvy Computershare Private Limited (Unit Vascon), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032 or contact Mr. S V Raju on 040-67162222 requesting for User ID and password. After receipt of above credentials, a member may follow the instructions for e-voting to cast his votes.
17. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting his votes through remote e-voting.
18. The Board of Directors has appointed Mr. Kulbhushan Rane of K.D. Rane & Associates, Practising Company Secretary as a Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
19. The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman.
20. The results declared along with the consolidated Scrutinizers report shall be placed on the website of the Company www.vascon.com and on the website of Karvy https://evoting.karvy.com. The results shall simultaneously be communicated to the Stock Exchanges.
21. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Meeting i.e. September 15, 2016.

By Order of the Board

M. Krishnamurthi
Company Secretary & Compliance Officer
Place, Pune

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:

Name and address of

First/Sole Member:

I, hereby record my presence at the 31st Annual General Meeting of the Company to be held on September 15, 2016, 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:

a. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting
b. Member/Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
c. Member/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

Vascon Engineers Limited

Registered Office: 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083, India, Tel No: +91 22 2578 1143
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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 : Thursday, September 15, 2016, 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 31st Annual General Meeting of the Company to be held on September 15, 2016 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-appointment of Ms. Sowmya Vasudevan Moorthy (DIN 06470039), who retires by rotation, and being eligible offers herself for re-appointment.				
3.	Appointment of Deloitte Haskins & Sells LLP (Firm's Registration No. 117366W/W-100018) as Statutory Auditors of the Company				

Sr. No.	Resolutions	No. of Shares Held	For	Against	Abstain
	SPECIAL BUSINESS:				
4.	Re-appointment of Mr. R Vasudevan (DIN 00013519), as Managing Director of the Company.				
5.	Appointment of Mr. Mukesh Satpal Malhotra (DIN: 00129504) as a Independent Director of The Company				
6.	Ratification of remuneration payable to Mrs. Varsha S. Limaye, Cost Accountants (Membership No.12358) Cost Auditors for financial Year for the financial year ending 31st March, 2017				
7.	Approve Reclassification of Promoters.				
8.	Approve acceptance of unsecured Fixed Deposit				
9.	Approve Employees Stock Options Scheme 2016 ('ESOS, 2016')				
10.	Approve grant of Employees Stock Options to the Employees equal to or more than 1% of the issued capital at the time of grant of Options				

** This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

_____
Signature (s) of Member(s)

Notes:

1. **Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 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.

CELEBRATING

30

YEARS

OF

ENGINEERING DELIGHT

VASCON

CIN: L70100MH1986PLC038511

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