

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
VASCON ENGINEERS LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **VASCON ENGINEERS LIMITED** ("the Company"), for the quarter ended June 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


Hemant M. Joshi
(Partner)
(Membership No. 038019)

Pune, August 14, 2018

Vascon Engineers Limited

CIN: L70100PN1986PLC175750

Registered Office: Vascon Welkfield chambers , Behind Novatel Hotel , Opposite Hyatt Hotel, Pune Nagar Road, Pune - 411014

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

		(Rs. In Lakhs)			
Sr. No.	PARTICULARS	STANDALONE			
		Quarter Ended			Year Ended
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		(Unaudited)	(Audited) (Refer Note - 2)	(Unaudited)	(Audited)
1	Income				
	a) Revenue from Operations	9,388	10,586	8,138	33,535
	b) Other income	412	1,508	420	2,406
	Total Income	9,800	12,094	8,558	35,941
2	Expenses				
	a) Construction Expenses / Cost of materials consumed including cost of land	7,547	10,003	7,722	28,163
	b) Purchase of stock- in- trade	-	-	-	-
	c) Changes in inventories of finished goods, work in progress and stock-in-trade	(580)	(1607)	(1441)	(3218)
	d) Employee benefits expenses	1,186	1,382	851	4,645
	e) Finance costs	517	431	575	1,936
	f) Depreciation and amortisation expenses	184	207	167	752
	g) Other expenses	797	1,082	536	2,522
	Total Expenses	9,651	11,498	8,410	34,800
3	Profit before tax (1-2)	149	596	148	1,141
4	Tax Expense				
	a) Current tax (includes earlier year taxation)	-	(55)	-	(55)
	b) Deferred tax	-	57	-	57
	Total Tax Expense	-	2	-	2
5	Net profit after tax (3-4)	149	594	148	1,139
6	Other comprehensive income				
	Items that will not be reclassified to profit or loss (Net of Tax)	34	16	(14)	24
7	Total Comprehensive income (5+6)	183	610	134	1,163
8	Paid-up Equity Share Capital (Face Value Rs. 10/- per share)	17,414	17,414	16,766	17,414
9	Other Equity				47,769
10	Earnings Per Share (EPS) *				
	a) Basic EPS (in Rs.)	0.09	0.34	0.09	0.67
	b) Diluted EPS(in Rs.)	0.09	0.34	0.09	0.66
	* Basic and diluted EPS for all periods except for the year ended March 31, 2018 are not annualised				



Segment wise Revenue, Results, Assets and Liabilities for quarter ended June 30, 2018				
Particulars	Quarter Ended			Year Ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	(Unaudited)	(Audited) (Refer Note - 2)	(Unaudited)	(Audited)
1. Segment Revenue				
Engineering, Procurement and Construction (EPC)	8,350	9,170	6,969	24,855
Real Estate Development	1,038	1,416	1,169	8,680
Net Sales/Income from operations	9,388	10,586	8,138	33,535
Particulars	Quarter Ended			Year Ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	(Unaudited)	(Audited) (Refer Note - 2)	(Unaudited)	(Audited)
2. Segment Results				
Engineering, Procurement and Construction (EPC)	1,876	2,142	829	5,079
Real Estate Development	(203)	(629)	466	1266
Subtotal	1,673	1,513	1,295	6,345
Less: Interest	(517)	(431)	(575)	(1936)
Other Unallocable expenditure net off Unallocable income	(1007)	(486)	(572)	(3268)
Total Profit before Tax	149	596	148	1,141
Particulars	Quarter Ended			Year Ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
3. Segment Assets and Liabilities				
Segments Assets				
Engineering, Procurement and Construction (EPC)	24,571	26,195	20,059	26,195
Real Estate Development	64,931	62,463	62,353	62,463
Unallocable	30,837	30,735	32,795	30,735
Total	120,339	119,393	115,207	119,393
Segments Liabilities				
Engineering, Procurement and Construction (EPC)	11,694	13,494	11,770	13,494
Real Estate Development	23,085	20,002	18,056	20,002
Unallocable	20,293	20,714	23,772	20,714
Total	55,072	54,210	53,598	54,210

Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on August 14, 2018.

2. The figures for the quarter ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto to the third quarter.

3. The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (Ind AS 108) read with SEBI circular dated 5th July, 2016. The identification of operating segments is consistent with performance assessment and resource allocation by the Chief Operating Decision Maker (CODM). The Company's Chief Operating Decision Maker (CODM) is CEO and Managing Director.

Primary reporting business segments are as follows :

- Engineering, Procurement and Construction (EPC)
- Real Estate Development

The Company is engaged in its business mainly within India.

4. Indian Accounting Standard 115 "Revenue from contracts with customers" (Ind AS 115) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 1, 2018, replaces existing revenue recognition standard. The application of Ind AS 115 has impacted the Company's accounting for recognition of revenue from real estate residential projects. There has been no impact on our contractual business (EPC business), EPC continued to account on progressive method.

The Company has applied the modified retrospective approach to its real estate residential contracts that were not completed as of April 1, 2018 and has given impact of adoption of Ind AS 115 by debit to retained earnings as at the said date by Rs. 413 lakhs. Accordingly the comparatives have not been restated and hence, the current period figures are not comparable with previous period figures. Due to the application of Ind AS 115 in the current period revenue from operations is lower by Rs. 288 lakhs (including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach) and net profit after tax is lower by Rs. 233 Lakhs (including impact of Ind AS 115 on share of profit from partnership firm, which has also applied modified retrospective approach). Similarly, the basic and diluted EPS for the period are Rs. 0.09 instead of Rs 0.22 per share. These changes are due to recognition of revenue based on satisfaction of performance obligation (at a point in time), as opposed to the previously permitted percentage of completion method.

5. The figures for the corresponding period/year have been regrouped and reclassified wherever necessary to confirm to current period's classification.

By Order of the Board of Directors

Siddharth Vasudevan

Managing Director

Place : Pune

Date: August 14, 2018

