

INDEPENDENT AUDITOR'S REPORT**To the Members of VASCON ENGINEERS LIMITED****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying Consolidated Financial Statements of **VASCON ENGINEERS LIMITED** (hereinafter referred to as the "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit / loss in its associates and its joint-ventures, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and notes to Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on financial statements (standalone / consolidated) of subsidiaries including associates and joint-ventures as was audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including an Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of Consolidated State of Affairs (financial position) of the Group including its associates and joint-ventures as at March 31, 2021, the Consolidated Profit (financial performance including other comprehensive income), its Consolidated Cash Flows and the Consolidated Changes in Equity for the year then ended.

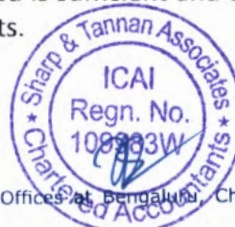
Emphasis of Matter

We draw attention to Note 45 to the Statement, which describes the economic and social consequences the entity is facing as a result of Covid-19 which is impacting operations of the Company, supply chains, personnel available for work etc.

Our opinion is not modified in respect of this matter of emphasis.

Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group including associates and joint-ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report;

S. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue Recognition:</p> <p>Ind AS 115 prescribes detailed guidance for various elements of revenue recognition and requires detailed contract assessment as per the accounting principles. The revenue accounting standards application involves certain significant judgements regarding identification of distinct performance obligations, recognition of revenue over the period, recognition of contract acquisition costs, appropriateness of the basis used for measuring the estimation of the total cost of completion of the projects over a wide range of customers and also wide range of contracts each having different risk profile based on its individual nature of performance and delivery characteristics. Changes in cost estimate could give rise to the variances in the amount of revenue recognised and profit/loss recognised. Accordingly this matter has been identified as KAM.</p>	<p>Principal Audit Procedures:</p> <p>Our audit procedures on revenue recognition from construction contract consisted mainly the testing of the design and operating effectiveness of the laid down internal controls and then substantive testing of the transactions. The audit procedures performed includes following:</p> <ul style="list-style-type: none"> Assessed the Company's process to identify revenue recognition and cost estimation as per the requirement of the revenue accounting standard. Evaluation of the internal control designs relating to the revenue accounting standards, Selected an appropriate samples of contracts and evaluated them along with the supporting evidence to determine whether various elements of revenue recognition as well cost allocations are assessed with the principles prescribed under Ind AS 115. We performed project analysis and obtained the reasons for our observations in respect of the ongoing as well as completed projects during the year under audit. Read and assessed the disclosure made in the financial statements for assessing the compliance with the disclosure Ind AS 115 requirements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the Board's report and management discussion and analysis included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group including its associates and joint-ventures in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective management and Board of Directors of the companies included in the Consolidated Financial Statements are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 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 / Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group including its Associates and joint-ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group including its associates and joint-ventures are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statement and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group including its associates and joint-ventures to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its associates and joint-ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matters

- A. We did not audit the financial statements of four domestic subsidiaries & one foreign step-down subsidiary, whose Ind AS financial statements reflect total assets of Rs. 671.32 lakhs as at March 31, 2021; and total revenue of Rs. 310.39 lakhs, total net loss after tax of Rs. 543.74 lakhs, total comprehensive loss of Rs. 543.03 lakhs and net cash inflow of Rs. 9.29 lakhs for the year then ended. These Ind AS financial statements have been audited by their respective independent auditors whose audit reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- B. We did not audit the financial statements of one domestic subsidiary included in the statement, whose financial statements reflect total assets of Rs. 1.00 lakhs as at March 31, 2021 and total revenues of Rs. 0, total net loss after tax of Rs. 0.02 lakhs, total comprehensive loss of Rs 0.02 lakhs and net cash outflows of Rs. 0.97 lakhs for the year ended March 31, 2021, as considered in the Statement. The Consolidated Financial results also include the Group's share of loss after tax of Rs. 109.27 lakhs and total comprehensive income of Rs. 109.66 lakhs for the year ended March 31, 2021, as considered in the Statement, in respect of four joint ventures whose financial statements have not been audited by us. These financial statement / information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these four joint ventures and one subsidiary, are based solely on such unaudited financial information certified by management. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.
- C. One domestic associate is non-operative entities and its financial information as at March 31, 2021 is unaudited. This financial information is provided by the management in whose opinion it is not material to the group.
- D. Due to the Covid-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes carried out post lockdown were based on the remote access and evidence shared digitally.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on financial statements (Standalone / Consolidated) of such companies as was audited by them and as mentioned in the 'Other Matters' paragraph, 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 appears from our examination of those books and the reports of other auditors.



- C. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- D. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- E. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies including associates and joint-ventures which are companies incorporated in India, none of the directors of the subsidiary companies, associates and joint-ventures which are companies incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
- F. With respect to the adequacy of internal financial controls over financial reporting of the Group including its associates and joint-ventures which are companies incorporated in India 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 internal financial control over financial reporting.
- G. With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group including associates and joint-ventures, which are companies incorporated in India, where applicable, to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2021 on the Consolidated Financial position of the Group including its associates and joint-ventures (refer note 30 to the Consolidated Financial Statements);
 - ii. the Group including associates and joint-ventures have made provision in the Consolidated Financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its associates and joint-ventures, which are companies incorporated in India.

SHARP & TANNAN ASSOCIATES

Chartered Accountants

Firm's Registration No.: 109983W

by the hand of



CA Tirtharaj Khot

Partner

Membership No.: (F) 037457

UDIN: 21037457AAAAAX6467

Pune, May 31, 2021

Report on the Internal Financial Controls over Financial Report 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** (hereinafter referred as “the Holding Company”), its subsidiary companies (the Holding Company and its subsidiaries together referred to as “the Group”), its associates and joint-ventures, which are companies incorporated in India, as of March 31, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Company's Management and Board of Directors of the of the Holding company and its subsidiary companies, associates and joint-ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Our responsibility is to express an opinion on the Group's including its associates and joint-ventures, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 and the audit evidence obtained by other auditors of the subsidiary companies, associates and joint-ventures, 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 Group's including its associates and joint-ventures which are companies incorporated in India, internal financial controls system over financial reporting.

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 in so far as it relates to three subsidiaries and a joint-venture, which are companies incorporated in India, is solely based on corresponding reports of the auditors of such Companies.

Our opinion is not modified in respect of the above other matters.

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.



SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 109983W
by the hand of



CA Tirtharaj Khot
Partner

Membership No.: (F) 037457
UDIN: 21037457AAAAAX6467

Pune, May 31, 2021

Vascon Engineers Limited
Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
A Assets			
1 Non Current Assets			
(a) Property, Plant and Equipment	3	5,401.04	5,861.64
(b) Capital work-in-progress		-	-
(c) Goodwill on Consolidation		2,661.25	2,661.25
(d) Investment Property	4	1,598.71	1,797.76
(e) Other Intangible assets	3	17.91	16.79
(f) Right of Use Assets	3	193.02	424.03
(g) Financial Assets			
(i) Investments	5	7,791.94	7,965.49
(ii) Loans	6	359.34	880.40
(iii) Others Financial Assets	7	10,068.17	10,132.48
(h) Income Tax Assets (net)		1,053.24	1,704.20
(i) Deferred Tax Assets (net)	17	674.69	715.62
(j) Other Non Current Assets	8	1,873.46	1,893.47
Total Non - Current Assets		31,692.77	34,053.13
2 Current Assets			
(a) Inventories	9	45,924.58	48,085.81
(b) Financial Assets			
(i) Investments	5	312.70	1,803.42
(ii) Trade receivables considered good - Unsecured	10	16,417.17	18,097.33
(iii) Cash and cash equivalents	11	2,754.07	2,467.05
(iv) Bank balances other than (iii) above	11	5,249.51	4,412.51
(v) Loans receivables considered good - Unsecured	6	6,766.45	6,806.35
(vi) Others Financial Assets	7	19,925.12	16,863.45
(c) Other Current Assets	8	2,954.29	2,977.56
Total Current Assets		100,303.89	101,513.48
Total Assets (1+2)		131,996.66	135,566.61
B Equity and Liabilities			
1 Equity			
(a) Equity Share Capital	12 & 12.1	18,213.67	17,813.67
(b) Other Equity	12.2	51,702.14	55,616.39
Equity attributable to owners of the Company		69,915.81	73,430.06
Non Controlling Interest	12.3	1,000.19	936.84
Total Equity		70,916.00	74,366.90
2 Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	4,266.82	9,832.62
(ii) Other financial liabilities	14	1,778.61	1,824.79
(b) Other Liabilities	18	3.17	7.17
Total Non - Current Liabilities		6,048.60	11,664.58
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	8,986.09	10,164.80
(ii) Trade and other payables			
-Total outstanding dues of micro enterprises and small enterprises	15	62.34	1.90
-Total outstanding dues of creditors other than micro enterprises and small enterprises	15	24,048.62	20,157.06
(iii) Other financial liabilities (including lease liability)	14	8,986.49	6,549.07
(b) Provisions	16	2,233.41	1,980.82
(c) Other Current Liabilities	18	10,715.11	10,681.48
Total Current Liabilities		55,032.06	49,535.13
Total Equity and Liabilities (1+2+3)		131,996.66	135,566.61
Significant accounting policies	1-2 & 3 - 42		
See accompanying notes forming part of the financial statements.			

In terms of our report attached.

For Sharp & Tannan Associates
Chartered Accountants
(Firm Regn. No. 109983W)

By the hands of
Anirharaj Khot
Partner
Membership No: (F) - 037457

Place: Pune
Date: May 31, 2021



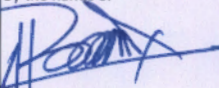

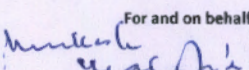
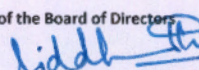
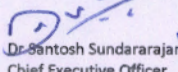
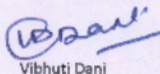
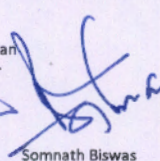
For and on behalf of the Board of Directors

Mukesh Malhotra
Director
(DIN-000129504)
Siddharth Vasudevan
Managing Director
(DIN-02504124)

Dr. Sahtosh Sundararajan
Chief Executive Officer

Vibhuti Dani
Company Secretary &
Compliance Officer
Place: Pune
Date: May 31, 2021

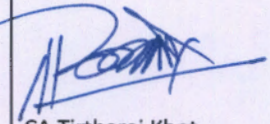


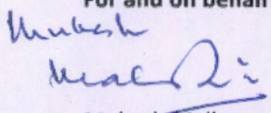
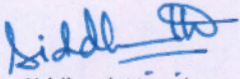
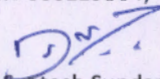
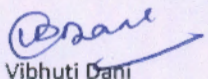
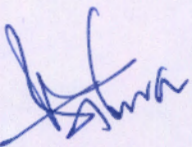
Somnath Biswas
Chief Financial Officer

Vascon Engineers Limited				
Consolidated Statement of Profit and Loss for the year ended March 31, 2021				
(₹ in Lakhs)				
Particulars		Note No	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	19	50,577.16	52,091.58
II	Other Income	20	1,241.07	1,996.86
III	Total Income (I+II)		51,818.23	54,088.44
IV	EXPENSES			
	(a) Cost of materials consumed	21.a	37,558.36	33,325.78
	(b) Purchases of stock-in-trade		1.43	0.74
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	2,690.07	1,566.50
	(d) Employee benefit expense	22	5,857.12	7,179.46
	(e) Finance costs	23	2,680.35	1,905.36
	(f) Depreciation and amortization expense	3 & 4	1,208.05	1,498.63
	(g) Other expenses	24	5,809.52	4,629.61
	Total expenses (IV)		55,804.90	50,106.08
V	Profit/ (Loss) before tax		(3,986.67)	3,982.36
VI	Less: Tax Expense			
	(a) Current Tax	17	1.15	8.03
	(b) Deferred Tax	17	40.93	(1.47)
	(c) Excess/ (short) provision for tax of earlier years	17	(0.58)	1.95
			41.50	8.51
VII	Profit/ (Loss) after tax		(4,028.17)	3,973.85
VIII	Profit after tax for the year attributable to:			
	(a) Owners of the Company		(4,082.05)	3,958.77
	(b) Non controlling interests		53.88	15.06
IX	Other Comprehensive Income			
	(a) Items that will not be recycled to profit or loss			
	- Remeasurements of the defined benefit liabilities / (asset)		(25.89)	94.38
	- Income tax relating to items that will not be reclassified to profit or loss		(21.24)	17.30
			(47.13)	111.68
X	Other Comprehensive Income for the year attributable to:			
	(a) Owners of the Company		(56.61)	119.39
	(b) Non controlling interests		9.47	(7.71)
XI	Total Comprehensive Income/ (Loss) for the year		(4,075.30)	4,085.51
XII	Total comprehensive income for the year attributable to:			
	(a) Owners of the Company		(4,138.65)	4,078.16
	(b) Non controlling interests		63.35	7.35
XIII	Earnings / (Loss) per equity share (of Rs. 10/- each fully paid up) :			
	(a) Basic	25	(2.27)	2.22
	(b) Diluted	25	(2.27)	2.22
Significant accounting policies		1-2		
See accompanying notes forming part of the financial statements.		& 3 - 42		
In terms of our report attached				
For Sharp & Tannan Associates Chartered Accountants (Firm Regn. No. 109983W) By the hands of  CA Tirtharaj Khot Partner Membership No: (F) - 037457 		For and on behalf of the Board of Directors  Mukesh Malhotra Director (DIN-000129504)  Siddharth Vasudevan Managing Director (DIN-02504124)  Dr. Santosh Sundararajan Chief Executive Officer  Vibhuti Dani Company Secretary & Compliance Officer  Somnath Biswas Chief Financial Officer		
Place: Pune Date: May 31, 2021		Place: Pune Date: May 31, 2021		

VASCON ENGINEERS LIMITED**Consolidated Cash Flow Statement for the year ended March 31, 2021****(₹ in Lakhs)**

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Taxation	(3,986.67)	3,982.36
Adjustments for :-		
- Depreciation / amortisation expenses	1,208.05	1,498.63
- Finance Cost	2,680.35	1,905.36
- Dividend & (Gain) / loss on investments carried at FVTPL	(8.07)	(813.26)
- Profit on Sale of investments	-	(169.37)
- Net Expense recognised in respect of equity-settled share-based payments	224.40	462.77
- Prepaid Rent	-	99.88
- Interest income	(541.09)	(533.83)
- Deferred Revenue	(4.00)	(4.00)
- Provision for doubtful debt and advances	1,850.00	(236.15)
- Bad debts and other receivables, loans and advances written off	446.32	668.06
- Provision no longer required written back	(181.36)	(92.12)
- Share of Profits from Joint Venture	(0.31)	(180.49)
- Net loss / (gain) arising on financial assets designated as at FVTPL	400.00	0.15
- (Profit) / Loss on Sale of Property, Plant & Equipment (net)	(339.85)	(2.87)
Operating Profit before working capital changes	1,747.77	6,585.12
Adjustments for (increase) / decrease in operating assets		
Inventories before capitalisation of borrowing cost	3,105.16	2,752.31
Trade receivables	(616.16)	1,637.91
Amount due from / to Customer	(1,616.81)	(1,825.64)
Loans (Non Current)	121.06	2.50
Others Financial Assets (Non Current)	373.63	30.57
Other assets (Non Current)	20.00	(286.21)
Loans (Current)	39.90	(639.69)
Others Financial Assets (Current)	(732.42)	(1,377.54)
Other assets (Current)	23.27	(1,174.12)
Adjustments for (increase) / decrease in operating liabilities		
Current trade payables	4,133.36	84.31
Provisions	12.72	218.60
Other Non Current liabilities	(46.18)	(757.74)
Other current liabilities	(651.94)	(1,727.01)
Cash generated / (used in) from operations	5,913.36	3,523.37
Income tax (refund) / paid (Net)	864.37	228.58
Net Cash flow from operating activities	6,777.73	3,751.95



PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	(426.48)	(466.82)
Proceeds on disposal of fixed assets	468.75	173.46
(Payments) / Proceeds from Investments	181.93	1,038.53
(Investments) / Proceeds from fixed deposits with banks	(1,146.31)	(2,080.48)
(Investments) / Proceeds from liquid mutual funds	1,490.72	(1,370.07)
Net Cash generated / (used) in investing activities	568.61	(2,705.34)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of Equity shares	400.00	-
Repayment of borrowing	(5,862.90)	(1,177.36)
Proceeds from borrowing	1,809.00	1,300.00
Interest Income received	541.09	533.83
Finance cost including capitalised to qualifying assets	(3,839.66)	(4,105.85)
Net Cash generated / (used) in financing activities	(6,952.47)	(3,449.38)
D. NET CASH INFLOW / (OUTFLOW) (A+B+C)	393.87	(2,402.77)
Cash and cash equivalents at the beginning of the year	2,299.93	4,702.70
Cash and cash equivalents at the end of the year	2,693.80	2,299.93
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	393.87	(2,402.77)
Significant accounting policies	1-2	
See accompanying notes forming part of the financial statements.	& 3 - 42	
<p>Notes</p> <p>1. Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as prescribed in the Companies (Indian Accounting Standards) Rules, 2015.</p> <p>2. Figures in brackets represent outflows of cash and cash equivalents.</p> <p>In terms of our report attached</p> <p>For Sharp & Tannan Associates Chartered Accountants (Firm Regn. No. 109983W) By the hands of</p> <p> CA Tirtharaj Khot Partner Membership No: (F) - 037457</p> <p></p> <p></p> <p>Place: Pune Date: May 31, 2021</p> <p>For and on behalf of the Board of Directors</p> <p> Mukesh Malhotra Director (DIN-000129504)</p> <p> Siddharth Vasudevan Managing Director (DIN-02504124)</p> <p> Dr Santosh Sundararajan Chief Executive Officer</p> <p> Vibhuti Dani Company Secretary & Compliance Officer</p> <p> Somnath Biswas Chief Financial Officer</p> <p>Place: Pune Date: May 31, 2021</p>		

Vascon Engineers Limited
Statement of changes in equity for the year ended March 31, 2021

a) Change in Equity

Particular	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	17,813.67	17,813.67
Issue of equity shares under employee share option plan	400.00	-
Balance at the end of the year	18,213.67	17,813.67

b) Changes in Other Equity

Particulars	Reserves and Surplus						Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	General reserve	Foreign Currency Translation Reserve	Retained earnings			
Balance at the beginning of the reporting year - As of April 01, 2019	1,377.50	55,493.35	1,074.87	1,537.50	2.66	(8,275.55)	51,210.33	935.48	52,145.81
Transitional Adjustment on account of application of Ind AS 116	-	-	462.77	-	-	(134.60)	(134.60)	(5.99)	(140.59)
Amount recorded on grants	-	-	-	-	-	-	462.77	-	462.77
Profit for the year	-	-	-	-	-	3,966.48	3,966.48	15.06	3,981.54
Other Comprehensive income for the year	-	-	-	-	-	111.68	111.68	(7.71)	103.97
Consolidated Adjustment	-	-	-	-	-	(0.27)	(0.27)	-	(0.27)
Balance at the end of the reporting year - March 31, 2020	1,377.50	55,493.35	1,537.64	1,537.50	2.66	(4,332.26)	55,616.39	936.84	56,553.23



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Vascon Engineers Limited

Statement of changes in equity for the year ended March 31, 2021

Particulars	Reserves and Surplus						Equity Attributable to the shareholders of the Company	Non Controlling Interests	Total Equity
	Capital Redemption Reserve	Securities premium reserve	Equity-settled employee benefits reserve	General reserve	Foreign Currency Translation Reserve	Retained earnings			
Balance at the beginning of the reporting year - As of April 01, 2020	1,377.50	55,493.35	1,537.64	1,537.50	2.66	(4,332.26)	55,616.39	936.84	56,553.23
Addition during the year	51.00	-	224.40	-	-	(51.00)	-	-	-
Amount recorded on grants	-	-	-	-	-	-	224.40	-	224.40
Transferred to securities premium account on exercise	-	605.60	(605.60)	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	(4,091.52)	(4,091.52)	53.88	(4,037.64)
Other Comprehensive income for the year	-	-	-	-	-	(47.13)	(47.13)	9.47	(37.66)
Balance at the end of the reporting Year - March 31, 2021	1,428.50	56,098.95	1,156.44	1,537.50	2.66	(8,521.91)	51,702.14	1,000.19	52,702.33

In terms of our report attached

For Sharp & Tannan Associates
Chartered Accountants
(Firm Regn. No. 109983W)
By the hands of

CA Tirtharaj Khot
Partner
Membership No: (F) - 037457

(Signature)

Place: Pune
Date: May 31, 2021



For and on behalf of the Board of Directors

(Signature)
Mukesh Malhotra
Director
(DIN-000129504)

(Signature)
Dr. Santosh Sundararajan
Chief Executive Officer,

(Signature)
Vibhuti Dani
Company Secretary & Compliance Officer

Place: Pune
Date: May 31, 2021

(Signature)

Siddharth Vasudevan
Managing Director
(DIN-02504124)

(Signature)

Somnath Biswas
Chief Financial Officer

1 Corporate Information

Vascon Engineers Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") are engaged in the business of Engineering, Procurement and Construction services (EPC), Real Estate Development and Manufacturing of Clean Room Partitions. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is ' Vascon Weikfield chambers , Behind Novotel Hotel , Opposite Hyatt Hotel, Pune Nagar Road, Pune - 411014'.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 31, 2021.

2 Significant Accounting Policies

2.01 Statement of Compliance

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

2.02 Basis of preparation and presentation

The financial statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments and equity settled employee stock options which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

2.03 Basis of consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries are consolidated from the date control commences until the date control ceases.

The results of subsidiaries acquired, or sold, during the year are consolidated from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except otherwise stated. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The following companies are considered in the Consolidated Financial Statements:

Name of the Company	Relationship	Country of Incorporation or Residence	Voting Power %	
			As at March 31, 2021	As at March 31, 2020
Marvel Housing Private Limited	Subsidiary	India	100%	100%
Vascon Value Homes Private Limited	Subsidiary	India	100%	100%
Vascon EPC Limited*	Subsidiary	India	100%	100%
GMP Technical Solutions Private Limited	Subsidiary	India	85%	85%
GMP Technical Solutions Middle East (FZE)	Step down	UAE (Sharjah)	85%	85%
(wholly owned subsidiary of GMP Technical Solutions Private Limited)	Subsidiary			
Almet Corporation Limited	Subsidiary	India	100%	100%
Marathwada Realtors Private Limited	Subsidiary	India	100%	100%
Vascon Construction Saga LLP	Joint Venture	India	76%	76%
Phoenix Ventures	Joint Venture	India	50%	50%
Cosmos Premises Private Limited	Joint Venture	India	43.83%	43.83%
Ajanta Enterprises	Joint Venture	India	50%	50%
Mumbai Estate Private Limited	Associates	India	44.44%	44.44%

* The Board of the Director of the Vascon EPC Limited in their meeting held on 26th February 2021 & the members in their Extraordinary General Meeting held on 26th March 2021, have accorded consent to the striking off the name of 'Vascon EPC Limited' one of the non-operative wholly owned subsidiaries. The same is in the process as on date.

2.04 Business combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.



2.05 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2.06 Use of estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

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

Impairment of Goodwill

The Group estimate the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows were developed using internal forecasts. The discount rate used for the CGU's represented the weighted- average cost of capital based on the historical market returns of comparable companies.

Useful lives of property, plant and equipment and Investment Property

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

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 2.13

Determination of lease term & discount rate

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

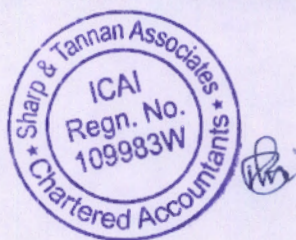
A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Group using market-observable inputs.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report the management of the Group findings every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

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



2.07 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1. Construction Contracts

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

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

2. Real estate development

Revenue from real estate projects is recognised on 'Completed contract method' of accounting as per IND AS 115, When

- The seller has transferred to the buyer all significant risk and rewards of ownership and seller retains no effective control of the real estate to a degree usually associated with ownership.
- The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction.
- No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and
- It is not unreasonable to expect ultimate collection of revenue from buyers.

3. Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Goods and Service tax.

4. Share of Profit/Loss from Partnership firm/ Association of Person is recognised as income during the relevant period on the basis of accounts made-up audited or unaudited as the case may be and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement.

5. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

6. Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

7. Rental Income - Income from letting-out of property is accounted on accrual basis - as per the terms of agreement and when the right to receive the rent is established.

8. Income from services rendered is recognised as revenue when the right to receive the same is established.

9. Profit on sale of investment is recorded upon transfer of title by the Group. It is determined as the difference between the sale price and the then carrying amount of the investment.

10. Cost of construction / Development

Cost of construction/Development (including cost of land) incurred is charged to statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion certificate is carried over as construction work in progress. Costs incurred for projects which have received Occupancy/ Completion certificate is carried over as completed Finished Properties

2.08 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset

Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.



When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Lease under Ind AS 17 :

A lease is classified at the inception date as a finance lease or an operating lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has identified all its leases as operating leases.

i) Assets taken on operating lease :

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) Assets given on operating lease :

Assets subject to operating leases are included in fixed assets. Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss.

2.09 Foreign Currencies

The functional currency of the Group is the Indian Rupee whereas the functional currency of foreign subsidiaries is the AED.

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit or loss have been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

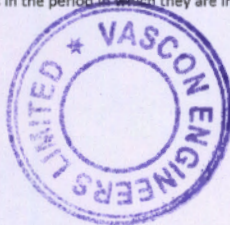
2.10 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Advances/deposits given to the vendors under the contractual arrangement for acquisition/construction of qualifying assets is considered as cost for the purpose of capitalization of borrowing cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.



2.11 Government Grants and Export Incentive

(i) Government grants in respect to manufacturing units located in developing regions

The Group is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Group accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities.

(ii) Government grants in respect of additional Capital Expenditure

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognized as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Benefits

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.12 Employee Benefits

a) Short-term Employee Benefits -

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

b) Post Employment Benefits -

1. Defined Contribution Plan:

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

2. Defined Benefit Plan:

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

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

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

Gratuity:

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

c) Other Long-term Employee Benefits -

Compensated Absences:

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

Share-based Payments:

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

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

2.13 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

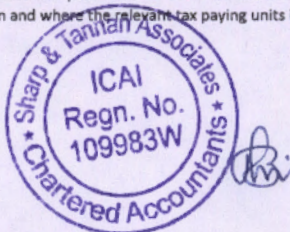
Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.



Deferred Income taxes:

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends and has ability to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

The Group recognises interest levied and penalties related to income tax assessments in Finance cost.

2.14 Property Plant and Equipment (PPE)

Property plant & equipment are stated at cost of acquisition or construction where cost includes amount added/deducted on revaluation less accumulated depreciation / amortization and impairment loss, if any. All costs relating to the acquisition and installation of PPE are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognized. The cost for day-to-day servicing of property, plant and equipment are recognized in Statement of Profit and Loss as and when incurred.

Machinery spares which can be used only in connection with an item of PPE and use of which, as per technical assessment, is expected to be irregular, are capitalised and depreciated as part of PPE.

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

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

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

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

2.15 Investment Properties

The Group has elected to continue with the carrying value for all of its investment property as recognized in its Initial GAAP financial statements as deemed cost at the transition date. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are states at cost less accumulated depreciation and accumulated impairment loss, if any.

2.16 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.



2.17 Impairment

(i) Financial assets (other than at fair values)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction.

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted – effective interest rate for purchased, or originated credit impaired financial assets). The Group estimates cash flows by considering all contractual term of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

(ii) Non-financial assets

(a) Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

(b) Goodwill

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

2.18 Inventories

a) Stock of Materials, etc.

Stock of materials, etc. has been valued at lower of cost or net realisable value. The cost is determined on Weighted Average method.

b) Development Work

Stock of Units in completed projects and work in progress are valued at lower of cost and net realisable value. Cost is aggregate of land cost, materials, contract work, direct expenses, provisions and apportioned borrowing cost.

c) Stock of Trading Goods

Stock of trading goods has been stated at cost or net realisable whichever is lower. The cost is determined on Weighted Average Method.

2.19 Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognized by the Group are recognized at the proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when a Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Derecognition of Financial Assets and Liabilities

For financial assets that are measured at FVTOCI, income by way of interest and dividend, provision for impairment and exchange difference, if any, (on debt instrument) are recognised in Profit or Loss and changes in fair value (other than on account of above income or expense) are recognised in Other Comprehensive Income and accumulated in Other equity. On disposal of debt instruments at FVTOCI, the cumulative gain or loss previously accumulated in Other equity is reclassified to Profit and Loss. In case of equity instruments at FVTOCI, such cumulative gain or loss is not reclassified to Profit and Loss on disposal of investments.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.20 Earning per share (EPS)

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.21 Critical Accounting Judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements and related notes in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and revenues and expenses.

Actual results could differ from those estimates due to those uncertainties on which assumptions are based. Estimates and assumptions are reviewed annually in order to verify they still reflect the best available knowledge of the Group's operations and of other factors deriving from actual circumstances. Changes, if any, are immediately accounted for in the income statement.

The present economic context, whose effects are spread into some businesses in which the Group operates, determined the need to make assumptions related to future development with a high degree of uncertainty. For this reason, it is not possible to exclude that, in the next or in subsequent financial years, actual results may differ from estimated results. These differences, at present unforeseeable and unpredictable, may require adjustments to book values. Estimates are used in many areas, including accounting for non-current assets, deferred tax assets, bad debt provisions on accounts receivable, inventory obsolescence, employee benefits, contingent liabilities and provisions for risks and contingencies.

2.22 Segment Reporting

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

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

2.23 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.



2.24 Current / Non-Current Classification

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

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

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

All other assets are classified as non-current.

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

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

Current liabilities include the current portion of long term financial liabilities.

The Group classifies all other liabilities as non-current.

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

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

2.25 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.26 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- In the principle market for the asset or liability
- In the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

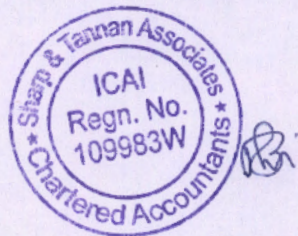
3) Debt Instruments, derivatives and equity instruments at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.



Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognized in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

5) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. If the hybrid contract contains a host that is a financial asset within the scope of IND AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in IND AS 109 to the entire hybrid contract. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss.

2.27 Dividend

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

2.28 Investments

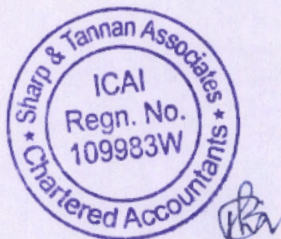
Long Term Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments. Current investments are carried at lower of the cost and fair value.

2.29 Associates and joint ventures

Associates and joint ventures are accounted for under the equity method at cost at the date of acquisition. In subsequent periods, the carrying amount is adjusted up or down to reflect the Group's share of the comprehensive income of the investee. Any distributions received from the investee and other changes in the investee's equity reduce or increase the carrying amount of the investment. If the losses of an associate or joint venture attributable to the Group equal or exceed the value of the interest held in this associate or joint venture, no further losses are recognised unless the Group incurs an obligation or makes payments on behalf of the associate or joint venture. If there are any indications of impairment in the investments in associates or joint ventures, the carrying amount of the relevant investment is subject to an impairment test. If the reason for an impairment loss recognised in prior years no longer exists, the carrying amount of the investment is increased to a maximum figure of the share of net assets in the associate or joint venture.

2.30 Non-current assets held for sale and discontinued operations

Non-current assets are classified separately in the balance sheet as held for sale if they are available for sale in their present condition and the sale is highly probable. Assets that are classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. Liabilities classified as directly related to non-current assets held for sale are disclosed separately as held for sale in the liabilities section of the balance sheet. For discontinued operations, additional disclosures are required in the Notes, as long as the requirements for classification as discontinued operations are met.



VASCON ENGINEERS LIMITED
Notes forming part of Consolidated Financial Statements

Note No. 3 - Property Plant and Equipments and Intangible assets

(₹ in Lakhs)

PARTICULARS	I. Tangible assets							II. Intangible assets		III. Right of Use Assets		
	LEASEHOLD IMPROVEMENTS	LAND	PREMISES	PLANT & MACHINERY	FURNITURE & FIXTURES	MOTOR VEHICLE	OFFICE EQUIPMENT'S	Total	SOFTWARES	OFFICE PREMISES	VEHICLE	Total
Gross Carrying Value												
As at April 1, 2020	350.35	440.02	3,286.54	13,168.65	697.37	322.32	720.57	18,985.82	641.45	1,374.81	74.70	1,449.51
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	2.48	249.33	11.59	75.69	15.81	354.90	26.01	40.41	26.08	66.49
Disposals	-	-	-	98.13	-	49.83	0.36	148.32	-	-	-	-
As at Mar 31, 2021	350.35	440.02	3,289.02	13,319.85	708.96	348.18	736.02	19,192.40	667.46	1,415.22	100.78	1,516.00
Accumulated depreciation												
As at April 1, 2020	105.35	-	1,996.62	9,505.29	616.72	239.06	661.14	13,124.18	624.66	978.80	46.69	1,025.49
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	-	-	-
Additions	16.96	-	103.22	601.87	19.17	25.62	31.26	798.10	24.89	274.41	23.08	297.49
Disposals	-	-	-	85.54	-	45.04	0.34	130.92	-	-	-	-
As at Mar 30, 2021	122.31	-	2,099.84	10,021.62	635.89	219.64	692.06	13,791.36	649.55	1,253.21	69.77	1,322.98
Net carrying value as at Mar 31, 2021	228.04	440.02	1,189.18	3,298.23	73.07	128.54	43.96	5,401.04	17.91	162.01	31.01	193.02
Gross Carrying Value												
As at April 1, 2019	377.44	440.02	3,286.54	13,281.38	692.12	313.22	699.87	19,090.59	634.29	-	-	-
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	1,273.90	74.70	1,348.60
Additions	-	-	-	212.96	5.26	28.34	20.69	267.25	7.16	100.91	-	100.91
Disposals	27.09	-	-	325.69	-	19.24	-	372.02	-	-	-	-
As at March 31, 2020	350.35	440.02	3,286.54	13,168.65	697.38	322.32	720.56	18,985.82	641.45	1,374.81	74.70	1,449.51
Accumulated depreciation												
As at April 1, 2019	106.55	-	1,886.55	8,836.90	587.07	227.97	617.35	12,262.39	600.97	-	-	-
Additions (Transitional Impact on Adoption of IND AS 116)	-	-	-	-	-	-	-	-	-	674.16	29.35	703.51
Additions	17.90	-	110.07	817.17	29.65	28.91	43.79	1,047.49	23.69	304.63	17.34	321.97
Disposals	19.10	-	-	148.78	-	17.82	-	185.70	-	-	-	-
As at March 31, 2020	105.35	-	1,996.62	9,505.29	616.72	239.06	661.14	13,124.18	624.66	978.79	46.69	1,025.48
Net carrying value as at Mar 31, 2020	245.00	440.02	1,289.92	3,663.36	80.66	83.26	59.42	5,861.64	16.79	396.02	28.01	424.03



VASCON ENGINEERS LIMITED
Notes forming part of Consolidated Financial Statements

Note No. 4 - Investment Property

(₹ in Lakhs)

Description of Assets	Buildings
Gross carrying value *	
As at April 1, 2020	2,490.73
Additions	-
Disposals	210.34
As at Mar 31, 2021 (A)	2,280.39
Accumulated depreciation	
As at April 1, 2020	692.96
Charge for the year	87.57
Reversals/ Disposals during the year	98.85
As at Mar 31, 2021 (B)	681.68
Net carrying value as at Mar 31, 2021 (A) - (B)	1,598.71
Gross carrying value *	
As at April 1, 2019	2,490.73
Additions	-
Disposals	-
As at March 31, 2020 (A)	2,490.73
Accumulated depreciation	
As at April 1, 2019	587.50
Charge for the year	105.47
Reversals/ Disposals during the year	-
As at March 31, 2020 (B)	692.97
Net carrying value as at March 31, 2020 (A) - (B)	1,797.76

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

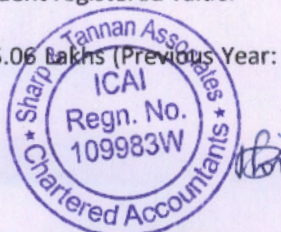
Fair valuation

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Property	3,114.56	3,114.56

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

Note : Of the above, a Building carrying value Rs. 1595.06 Lakhs (Previous Year: Rs.1,678.50 Lakhs) is subject to first charge for secured bank loans (refer note 13.1.)



VASCON ENGINEERS LIMITED
Notes forming part of Consolidated Financial Statements

Note No. 5 : Investment
A. Non Current Investment

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. COST		
I. Unquoted Investments (all fully paid)		
Cosmos Premises Private Limited 162,500 (March 31, 2019: 177,401) Equity Shares of Rs. 10/- Each Fully Paid	566.91	740.48
Vascon Engineers Ltd Wll (Qatar)	0.01	0.01
Phoenix Venture	200.00	200.00
Ajanta Enterprises	4,272.94	4,272.94
VASCON Construction Saga LLP	1.52	1.52
	5,041.38	5,214.95
INVESTMENTS CARRIED AT COST [A]	5,041.38	5,214.95
B. INVESTMENTS CARRIED AT AMORTISED COST		
Investment in Government or trust securities 7 Years National Savings Certificate	0.20	0.20
INVESTMENTS CARRIED AT AMORTISED COST [B]	0.20	0.20
C. Designated as Fair Value Through Profit and Loss		
Quoted investments		
Investments in Equity Instruments - Union Bank of India (formerly Corporation Bank) 330 (March 31,2020: 330) Equity shares of ₹ 10/- Each fully paid	0.11	0.09
Total Aggregate Quoted Investments	0.11	0.09
Unquoted Investments(all fully paid)		
Investments in Equity Instruments of structured entities		
The Saraswat Co-Op Bank Limited 2,500 (March 31, 2018: 2,500) Equity Shares Of Rs.10/- Each Fully Paid	0.25	0.25
	0.25	0.25



VASCON ENGINEERS LIMITED
Notes forming part of Consolidated Financial Statements

Investments in debentures		
Investments in debentures of Ascent Hotels Private Limited Optionally Convertible Redeemable Debenture 6,726,396 (March 31, 2017: 6,726,396) of face Value Rs.10/- each	2,750.00	2,750.00
	2,750.00	2,750.00
INVESTMENTS CARRIED AT FVTPL [C]	2,750.36	2,750.34
TOTAL INVESTMENTS [A] + [B] + [C]	7,791.94	7,965.49

Details of quoted / unquoted investments:

	(₹ in Lakhs)	
Particular	As at March 31, 2021	As at March 31, 2020
Aggregate amount of Quoted Investments and Market Value thereof	0.25	0.25
Aggregate amount of Unquoted Investments	7,791.94	7,965.49
Aggregate amount of Provision for expected credit loss on investments		

Note- Refer Note 35 for Summarised information for those joint ventures which are material to the Group

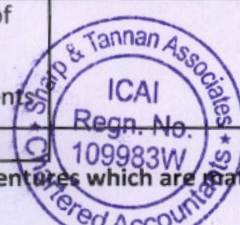
B. Current Investment

	(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020
Designated as Fair Value Through Profit and Loss		
I. Unquoted Investments (all fully paid)		
Investments in Equity Instruments of structured entities		
Sita Lakshmi Mills Limited 806,000 (March 31, 2018: 806,000) Equity Shares of Rs 50/- Each Fully Paid	234.00	234.00
Total Unquoted Investments	234.00	234.00
Quoted Investments		
Investment in Mutual Funds	78.70	1,569.42
HSBC Cash Fund - Growth Direct Plan Units 4335.6070 (March 31, 2020: 4335.6070) , NAV ₹ 1,977.4898(March 31, 2020: ₹ 1,977.4898) each		
Reliance Liquid Fund - Treasury Plan Units 30,587.0230 (March 31, 2020: 30,587.0230), NAV ₹ 4,850.6885 (March 31, 2020: ₹ 4,850.6885) each		
Total Quoted Investments	78.70	1,569.42
TOTAL CURRENT INVESTMENTS	312.70	1,803.42

Details of quoted / unquoted investments:

	(₹ in Lakhs)	
Particular	As at March 31, 2021	As at March 31, 2020
Aggregate amount of Quoted Investments and Market Value thereof	78.70	1,569.42
Aggregate amount of Unquoted Investments	234.00	234.00
Aggregate amount of Provision for expected credit loss on investments		

Note- Refer Note 35 for Summarised information for those joint ventures which are material to the Group



VASCON ENGINEERS LIMITED
Notes forming part of Consolidated Financial Statements

Note No. 6 : Loans
A. Non Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Other Loans		
- Unsecured, considered good	359.34	880.40
Total	359.34	880.40

B. Current Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Loans and Advances to Employees		
- Unsecured, considered good	255.20	340.96
b) Loans to related parties (Refer Note 33)		
- Unsecured, considered good	530.49	362.67
c) Other Loans		
- Unsecured, considered good	5,980.76	6,102.72
TOTAL	6,766.45	6,806.35

Note No. 7 : Other Financial Assets
A. Non - Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortised cost		
a) Security Deposits		
- Unsecured		
Considered good	923.11	915.29
Considered doubtful	25.00	25.00
Less: Allowance for Credit Losses	(25.00)	(25.00)
	923.11	915.29
b) Bank deposits with more than 12 months maturity	570.88	277.34
c) Project Advances	8,550.20	8,931.65
d) Interest accrued on deposits	23.98	8.20
TOTAL	10,068.17	10,132.48



B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets at amortised cost		
a) Security Deposits - Unsecured	1,101.17	601.60
b) Interest accrued on deposits	173.22	165.81
c) Project Advances	2,647.97	2,544.93
d) Other Recoverable (incl JV Partner share)	636.78	514.39
e) Amounts due from customers under construction contracts		
- Gross amount due from customer	19,373.62	15,762.62
- Less : Related Advance Payments received	(4,007.64)	(2,725.90)
	15,365.98	13,036.72
TOTAL	19,925.12	16,863.45

Note No. 8 : Other Non Current and Current Assets

A. Non current

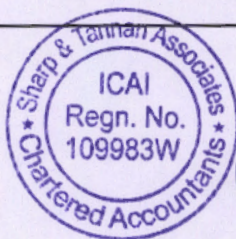
(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Balances with government authorities (other than income taxes)	1,873.46	1,893.47
TOTAL	1,873.46	1,893.47

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Advances to suppliers	2,099.43	1,976.62
b) Other Receivable	145.23	200.73
b) Prepaid Expenses	693.54	794.29
c) Travel Advance	16.09	5.92
TOTAL	2,954.29	2,977.56



VASCON ENGINEERS LIMITED
Notes forming part of Consolidated Financial Statements

Note No. 9 : Inventories

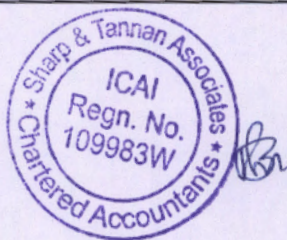
(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Building materials / Tools	5,059.47	4,530.62
b) Projects under Development	34,889.06	31,721.48
c) W.I.P/ Finished Goods	519.35	429.27
d) Completed Projects	5,456.70	11,404.44
Total Inventories at the lower of cost or net realisable value	45,924.58	48,085.81

Note No. 10 : Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding for a period exceeding six months from the date they are due		
(a) Unsecured, considered good	8,885.68	10,914.63
(b) Doubtful	3,973.73	2,584.46
Less: Allowance for Credit Losses	(3,973.73)	(2,584.46)
	8,885.68	10,914.63
Others		
(a) Unsecured, considered good	4,569.59	4,291.65
	4,569.59	4,291.65
Retention (Accrued but not due)		
(a) Unsecured, considered good	4,310.90	4,431.44
	4,310.90	4,431.44
(Less) : Related Unearned Receivables	(1,349.00)	(1,540.39)
Total	16,417.17	18,097.33



Notes:

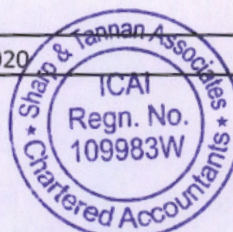
1. The Group records receivables on account of goods sold or services rendered in the normal course of business and classify the same as "trade receivable".
2. The normal credit period allowed by the Group ranges from 30 to 60 days.
3. Trade receivables includes receivables from related parties and amount due from directors or other officers of the Group either severally or jointly with any other person or any trade or other receivables due from firm or private companies in which any director is a partner, a director or member (Refer Note 33).
4. The concentration of credit risk is limited due to the fact that customer base is large and unrelated.
5. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit losses experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
EPC:		
Less than 1 year	5,029.42	2,936.10
1-2 year	1,584.58	1,907.46
2-3 year	1,178.65	597.77
More than 3 year	4,420.86	4,605.63
Less :- Expected Credit Loss	(2,557.82)	(1,273.00)
Total	9,655.69	8,773.96
Development Sales Receivables	817.08	2,624.07
Receivables from Related Parties	291.24	971.16
Clean Room & BMS (GMP) Sales Receivables	7,069.05	7,039.59
Less :- Expected Credit Loss *	(1,415.89)	(1,311.45)
Total	5,653.16	5,728.14
TOTAL	16,417.17	18,097.33

* The Group performs credit assessment for customers on an annual basis and recognizes credit risk, on the basis of lifetime expected losses and where receivables are due for more than six months.

Movement in the expected credit loss allowance is as follows:

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period / year	2,584.46	2,939.63
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit loss	1,392.41	39.81
Utilization / Reversals	(3.16)	(394.98)
Balance at end of the year - March 31, 2021 / 2020	3,973.71	2,584.46



Note No. 11 : Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A) Current Cash and bank balances		
a) Unrestricted Balances with banks#	2,101.70	2,011.16
b) Cash on hand	165.14	217.35
c) Balances with banks in deposit accounts with original maturity of less than 3 months	487.23	238.54
Cash and cash equivalent as per balance sheet	2,754.07	2,467.05
Bank Overdraft	60.27	167.12
Total Cash and cash equivalent as per statement of cash flows	2,693.80	2,299.93
B) Other bank balances		
a) Balances with banks in deposit accounts with original maturity more than 3 months	451.75	153.60
b) In earmarked accounts - Balances held as margin money or security against borrowing, gurantee and other commitments*	4,797.76	4,258.91
Total Other Bank Balances	5,249.51	4,412.51

* Represents margin money against various guarantees and letters of credit issued by bank on behalf of the Company. These deposits are not available for use by the Company as the same is in the nature of restricted cash.

Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.



Vascon Engineers Limited
Notes forming part of Consolidated Financial Statements
Note No. 12 - Equity Share Capital

Equity share capital	As at March 31, 2021		As at March 31, 2020	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
Authorised:				
Equity shares of Rs 10 each with voting rights	264,130,000	26,413.00	264,130,000	26,413.00
Preference Share of Rs. 10 each without voting rights	5,000,000	500.00	5,000,000	500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	182,136,716	18,213.67	178,136,716	17,813.67

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.

Note No. 12.1 - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Number of Shares	(₹ in Lakhs)
		Equity share capital
Issued and Paid up Capital at April 1, 2019	178,136,716	17,813.67
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	-	-
Balance at March 31, 2020	178,136,716	17,813.67
Changes in equity share capital during the year		
Issue of equity shares under employee share option plan	4,000,000	400.00
Balance at March 31, 2021	182,136,716	18,213.67

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

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
R. Vasudevan	42,428,701	23.29	42,428,701	23.82
Vatsalya Enterprises Private Limited	9,599,275	5.27	9,078,947	5.10
Lalitha Vasudevan	9,500,158	5.22	8,919,538	5.01
Santosh Sundarajan	9,140,643	5.02	8,134,393	4.57

(iii) As at 31 Mar, 2021, 8,000,000 shares (As at 31 March, 2020, 12,000,000 shares) were reserved for issuance as follows:

Particulars	No. of shares	
	As at March 31, 2021	As at March 31, 2020
Outstanding employee stock options granted / available for grant	8,000,000	12,000,000



Note No. 12.2 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Capital Redemption Reserve		
Opening Balance	1,377.50	1,377.50
Addition during the year	51.00	-
	1,428.50	1,377.50
b) Securities Premium Reserve		
Opening Balance	55,493.35	55,493.35
Transferred on account on exercise of share based payment	605.60	-
	56,098.95	55,493.35
c) Equity-settled employee benefits reserve		
Opening Balance	1,537.64	1,074.87
Amount recorded on grants during the year	224.40	462.77
Transferred to securities premium account on exercise	(605.60)	-
	1,156.44	1,537.64
d) General Reserve		
Opening Balance	1,537.50	1,537.50
	1,537.50	1,537.50
e) Foreign Currency Translation Reserve		
Opening Balance	2.66	2.66
	2.66	2.66
f) Retained Earnings		
Opening Balance	(4,332.26)	(8,275.55)
Transitional Adjustment on account of application of Ind AS 116	-	(134.60)
Transfer to Capital Redemption Reserve	(51.00)	-
Profit for the year	(4,091.52)	3,966.48
Other Comprehensive income	(47.13)	111.68
Consolidation Adjustment*	-	(0.27)
	(8,521.91)	(4,332.26)
* Consolidation adjustment represent impact of change in unaudited financials to audited financials of one of the Subsidiaries		
	51,702.14	55,616.39



Description of Reserves

Retained Earnings: Retained earnings represent the amount of accumulated earnings of the Company

Securities premium reserve: The amount received in excess of the par value of equity shares has been classified as securities premium.

General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act, 1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Equity-settled employee benefits reserve: The Share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees

Capital Redemption Reserve: As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Note No. 12.3: Non Controlling Interest

(₹ in Lakhs)

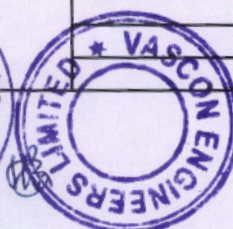
Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	936.84	935.48
Transitional Adjustment on account of application of Ind AS 116	-	(5.99)
Profit / (Loss) for the year	53.88	15.06
Other Comprehensive Income	9.47	(7.71)
	1,000.19	936.84

Note No. 13 : Borrowings

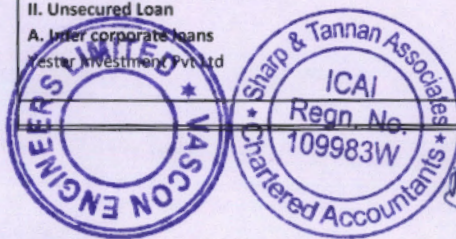
A. Non Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost		
A. Secured Borrowings:		
a) Fully Redeemable Debentures	2,885.37	7,293.70
b) Term Loans		
From Financial Institution	1,344.68	1,835.42
c) Long term maturities of finance lease obligations	36.77	35.77
Total Secured Borrowings	4,266.82	9,164.89
B. Unsecured Borrowings - at amortised Cost		
Inter corporate deposits	-	3.73
Total Unsecured Borrowings	-	3.73
Total Borrowings carried at Amortised Cost [A] + [B]	4,266.82	9,168.62
Measured at FVTPL		
2114 (March 31, 2018: 6861) Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures 5864 of ₹ 1 lakhs each	-	664.00
Total Borrowings carried at FVTPL	-	664.00
Total Borrowings	4,266.82	9,832.62



Name of the lender	Outstanding amount	Current Maturities	Long Term					Rate of interest	Nature of security
			2022-23	2023-24	2024-25	2025-28	Total		
I. Secured Loan									
a) Kotak India Real Estate Fund	7,068.70	4,183.33	2,885.37	-	-	-	2,885.37	15.50%	1. Sole & Exclusive mortgage on the identified unsold units with 1.40 lacs sq.ft. Of Saleable area, including 2 villas of the project & Personal Guarantee of the Promoter 2. Sole & Exclusive first charge on the Project development rights both Vascon and Land Owners under Development Agreement 3. Hypothecation on 100% receivable from the Project, which includes boty vascon's and Land Onwer's shares. 4. Escrow account on cash flow from the sales collected from the project 5. Post dated cheques from for the repayment amount of principle and interest
b) JM Financial Credit Soution Limited	2,154.97	1,860.96	294.01	-	-	-	294.01	15.05%	Secured by way of registered mortgage on the land admesuring approximately 9.9 acres along with approx saleable are of 0.61 MMSFT in Project Good Life located at Talegaon Pune and also escrow of receivable generated from Project Goodlife and secured by way of personal guarantee of Promoter
c) JM Financial Credit Soution Limited	319.00	-	79.75	79.75	79.75	79.75	319.00	14.00%	Guarenteed Emergency Credit Line against the Point No. (b) above
d) Zero Coupon, Rupee denominated, Unrated, unlisted, secured, Non Convertible Debentures of Rs.1,00,000/- each (Refer Note 42)	1,364.00	1,364.00	-	-	-	-	-	0.00%	Pledge of shares of GMP Technical Solution Pvt Ltd (Subsidiary)
e) ICICI Home Finance	844.52	112.84	127.66	144.42	163.38	296.22	731.67	12.40%	Secured by way of registered mortgage on Unit No. 1, 2nd Floor, HDIL Kaledonia, Sahar Road, Andheri (East), Mumbai Admeasuring 9405 Sq Ft. carpet Area.
From Financial Institutions									
Daimler Financial Services India Pvt Ltd	35.12	35.12	-	-	-	-	-	10.65%	Hypothecation of Vehicle financed by lender
Daimler Financial Services India Pvt Ltd	47.50	10.73	36.77	-	-	-	36.77	6.60%	Hypothecation of Vehicle financed by lender
	82.62	45.84	36.77	-	-	-	36.77		
II. Unsecured Loan									
A. Inter corporate loans									
Vestor Investment Pvt Ltd	500.00	500.00	-	-	-	-	-	12.00%	Not Applicable
	12,333.81	8,066.98	3,423.56	224.17	243.13	375.97	4,266.82		



B. Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Secured Borrowings		
a) Cash Credit From Banks	7,486.56	8,416.52
	7,486.56	8,416.52
B. Unsecured Borrowings		
a) From Banks (Bank overdraft)	60.27	167.12
b) Loans from related parties (Refer Not 33)	1,382.77	558.63
c) Loans from other parties	56.49	1,022.53
	1,499.53	1,748.28
Total Borrowings	8,986.09	10,164.80

Cash Credit from State Bank of India and Union Bank of India ranging from 9 % -15.50 % is secured by way of hypothecation of building materials, work in progress, finished flats, book debts and equitable mortgage of specified properties of the Company and other entities including a wholly owned subsidiary, corporate guarantee of other Companies including a wholly owned subsidiary and personal guarantee of the Managing Director of the Company.

5,875.91

6,647.51

Cash credit from Axis Bank @ 13%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) factory land and building (Unit I & Unit II) situated at Baddi and Corporate Guarantee of Holding Company.

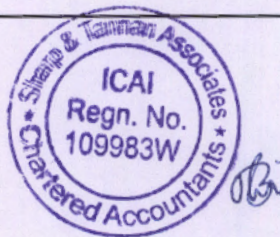
479.87

508.38

Cash credit from Bank of Baroda @ 15.15%, Secured by hypothecation of present and future current assets of the Subsidiary (GMP Technical Solutions Pvt Ltd) and equitable mortgage of Subsidiary's (GMP Technical Solutions Pvt Ltd) office at Ghatkopar and Corporate Guarantee of Holding Company.

1,130.78

1,260.63



VASCON ENGINEERS LIMITED
Notes forming part of Consolidated Financial Statements

Note No. 14 : Other Financial Liabilities
A. Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Financial Liabilities Measured at Amortised Cost		
Commitment and other deposits	1,737.53	1,695.24
Lease Liability (Refer Note 29)	41.08	129.55
Other Non-Current Financial Liabilities	1,778.61	1,824.79

B. Current

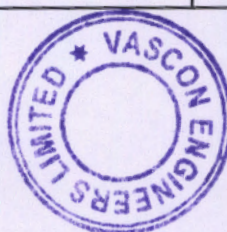
(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Current maturities of long term debt (Refer Note 13.1)	8,021.14	5,238.78
b) Current maturities of lease obligations (Refer Note 29)	97.59	296.20
c) Interest accrued but not due on borrowings	51.81	43.54
d) Interest accrued but due on borrowings	641.95	865.58
e) Lease Liability	53.45	-
f) Creditors for capital supplies/services	38.43	17.50
g) Others	82.12	87.47
Total other financial liabilities	8,986.49	6,549.07

Note No. 15 : Trade and other payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of Small and Medium Enterprises	62.34	1.90
Total outstanding dues to creditors other than Small and Medium Enterprises	24,048.62	20,157.06
Total trade payables	24,110.96	20,158.96



Note No. 16 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Provision for employee benefits		
1) Compensated absences	884.76	812.16
2) Gratuity (Refer Note 31)	1,030.39	1,064.38
	1,915.15	1,876.54
b) Others		
Taxation (Net of Advance Tax)	318.26	104.28
	318.26	104.28
TOTAL	2,233.41	1,980.82

Note No. 17 : Current Tax and Deferred Tax

(a) Income Tax Expense

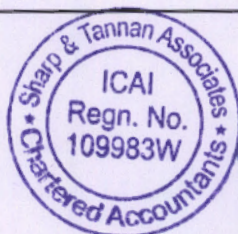
(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax:		
Current Income Tax Charge	1.15	8.03
Adjustments in respect of prior years	(0.58)	1.95
Deferred Tax		
In respect of current year origination and reversal of temporary differences	40.93	(1.47)
Total Tax Expense recognised in profit and loss account	41.50	8.51

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before Tax	(3,986.64)	3,982.34
Income Tax using the Company's domestic Tax rate @ 25.168 %	(1,003.36)	1,378.29
Effect of :		
Income that are exempt from taxation	82.24	(1,243.88)
Expenses that are non deductible in determining taxable profit	32.65	21.48
Different tax rate of subsidiaries	0.01	(9.36)
Adjustments recognised in the current year in relation to the current tax of prior years	888.87	(136.55)
Deferred tax assets recognised on temporary differences	40.93	(1.47)
Changes in estimates related to prior years	0.16	
Income Tax recognised In P&L	41.50	8.51



c) Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of Fixed Assets	18.15	178.76
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	1.34	1.34
Others		-
Tax effect of items constituting deferred tax liability	19.49	180.10
<u>Tax effect of items constituting deferred tax asset</u>		
Provision for compensated absences and gratuity	74.01	234.62
Disallowance u/s 40a / Provision for Doubtful debts & Advances	562.35	605.31
MAT Credit Entitlement	6.41	6.41
Effects of reameasuring Financials instruments, Financial guarantee Commission and OCI under IND AS	48.98	48.98
Unabsorbed depreciation carried forward and brought forward	2.43	0.40
Tax effect of items constituting deferred tax asset	694.18	895.72
Net Deferred Tax Asset / (Liability)	674.69	715.62

Note : Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the Company, basis their assessment opted for a lower corporate tax rate as per section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2020-21 onwards. Accordingly, the Company recognized Provision for Income Tax and re-measured the Deferred Tax Liabilities on the basis of the revised lower tax rate and impact of the same was recognized in the year ended March 31, 2021.

Note No. 18 : Other Liabilities

A. Non Current

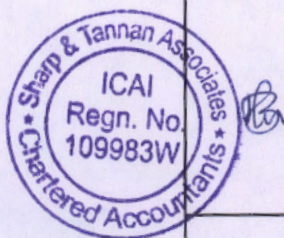
(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Deferred Revenue		
- Deferred Government grant related to assets	3.17	7.17
Total	3.17	7.17

B. Current

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Advances received from customers		
- Gross amount due to customers	9,894.54	9,293.90
- Less : Related Unbilled Revenues	(4,007.64)	(2,725.90)
	5,886.90	6,568.00
b. Amount due to customers under construction contracts		
- Gross amount due to customers	4,485.75	3,964.69
- Less : Related Debtors	(1,349.00)	(1,540.39)
	3,136.75	2,424.30
c. Statutory dues		
- taxes payable (other than income taxes)	1,687.46	1,685.18
d. Deferred Revenue		
- Deferred Government grant related to assets	4.00	4.00
Total Other Current Liabilities	10,715.11	10,681.48



VASCON ENGINEERS LIMITED

Notes forming part of Consolidated Financial Statements

Note No. 19 : Revenue from operations

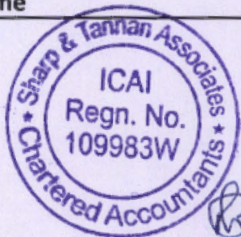
(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue recognised / sales (gross)		
- Contract Revenue	29,633.32	25,405.53
- Sale of Unit/Land	5,787.57	7,241.25
- Trading Sales & Other Sales	6.99	0.15
- Manufacturing Sales	14,854.31	15,282.38
- Other sales (Includes maintenance charges of socety,Hire charges,Scrap Sales)	215.46	358.08
Other Operating Income		
- Rent / Compensation / Maintenance	190.60	210.20
- Share of profit / (loss) from Joint Venture	(111.09)	3,593.99
Total Revenue from Operations	50,577.16	52,091.58

Note No. 20 : Other Income

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest income on Financial Assets at Amortised Cost	541.09	533.83
b) Dividend received on investments carried at fair value through profit or loss in Liquid Mutual fund units	9.78	81.21
c) Gain / (loss) on investments carried at fair value through profit or loss	-	732.05
d) Dividend income Other	-	0.04
e) Profit on sale on Investment	-	169.37
f) Provision / Creditors no longer required written back	181.36	92.12
g) Profit on sale of capital assets (Net of loss on assets sold / scrapped / written off)	339.85	3.37
h) Bad Debts Recovered	42.45	54.12
i) Foreign exchange gain	-	76.31
j) Miscellaneous income	126.54	254.44
Total Other Income	1,241.07	1,996.86



Notes forming part of Consolidated Financial Statements

Note No. 21.a : (a) Cost of materials consumed

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract	24,811.07	19,188.23
Development	2,317.75	3,832.19
Cost of Material Consumed	9,485.60	9,489.85
Incidental borrowing cost incurred attributable to qualifying assets	943.94	815.51
Total cost of materials consumed	37,558.36	33,325.78

Note No. 21.b : (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade

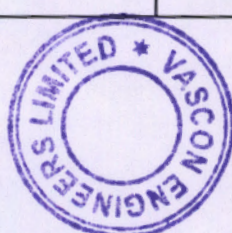
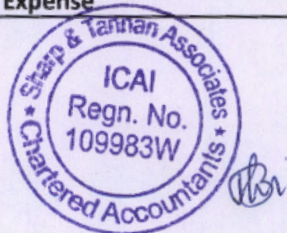
(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
Segment wise Revenue and Results		
<u>Closing balance of projects under development :</u>		
Completed Units / Finished goods	519.34	429.27
Work-in-progress	40,345.77	43,125.91
	40,865.11	43,555.18
<u>Opening balance of projects under development:</u>		
Completed Units / Finished goods	429.27	454.08
Work-in-progress	43,125.91	44,667.60
Add- Transitional Adjustment on account of application of Ind AS 115	-	-
	43,555.18	45,121.68
Net (increase) / decrease	2,690.07	1,566.50

Note No. 22 : (d) Employee benefit expense

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Salaries and wages, including bonus	5,245.26	6,195.89
b) Contribution to provident and other funds (Refer Note 31)	294.56	335.83
c) Share based payment transactions expenses (Refer Note 28)	224.40	462.77
d) Staff Welfare & Other Expenses	92.90	184.97
Total Employee Benefit Expense	5,857.12	7,179.46



Notes forming part of Consolidated Financial Statements

Note No. 23 : (e) Finance costs

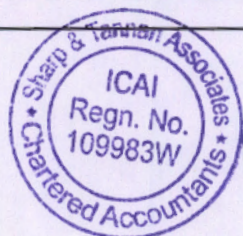
(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Interest expense	3,449.66	2,573.40
b) Other borrowing costs	174.63	147.47
	3,624.29	2,720.87
Less : Amounts included in the cost of qualifying assets	943.94	815.51
Total Finance Costs	2,680.35	1,905.36

Note No. 24 : (g) Other expenses

(₹ in Lakhs)

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Stores and spares consumed	220.68	280.70
b) Power & Fuel oil consumed	230.30	322.80
c) Rent including lease rentals	227.87	193.53
d) Repairs to buildings	60.64	43.02
e) Repairs to Plant & Machinery	87.00	84.85
f) Repairs and maintenance - Others	39.28	115.14
g) Rates & Taxes	153.56	222.33
h) Insurance charges	85.01	72.73
i) Bad debts and other receivables, loans and advances written off	446.32	668.06
j) Provision For Doubtful Debt And Advances	1,850.00	(236.15)
k) Loss on Sale of Fixed Assets	-	0.50
l) Audit Fees	-	-
1) Audit fees	43.27	56.80
2) Limited Review	18.00	15.00
3) Other services	-	-
m) Other Expenses		
1) Legal and other professional costs	708.24	1,023.29
2) Advertisement, Promotion & Selling Expenses	249.42	582.47
3) Travelling and Conveyance Expenses	261.22	447.88
4) Postage and telephone	79.62	98.29
5) Printing and stationery	32.47	76.82
6) Brokerage / commission	61.49	80.09
7) Donations	1.63	55.64
8) Corporate Social Responsibility Expenditure (Refer Note 40)	100.00	-
9) Bank charges	62.15	137.75
10) Hire Charges Paid	26.01	17.54
11) Foreign exchange gain / loss (net)	12.64	-
12) Miscellaneous Expenses	352.70	270.34
n) Net gain/(loss) arising on financial assets designated as at FVTPL	400.00	0.19
Total Other Expenses	5,809.52	4,629.61



Note 25: Disclosures under Ind AS 33

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic Earnings per share (Amount In Rupees)	(2.27)	2.22
Diluted Earnings per share (Amount In Rupees)	(2.27)	2.21

Basic earnings per share

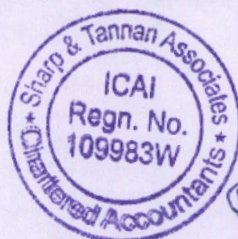
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year	(4,028.17)	3,973.84
Add: Loss attributable to Non - Controlling Interest	53.88	15.06
Profit for the year attributable to owners of the Company (A)	(4,082.05)	3,958.78
Weighted average number of equity shares (B)	179,603,383	178,136,716
Earnings per share from continuing operations - Basic (Amount In Rupees) (A / B)	(2.27)	2.22

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the Stock options for the respective periods. Anti-dilutive effect, if any, has been ignored.

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (loss) for the year used in the calculation of basic earnings per share	(4,082.05)	3,958.77
Weighted average number of equity shares used in the calculation of Basic EPS	179,603,383	178,136,716
Employee Stock Option Plans	552,510	629,442
Weighted average number of equity shares used in the calculation of Diluted EPS	180,155,893	178,766,158
Earnings per share from continuing operations - Dilutive (Amount In Rupees)	(2.27)	2.21



Note No. - 26 Fair Value

Set out below is the comparison by class of the carrying amounts and fair value of the Group's financial instruments

(₹ in Lakhs)

Particulars	Carrying amount		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Non - Current Assets				
(i) Investments	5,041.58	5,215.14	5,041.58	5,215.14
(ii) Loans	359.34	880.40	359.34	880.40
(iii) Others Financial Assets	10,068.17	10,132.48	10,068.17	10,132.48
Current Assets				
(i) Trade receivables	16,417.16	18,097.33	16,417.16	18,097.33
(ii) Cash and cash equivalents	2,754.07	2,467.05	2,754.07	2,467.05
(iii) Bank balances other than (ii) above	5,249.50	4,412.51	5,249.50	4,412.51
(iv) Loans	6,766.45	6,806.35	6,766.45	6,806.35
(v) Others Financial Assets	19,925.12	16,863.44	19,925.12	16,863.44
Financial assets measured at fair value through Statement of Profit & Loss				
(a) Current investments	312.70	1,803.42	312.70	1,803.42
(b) Non Current investments quoted	0.11	0.09	0.11	0.09
(c) Non Current investments unquoted	2,750.25	2,750.25	2,750.25	2,750.25
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non - Current Liabilities				
(i) Borrowings	4,266.82	9,168.62	4,266.82	9,168.62
(ii) Other financial liabilities	1,778.61	1,824.79	1,778.61	1,824.79
Current Liabilities				
(i) Borrowings	8,986.10	10,164.79	8,986.10	10,164.79
(ii) Trade and other payables	24,110.98	20,158.96	24,110.98	20,158.96
(iii) Other financial liabilities	8,986.48	6,549.06	8,986.48	6,549.06
Financial liabilities measured at fair value through Statement of Profit & Loss				
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	-	664.00	-	664.00

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

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

Discount rates used in determining fair value

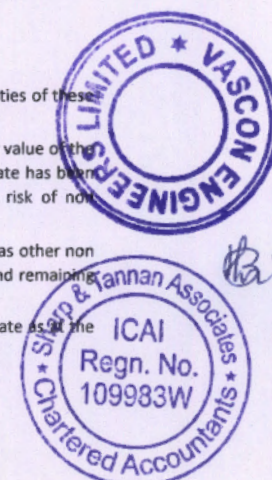
The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Group and in case of financial assets is the average market rate of similar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

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

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

The following methods and assumptions were used to estimate fair value:

- Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- Security deposit paid are evaluated by the Group based on parameters such as interest rate non performance risk of the customer. The fair value of the Group's security deposit paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowing taken by similar credit rate companies where the risk of non performance risk is more than significant.
- Fair value of quoted mutual funds is based on the net assets value at the reporting date. The fair value of other financial liabilities as well as other non current financial liabilities is estimated by discounting future cash flow using rate currently applicable for debt on similar terms, credit risk and remaining maturities.
- The fair value of the Group's interest bearing borrowing received are determined using discount rate that reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the reporting was assessed to be insignificant.



Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

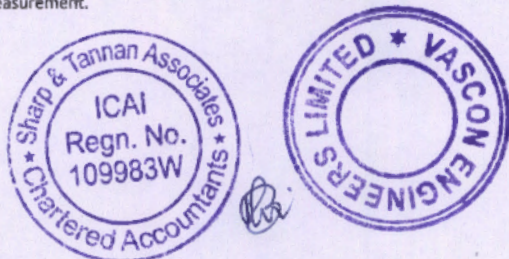
Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents the assets and liabilities measured at fair value on recurring basis at March 31, 2021 and March 31, 2020.

		(₹ in Lakhs)		
Particulars	Level 1	Level 2	Level 3	
March 31, 2021				
Investment in mutual funds	78.70	-	-	
Equity	0.11	-	-	
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00	
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	-	
March 31, 2020				
Investment in mutual funds	1,569.42	-	-	
Equity	0.09	-	-	
Investment in Optionally Convertible Redeemable Debentures	-	-	2,750.00	
Zero Coupon, Rupee Denominated, Unrated, Unlisted, Secured Non Convertible Debentures	-	-	664.00	

During the year ended March 31, 2021, there were no transfer between Level 1 and Level 2 fair value measurement and no transfer into and out of Level 3 fair value measurement.



Note No. - 27 Financial Instruments and Risk Review

Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 45%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(₹ in Lakhs)

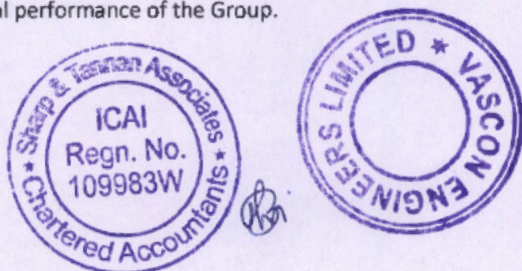
Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (Refer Note 13)	21,371.64	25,532.39
Trade Payables (Refer Note 15)	24,110.98	20,158.98
Less : Cash and Cash Equivalents (Refer Note 11)	8,003.58	6,879.56
Net Debt	37,479.04	38,811.81
Total Equity (Refer Note 12)	69,915.81	73,430.06
Total Capital	69,915.81	73,430.06
Capital and Net Debt	107,394.85	112,241.87
Gearing Ratio	35%	35%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Financial Risk Management Framework

Vascon Engineers Limited is exposed primarily to credit risk, liquidity risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.



i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables. None of the financial instruments of the Group result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial asset represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 52,768.16 lakhs and ₹ 52,328.65 lakhs as of March 31, 2021 and March 31, 2020 respectively. Trade receivables are typically unsecured and are derived from revenue earned from Development, EPC and manufacturing customer. Credit risk is managed by the Group by continuously monitoring the recovery status of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks.

Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Group's exposure to customers is diversified and some customer contributes more than 10% of outstanding accounts receivable as of March 31, 2021 and March 31, 2020, however there was no default on account of those customer in the past. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

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

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

Movement in the expected credit loss allowance:

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period year	2,584.46	2,939.63
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1,392.42	39.81
Utilization / Reversals	(3.16)	(394.98)
Balance at the end of the year	3,973.73	2,584.46



ii) Liquidity Risk**a) Liquidity risk management**

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

b) Maturities of financial liabilities

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

(₹ in Lakhs)

Particulars	31-Mar-21		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	24,110.95	-	-
Other Financial Liabilities	8,986.48	1,778.61	-
Working capital demand loans / Term loans	8,986.09	4,266.82	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	1,364.00	-	-

(₹ in Lakhs)

Particulars	31-Mar-20		
	Less than 1 Year	1-3 Years	4-5 Years
Financial liabilities			
Trade payables	20,158.98	-	-
Other Financial Liabilities	6,549.06	1,824.79	-
Working capital demand loans / Term loans	10,164.79	9,168.62	-
Zero Coupon, Rupee denominated, Unrated, Unlisted, Secured, Non Convertible Debentures	700.00	664.00	-

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or having economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels



Note No - 28: Share Based Payments

Employee stock option scheme (ESOS) - 2017

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

The ESOS granted on 10th August 2017, was repriced on 15th March 2019, at a predetermined rate of ₹ 15/- per share. The maximum exercise period is 4 year from the date of vesting i.e 30th Sept 2017. The ESOS granted on Feb 2021, was repriced on 8th Sept 2020, at a predetermined rate of ₹ 10/- share.

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

Particulars	FY 2020-21	FY 2019-20
Options granted, beginning of the year	12,000,000	12,000,000
Granted during the year	4,000,000	4,000,000
Exercised during the year	4,000,000	-
Cancelled/lapsed during the year	-	-
Options granted, end of the year	8,000,000	12,000,000
Weighted Average remaining life	1.42	2.42

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

The inputs used in the measurement of the fair values at grant date of the share-based payment plans were as follows.

Particulars	Employee Share Purchase Plan
	ESOS - 2017
Share price at grant date	29.55
Exercise price	15
Expected volatility	68.00%
Expected life / Option Life	4 Year from the date of vesting
Expected dividends yield	0%
Risk-free interest rate (based on government bonds)	6.70%



iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Singapore Dollar, Great Britain Pound, Japanese Yen against the respective functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange.

The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

1) Foreign currency exposures hedged by derivatives - Rs. Nil (Previous Year - Rs. Nil)

2) Details of Foreign currency exposures that are not hedged by derivative instrument or otherwise :

Particulars	Currency	Amount in foreign currency (in Lakhs)		Equivalent amount (₹ in Lakhs)	
		For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Trade Payable	EURO	-	-	-	-
	GBP	-	-	-	-
	USD	0.52	0.47	38.54	35.56
Trade Receivables	EURO	0.18	0.81	15.87	66.87
	USD	11.34	13.73	833.78	1,034.82
		-	-		

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in USD, EUR and JPY exchange rates, with all other variables held constant, the impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs)			
For the year ended	Currency	Change in Rate	Effect on Pre Tax Profit
March 31, 2021	USD	+10%	79.52
	USD	-10%	(79.52)
	EURO	+10%	1.59
	EURO	-10%	(1.59)
March 31, 2020	USD	+10%	99.93
	USD	-10%	(99.93)
	EURO	+10%	6.69
	EURO	-10%	(6.69)

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not affect the exposure during the year.



Note No. 29 - Disclosures under Ind AS 116

The Company has elected below practical expedients on transition to Ind AS 116:

- (i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (ii) Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
- (iii) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- (iv) Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration

(v) The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

(vi) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 13%.

(A) Leases as lessee

(i) The movement in Lease liabilities during the year

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	461.52	47.55
Balance as at 1st April, 2019 (on adoption of Ind AS 116 - Leases)	-	685.81
Additions during FY 2020-21	66.48	100.91
Deletion during the year	78.99	-
Finance costs incurred during the year	31.59	79.05
Payments of Lease Liabilities	299.21	451.80
Balance as at 31st March, 2021	181.39	461.53

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -3 "Property, Plant

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

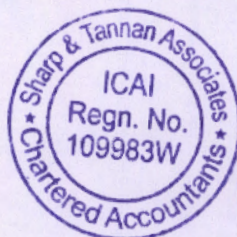
(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Expenses related to Short Term Lease & Low Asset Value Lease		
- Finance Cost	31.59	79.05
- Depreciation	295.51	320.00
(ii) Expenses related to Short Term Lease & Low Asset Value Lease	192.45	155.88
Total Expenses	519.55	554.92

(iv) Maturity analysis of lease liabilities

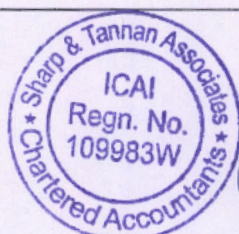
(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	92.72	343.40
One to five years	20.04	190.69
More than five years		
Total undiscounted Lease Liability	112.75	534.09
Balances of Lease Liabilities		
Non Current Lease Liability	41.08	165.32
Current Lease Liability	140.30	296.20
Total Lease Liability	181.39	461.52



Note - 30: Contingent liabilities and commitments

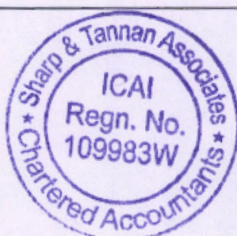
Contingent liabilities (to the extent not provided for)	₹ in Lakhs	
	As at 31 March, 2021	As at 31 March, 2020
Contingent liabilities (a) Disputed demands for Income Tax 260.63 260.63 (b) Disputed demands for Service Tax / Excise Duty / Sales Tax 822.70 288.72 (c) Disputed demands for Value Added Tax / GST 1,237.35 1,085.48 (d) Performance and financial guarantees given by the Banks on behalf of the Group 14,119.78 21,045.83 (e) Corporate guarantees given for other companies / entities and mobilization 12,927.19 14,077.19 (f) Custom Duty on Export obligation The Company has imported Goods under the Export Promotion Capital Goods Scheme (EPCG), of the Government of India, at the concessional rates of duty with an obligation to fulfill the specified exports. Failure to meet this export obligation within the stipulated timeframe as per Foreign trade policy would result in payment of the aggregate differential duty saved as mentioned below along with interest there on. The company is confident of meeting the obligation. (g) Claims against the Group not acknowledged as debt 3,701.90 3,782.29 (i) The Creditors of the Company have filed a civil suit claiming of ₹ 810.81 lakhs (Previous year ₹ 891.20 lakhs) as amount due to them, which claims the Company is disputing. (ii) Short Levy of Stamp Duty due to misclassification of conveyance deed as development agreement amounting to ₹ 20.14 lakh (Previous year ₹ 20.14 lakh) with Joint District Registrar & Collector of Stamps, Pune. (iii) One of the labour supplier has filed a criminal complaint in Additional Magistrate Court, Dadar, Mumbai, for recovery of his dues for ₹ 3.95 lakhs (Previous year - ₹ 3.95 lakhs). (iv) One of the customer has filed arbitration proceeding against the Company for loss on account of wastage i.e. excess consumption of cement and steel, loss on account of escalation of cement and steel, additional cost incurred for completing the balance work, loss for rectifying defective work, refund of amount in VAT and excess duty, loss of reputation and liquidated damages and interest, amounting to ₹ 2,867.00 lakhs (Previous year ₹ 2,867.00 lakhs). (v) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 5,016.95 sq mtrs for a consideration of ₹ 376.27 Lacs. In respect of the above land one of the original co-owner has filed special civil suit before the Hon'ble Civil Court, Division Nashik against the other co-owners and purchaser of land from whom the company has purchased the said land. As per the conditional sale the company has to obtain clear enforceable title within 18 months of the execution of the agreement. In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 87.80 Lacs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 3.00 Lacs per month from the date of breach till the date of curing the breach.		



<p>(vi) In earlier years Vascon Dwelling Private Limited (Merged Company) has transferred Development rights in respect of plot of land admeasuring 3,940 sq mtrs for a consideration of ₹ 295.50 Lacs .</p> <p>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.</p> <p>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.</p> <p>In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 68,95,000/- along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and in addition to that penalty of ₹ 2,35,000/- per month from the date of breach till the date of curing the breach.</p> <p>(vii) In earlier years Vascon Dwelling Private Limited (Merged Company) has entered into agreement for sale in respect of plot of land admeasuring 11,377 sq mtrs for a consideration of ₹ 853 lakhs.</p> <p>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.</p> <p>In case the company is unable to obtain the permission/clearance the Transferee has right either to terminate the Development Agreement in which case the company will have to refund the sale consideration received amounting to ₹ 100 lakhs along with interest @ 18% p.a. from the date of disbursement of the amount till the date of refund. Alternatively, the Transferee will have right for specific performance along with interest @ 18% p.a. from the date on which amount has been disbursed till the date of curing the breach of contract and right to claim damages.</p> <p>In respect of the above three agreement to sale of plots the company has recognised the sales amounting to ₹ 1525.12 lakhs and profit of ₹ 659.67 lakhs. As on date of the balance sheet the company has not received any notice from the purchaser/transferee for termination of the agreement or claiming any interest/compensation.</p>		
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<p>(h) tax department initiated prosecution u/s 276B of the Income Tax Act and filed a Court complaint for AY 2016-17 and 2017-18. Vascon paid all the TDS dues along with applicable interest and penalty for late filing there on and applied vide letter dt. 20th December 2019 to the Chief Commissioner of Income tax, Pune for Compounding of offences. Such application of Compounding is pending for disposal with the Chief Commissioner of Income Tax Pune. The amount w.r.t. the above proceeding is not quantifiable</p> <p>For Development projects and according to the facts:</p> <p>Pending final decision and interim stay granted by the Hon'ble High Court of Bombay in case of MCHI, the Company , has in case of certain development projects, neither collected nor paid Maharashtra Value Added Tax and in case of certain development projects, has paid Maharashtra Value Added Tax.</p>		
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Particulars	As at 31 March, 2021	As at 31 March, 2020
Commitments (a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,296.92	442.85




Note 31 : Employee benefits

(a) Defined Contribution Plan

The Group makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Group is required to contribute a specified percentage of payroll cost to fund the benefits. The Group has recognized Rs.218.51 Lakhs for Provident Fund contributions (March 31, 2020 : Rs.286.03 Lakhs) and Rs 30.22 Lakhs towards ESIC (March 31, 2020 : Rs.43.28 Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Group are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

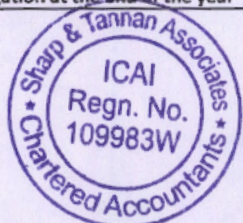
Gratuity

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

Defined benefit plans – as per actuarial valuation on 31st March, 2021

(₹ in Lakhs)

Particulars	Funded Plan	
	Gratuity	
	12020	2020
Service Cost		
Current Service Cost	135.88	148.52
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	65.30	64.64
Components of defined benefit costs reconised in profit or loss	201.18	213.16
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amunt included in net interest expense)	(4.39)	1.24
Actuarial gains and loss arising form changes in financial assumptions	(100.69)	67.20
Actuarial gains and loss arising form experience adjustments	(91.23)	126.57
Actuarial gains and loss arising from demographic adjustments	0.90	36.58
Componenets of defined benefit costs recognised in other comprehensive income	(195.41)	231.59
Total	5.77	444.75
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	1,178.74	1,312.14
2. Fair value of plan assets as at 31st March	178.86	249.01
3. Surplus/(Deficit)	(999.88)	(1,063.13)
4. Current portion of the above	999.88	1,063.13
5. Non current portion of the above	178.86	249.01
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	(1,312.14)	(1,001.39)
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	(135.88)	(148.52)
- Past Service Cost	-	-
- Interest Expense (Income)	(79.24)	(71.40)
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	(0.90)	(36.58)
ii. Financial Assumptions	100.69	(67.20)
iii. Experience Adjustments	91.23	(126.57)
5. Benefit payments	157.50	139.53
6. Others (Specify)	-	-
7. Present value of defined benefit obligation at the end of the year	(1,178.74)	(1,312.13)



III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	249.01	42.94
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account	-	-
- Expected return on plan assets	5.70	5.47
- Mortality Charges and Taxes	(4.13)	(6.51)
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	12.62	0.05
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	22.70	346.60
6. Benefit payments	(107.05)	(139.53)
7. Fair value of plan assets at the end of the year	178.85	249.02
IV. The Major categories of plan assets		
Funds Managed By Insurer	100%	100%

Maturity Profile of Defined Benefit Obligation:

Year Ending March 31	Expected Benefit Payment Rounded
2022	361.83
2023	105.85
2024	116.65
2025	119.64
2026	135.73
2027-2031	910.82

A. Effect of 0.5 % to 1 % change in the assumed discount rate	Increase	Decrease	Increase	Decrease
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
Defined Benefit Obligation	1132.03	1,230.27	1257.06	1373.48

B. Effect of 1 % change in the assumed Salary Escalation Rate	Increase	Decrease	Increase	Decrease
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
Defined Benefit Obligation	1178.34	1,183.62	1,372.26	1,256.49

C. Effect of 1 % to 5% change in the assumed Withdrawal Rate	Increase	Decrease	Increase	Decrease
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
Defined Benefit Obligation	1187.74	1,165.91	1,289.97	1,354.45

V. Experience Adjustments :	Period Ended	
	2021	2020
	Gratuity	
1. Defined Benefit Obligation	1,178.74	1,312.14
2. Fair value of plan assets	178.86	249.01
3. Surplus/(Deficit)	(999.88)	(1,063.13)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(91.23)	126.57
5. Experience adjustment on plan assets [Gain/(Loss)]	(105.06)	20.22

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Note 32 : Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acgrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assests or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes will be reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Details about gratuity obligations are given in Note 31.

Fair value measurement of financial instruments

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

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



Note 33 : Related Party Transactions

I Names of related parties

1. Joint Ventures

- Phoenix Ventures
- Cosmos Premises Private Limited
- Ajanta Enterprises
- Vascon Saga Constructions LLP
- Vascon Qatar WLL

2. Associates

- Sita Laxmi Mills Ltd
- Mumbai Estate Private Limited

3. Key Management Personnel

- Mr. R. Vasudevan
- Mr. Siddarth Vasudevan
- Dr Santosh Sundararajan
- Mr. Somnath Biswas (*appointed w.e.f. 01.09.2019*)
- Mr. D.Santhanam (*Retired w.e.f 31.08.2019*)
- Ms.Vibhuti Dani
- Mr. Rajesh Mhatre

Other Directors

- Mr. V Mohan
- Mr. K G Krishnamurthy
- Mr.Mukesh Malhotra
- Ms. Sowmya Aditya Iyer

4. Relatives of Key Management Personnel

- Mrs. Thangam Moorthy
- Mrs. Lalitha Vasudevan
- Mrs. Lalitha Sundararajan
- Mrs. Shilpa Shivaram
- Mrs. Sailaxmi Santhanam Mudaliar (*upto 31.08.2019*)
- Ms Aishwarya Santhanam (*upto 31.08.2019*)

5. Establishments where in which individuals in serial number (4) and (5) exercise significant Influence

- Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)
- Vastech Consultants Private Limited
- Vastech consultants and engineers LLP
- Vatsalya Enterprises Private Limited
- Bellflower Premises Private Limited
- Cherry Construction Private Limited
- Stresstech Engineers Pvt Ltd.
- Syringa Engineers Private Limited (Formerly known as Syringa Properties Private Limited)
- Vascon Infrastructure Limited
- Venus Ventures
- Seraphic Design Private Limited
- Sira Assets LLP
- Hamcon Engineers Pvt Ltd
- Daffodil Projects Pvt Ltd
- Conamore Resorts Pvt Ltd.
- Rose Premises Pvt Ltd
- One Stop Shop India P Ltd
- Space Centric Marketing & Construction Consultancy Pvt Ltd
- D. Santanam (HUF) - *Upto 31.08.2019*



		(₹ in Lakhs)	
II Related party transactions		As at March 31, 2021	As at March 31, 2020
(a) Sales and work		802.57	2,968.56
Joint Ventures			
Phoenix Ventures		194.63	337.07
Cosmos Premises Private Limited		86.46	-
Ajanta Enterprises		182.32	2,086.04
Total		463.42	2,423.11
Key management Personnel			
Mr. R. Vasudevan		-	-
Mr. Mukesh Malhotra		1.28	-
Dr Santosh Sundararajan		6.06	-
Total		7.34	-
Enterprise where KMP & Relatives of KMP significant influence			
Cherry Constructions Private Limited.		331.81	545.45
Total		331.81	545.45
(b) Interest Income/commission Received		122.80	124.23
Joint Venture			
Ajanta Enterprises		106.61	124.23
Cosmos Premises Private Limited - Dividend Received		-	-
		106.61	124.23
Enterprise where KMP & Relatives of KMP significant influence			
- Conamore Resorts Pvt Ltd.		16.19	-
		16.19	-
(c) Interest Expense /commission Paid		107.62	111.27
Joint Venture			
Ajanta Enterprises		8.22	13.03
Total		8.22	13.03
Enterprise where KMP & Relatives of KMP significant influence			
D Santhanam- HUF		-	0.31
Flora Facilities Private Limited		36.27	71.58
Hamcon Engineers Pvt Limited		9.02	-
Space Centric Marketing & Construction Consultancy Pvt Ltd		1.80	-
Sira Assets LLP		51.75	24.15
Total		98.84	96.05
Relatives of Key Management Personnel			
Mr. Siddarth Vasudevan		0.57	1.03
Ms. Sailaxmi Santhanam Mudaliar		-	0.28
Ms. Aishwarya Santhanam Mudaliar		-	0.25
Total		0.57	1.56
Key Management Personnel			
D Santhanam		-	0.62
Total		-	0.62



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(d) Purchase of Goods / Work/Rent	388.17	345.47
Joint Venture		
Ajanta Enterprises	0.10	-
Total	0.10	-
Enterprise where KMP & Relatives of KMP significant influence		
Rent		
Flora Facilities Private Limited	195.75	235.56
Works		
Stresstech Engineers Private Limited	36.50	54.69
Vastech Consultants & Engineers LLP	155.83	55.23
Total	388.07	345.47

(e) Receiving of Services	1,331.26	1,069.81
Key Management Personnel		
Mr R Vasudevan		
a) Short term benefits	510.00	10.00
b) Post Employment benefits*	-	-
Dr Santosh Sundararajan		
a) Short term benefits **	236.05	405.83
b) Post Employment benefits*	0.16	0.22
c) Share based payments	36.73	-
Mr. D.Santhanam		
a) Short term benefits	-	28.44
b) Post Employment benefits*	-	0.09
c) Share based payments	-	-
Mr. Somnath Biswas **		
a) Short term benefits	70.61	45.78
b) Post Employment benefits*	0.16	0.11
c) Share based payments	9.95	-
Mr. Siddharth Vasudevan **		
a) Short term benefits	192.24	369.56
b) Post Employment benefits*	0.16	0.22
Mr. Rajesh Dilip Mhatre **		
a) Short term benefits	172.91	147.15
b) Post Employment benefits*	0.16	0.22
c) Share based payments	36.73	-
Ms. Vibhuti Darshin Dani		
a) Short term benefits	15.09	16.80
b) Post Employment benefits*	0.16	0.22
Total	1,281.10	1,024.61

*Post employment benefit represents contribution to provident fund. As Gratuity expenses is based on actuarial valuations, the same cannot be computed for individual employees and hence not included

** During the current financial year 2020-2021, the company has revised the salary structure of Key management personnel and their short term employment benefit represents Salary Net of Tax. Key Management Personnel wise Tax borne by employer bifurcation as below:

Name of the KMP	₹ in Lakhs
a) Mr. Santosh Sundararajan	₹ 138.78
b) Mr. Somnath Biswas	₹ 34.44
c) Mr. Rajesh Dilip Mhatre	₹ 90.20
d) Mr. Siddharth Vasudevan	₹ 100.68

During the previous financial year 2019-2020 short term employment benefits represents gross salary received by KMP.

Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	11.90	15.87
Vastech Consultants Private Limited	38.25	28.95
AIWARYA SANTHANAM MUDALIAR	-	0.38
Total	50.16	45.20

(f) Share of Profit from AOP/Firm	0.02	3,476.50
Joint Ventures		
Phoenix Ventures	0.02	7.02
Ajanta Enterprises	-	3,469.48
Total	0.02	3,476.50



(g) Share of Loss from AOP/Firm	108.97	-
Joint Ventures		
Ajanta Enterprises	108.97	-
Phoenix Ventures	-	-
Total	108.97	-
(h) Reimbursement of expenses	5.22	5.61
Joint Ventures		
Ajanta Enterprises	-	-
Phoenix Ventures	-	0.04
Total	-	0.04
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	5.22	5.57
	5.22	5.57
(i) Finance Provided (including equity contributions in cash or in kind)/repayment of loan/repayment of fixed deposit	885.45	827.69
Joint Ventures		
Phoenix Ventures	133.92	7.10
Ajanta Enterprises	10.00	300.00
Total	143.92	307.10
Enterprise where KMP & Relatives of KMP significant influence		
Stresstech Engineers Private Limited	-	-
Sira Assets LLP	-	110.00
Hamcon Engineers Pvt Ltd	600.00	-
Daffodil Projects Pvt Ltd	5.00	-
Conamore Resorts Pvt Ltd.	125.32	-
Flora Facilities Private Limited	-	410.59
Total	730.32	520.59
Key Management Personnel		
Mr. Siddharth Vasudevan	11.21	-
Total	11.21	-
(j) Finance availed /Received back(including equity contributions in cash or in kind)	2,175.19	5,404.19
Joint Ventures		
Phoenix Venture	-	2.94
Ajanta Enterprises	1,108.19	4,803.26
Total	1,108.19	4,806.19
Enterprise where KMP & Relatives of KMP significant influence		
Flora Facilities Private Limited	185.00	150.00
SIRA ASSETS LLP	250.00	200.00
Hamcon Engineers Pvt Ltd	258.00	-
Daffodil Projects Pvt Ltd	2.00	-
Conamore Resorts Pvt Ltd.	162.00	-
Cherry Constructions Private Limited.	-	98.00
Total	857.00	448.00
Relatives of Key Management Personnel (Through Fixed Deposit)		
Sailaxmi Santhanam Mudaliar(Through Fixed Deposit)	-	-
Total	-	-
Key Management Personnel		
Mr. R. Vasudevan	210.00	150.00
Total	210.00	150.00



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(k) Outstanding as on

A) Receivable to Vascon Engineers Limited	7,296.81	8,429.58
Joint Ventures	1,050.55	1,389.19
a) Trade Receivable		
Phoenix Ventures	672.49	708.57
Cosmos Premises Private Limited	13.53	-
Ajanta Enterprises	-	318.95
Total	686.02	1,027.52
b) Loans & Advances		
Phoenix Ventures	9.85	7.01
Total	9.85	7.01
c) Balance in current accounts		
Phoenix Ventures	354.68	354.67
Ajanta Enterprises	-	-
Total	354.68	354.67
Associates	2,563.00	2,563.00
a) Loans & Advances (Including deposits and trade advances)		
Mumbai Estate Private Limited	2,563.00	2,563.00
Total	2,563.00	2,563.00
Enterprise where KMP & Relatives of KMP significant influence	3,461.86	4,243.99
a) Trade Receivable		
Flora Facilities Private Limited (Formerly known as Flora Premises Private Limited)	62.06	62.06
Daffodil Projects Pvt Ltd	427.27	427.27
Rose Premises Pvt Ltd	0.65	427.27
Cherry Constructions Private Limited.	245.52	382.33
Total	735.50	1,298.93
b) Loans & Advances (Including deposits and trade advances)		
Flora Facilities Private Limited	125.00	125.00
CONAMORE RESORTS PVT LTD.	168.98	190.68
Daffodil Projects Pvt Ltd	7.78	204.78
Rose Premises Pvt Ltd	1,719.75	1,719.75
One Stop Shop India Pvt Ltd	320.35	320.35
Venus Ventures	384.50	384.50
Total	2,726.36	2,945.06
Key Management Personnel	221.40	233.40
a) Trade Receivable		
Mr. R. Vasudevan	3.34	3.34
Mr. Santosh Sundarajan	12.06	24.06
Total	15.40	27.40
b) Loans & Advances (Including deposits and trade advances)		
Mr. Mukesh Malhotra	206.00	206.00
Total	206.00	206.00
B) Receivable from Vascon Engineers Limited	2,795.31	1,613.47
Joint Venture	988.17	94.21
a) Trade Payable		
Ajanta Enterprises	5.39	5.28
Total	5.39	5.28
b) Loans & Advances		
Ajanta Enterprises	-	-
Cosmos Premises Private Limited	50.00	50.00
Total	50.00	50.00
c) Balance in current accounts		
Ajanta Enterprises	932.77	38.93
Total	932.77	38.93
Key Management Personnel	623.92	433.40
a) Trade Payable		
Mr. Mukesh Malhotra	118.92	99.40
Total	118.92	99.40
b) For Deposit Received		
Mr. R Vasudevan	505.00	295.00
D Santhanam	-	39.00
Total	505.00	334.00



Enterprise where KMP & Relatives of KMP significant influence	1,183.23	1,057.87
a) Trade Payable		
Flora Facilities Private Limited ((Formerly known as Flora Premises Private Limited))	8.48	57.14
Stresstech Engineers Private Limited	28.57	31.55
Vastech Consultants & Engineers LLP	29.37	27.47
Vastech Consultants Private Limited	100.08	57.81
Space Centric Marketing & Construction Consultancy Pvt Ltd	19.55	17.52
D. Santhanam HUF	-	0.13
Total	186.06	191.61
b) Loans/(Advances)		
Flora Facilities Private Limited	417.56	249.52
Hamcon Engineers Pvt Limited	64.13	389.12
Sira Assets LLP	515.48	217.61
Total	997.17	856.25
c) Deposit Received		
D. Santhanam HUF	-	10.00
Total	-	10.00
Relatives of Key Management Personnel	-	28.00
a) Deposits Recd.		
Mr. Siddarth Vasudevan	-	11.00
Mrs. Sailaxmi Santhanam Mudaliar	-	9.00
Ms. Aishwarya Santhanam	-	8.00
Total	-	28.00

Notes:-

- Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.
- No provision have been made in respect of receivable from related party as at March 31, 2021



Note 34 : Disclosure of additional information as required by the Schedule III

a) As at and for the year ended March 31, 2021 :

(₹ in Lakhs)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
Parent								
Vascon Engineers Limited	89%	63,348.00	92%	(3,688.06)	234%	(111.01)	93%	(3,799.07)
Subsidiaries								
Vascon Value Homes Private Limited	0%	(0.45)	0%	(0.29)	0%	-	0%	(0.29)
Vascon EPC Limited	0%	0.97	0%	(0.02)	0%	-	0%	(0.02)
Marvel Housing Private Limited	0%	(22.29)	0%	(9.35)	0%	0.73	0%	(8.63)
GMP Technical Solutions Private Limited	8%	5,666.49	-8%	305.32	-114%	53.68	-9%	359.01
Almet Corporation Limited	0%	249.56	2%	(81.63)	0%	-	2%	(81.63)
Marathawada Realtors Private Limited	0%	105.09	11%	(434.46)	0%	-	11%	(434.46)
Joint Ventures								
Cosmos Premises Private Limited	1%	566.91	4%	(173.56)	0%	-	4%	(173.56)
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
Non Controlling Interest	1%	1,000.20	-1%	53.88	-20%	9.47	-2%	63.35
Total	100%	70,916.00	100%	(4,028.17)	100%	(47.13)	100%	(4,075.30)

b) As at and for the year ended March 31, 2020 :

(₹ in Lakhs)

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated profit or loss	Amount
Parent								
Vascon Engineers Limited	89%	66,522.67	96%	3,813.68	146%	162.88	97%	3,976.55
Subsidiaries								
Vascon Value Homes Private Limited	0%	(0.16)	0%	(0.30)	0%	-	0%	(0.30)
Vascon EPC Limited	0%	0.99	0%	(0.01)	0%	-	0%	(0.01)
Marvel Housing Private Limited	0%	(13.65)	0%	(3.29)	0%	0.22	0%	(3.07)
GMP Technical Solutions Private Limited	7%	5,307.48	2%	85.37	-39%	(43.71)	1%	41.65
Almet Corporation Limited	0%	331.18	0%	(7.88)	0%	-	0%	(7.88)
Marathawada Realtors Private Limited	1%	539.55	-3%	(109.27)	0%	-	-3%	(109.27)
Joint Ventures								
Cosmos Premises Private Limited	1%	740.48	5%	180.49	0%	-	4%	180.49
Vascon Construction Saga LLP	0%	1.52	0%	-	0%	-	0%	-
Non Controlling Interest	1%	936.84	0%	15.06	-7%	(7.71)	0%	7.35
Total	100%	74,366.90	100%	3,973.85	100%	111.68	100%	4,085.51



Notes forming part of Consolidated Financial Statements
Note No. 35 - Investment in Joint Arrangements

(a) Details of Material Joint Ventures

Details of each of the Company's joint ventures at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company (%)		Quoted (Y/N)
			31-Mar-21	31-Mar-20	
Ajanta Enterprises	Real Estate	Pune	50%	50%	N
Phoenix Ventures	Real Estate	Pune	50%	50%	N
Cosmos Premises Private Limited	Hospitality	Goa	44%	44%	N
Vascon Construction Saga LLP	EPC	Bangalore	76%	76%	N

All of the above Joint Ventures are accounted for using the equity method in these financial statements.

Summarised financial information in respect of Ajanta Enterprise is set out below.

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Current assets	10,507.66	10,445.11
Non-current assets	1,505.14	267.37
Current liabilities	12,419.45	9,794.32
Non-current liabilities	-	585.89
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,571.03	888.66
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	585.89
Revenue	103.99	17,154.23
Profit (loss) for the year	(217.94)	6,897.45
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(217.94)	6,897.45
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	26.92	31.74
Interest income	52.02	95.21
Interest expense	0.93	3.63
Income tax expense (income)	3.30	3,924.04

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Ajanta Enterprise recognised in the consolidated financial statements.

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Net assets of Ajanta Enterprise	(406.65)	332.27
Proportion of the Company's ownership interest in Ajanta Enterprise	50%	50%
Receivables / (Payable) from / to Partners	(410)	(205)
Goodwill	3,953.24	3,953.24
Carrying amount of the Company's interest in Ajanta Enterprise *	3,340.17	3,914.32

* Includes Partner's Fixed and Current Capital



Notes forming part of Consolidated Financial Statements

Summarised financial information in respect of Phoenix Venture is set out below.

(₹ in Lakhs)		
Particulars	31-Mar-21	31-Mar-20
Current assets	177.22	314.08
Non-current assets	833.41	833.37
Current liabilities	937.69	1,083.55
Non-current liabilities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	97.37	97.37
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	82.37	42.62
Profit (loss) for the year	0.03	14.04
Other comprehensive income for the year	-	-
Total comprehensive income for the year	0.03	14.04
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	-	-
Interest income	-	1.01
Interest expense	3.57	9.87
Income tax expense (income)	0.01	6.28

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Phoenix Venture recognised in the consolidated financial statements.

(₹ in Lakhs)		
Particulars	31-Mar-21	31-Mar-20
Net assets of Phoenix Venture	72.93	63.90
Proportion of the Company's ownership interest in Phoenix Venture	50%	50%
Receivables from Partners	518.20	522.72
Carrying amount of the Company's interest in Phoenix Venture *	554.67	554.67

* Includes Partner's Fixed and Current Capital



Notes forming part of Consolidated Financial Statements

Summarised financial information in respect of Cosmos Premises Private Limited is set out below.

(₹ in Lakhs)		
Particulars	31-Mar-21	31-Mar-20
Current assets	903.22	1,308.58
Non-current assets	1,143.01	1,177.86
Current liabilities	470.13	525.54
Non-current liabilities	49.96	49.97
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	429.64	674.14
Current financial liabilities (excluding trade and other payables and provisions)	110.96	105.92
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	936.10	2,124.56
Profit (loss) for the year	1.04	415.48
Other comprehensive income for the year	(0.32)	-
Total comprehensive income for the year	0.72	415.48
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	78.65	86.42
Interest income	16.41	27.50
Interest expense	2.43	4.03
Income tax expense (income)	3.75	144.12

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Cosmos Premises Private Limited recognised in the consolidated financial statements.

(₹ in Lakhs)		
Particulars	31-Mar-21	31-Mar-20
Net assets of the Cosmos Premises Private Limited	1,526.15	1,910.93
Proportion of the Company's ownership interest in Cosmos Premises Private Limited	44%	44%
Capital Reserve	101.99	97.09
Carrying amount of the Company's interest in Cosmos Premises Private Limited	566.92	740.47



Notes forming part of Consolidated Financial Statements

Summarised financial information in respect of Vascon Construction Saga LLP is set out below.

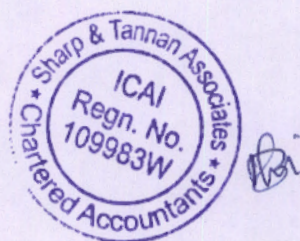
(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	2.00	2.00
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-
Revenue	-	-
Profit (loss) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year includes the following:		
Depreciation and amortisation	-	-
Interest income	-	-
Interest expense	-	-
Income tax expense (income)	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Net assets of the Vascon Construction Saga LLP	2.00	2.00
Proportion of the Company's ownership interest in Vascon Construction Saga LLP	76%	76%
Capital Reserve	-	-
Carrying amount of the Company's interest in Vascon Construction Saga LLP	1.52	1.52



(₹ in Lakhs)

36	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006	March 31, 2021	March 31, 2020
Particulars			
(i) Principal amount remaining unpaid to MSME suppliers as on		280.43	225.21
(ii) Interest due on unpaid principal amount to MSME suppliers as on		28.00	13.06
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day		Nil	Nil
(iv) The amount of interest due and payable for the year (without adding the interest under MSME		12.13	3.37
(v) The amount of interest accrued and remaining unpaid as on		28.00	13.06
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961		12.13	3.37
Dues to Small and medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.			
37	<p>The group enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 ('regulation'). The pricing of such domestic transactions will need to comply with Arm's length principle under the regulations. These regulations, inter alia, also required the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income tax authorities.</p> <p>The group has undertaken necessary steps to comply with the regulations. The management is of the opinion that the domestic transactions are at arm's length, and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.</p>		
38	Segment information has been presented in the Annexed Statements as permitted by Indian Accounting Standard (Ind AS) 108 on operating segment as notified under the Companies (Indian Accounting Standards) Rules, 2015.		
39	Disclosure of particulars of contract revenue	March 31, 2021	March 31, 2020
Contract Revenue Recognized during the year		29,633.32	25,376.41
Contract costs incurred during the year		24,815.63	19,207.79
Recognized Profit		4,817.69	6,168.62
Advances received for contracts in progress		(4,248.25)	(3,596.64)
Retention money for contracts in progress		3,408.38	3,038.28
Gross amount due from customer for contract work (assets)		15,975.28	12,092.15
Gross amount due to customer for contract work (liability)		747.43	1,226.31
40	<p>As per Section 135 of the Companies Act, 2013 (the Act), a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) Activity. A CSR Committee has been formed by the company to undertake CSR activities on 09/11/2016 pursuant to the requirement of the Act.</p> <p>a. Gross amount required to be spent by the Company during the year - ₹ 42.50 lakhs</p> <p>b. Amount spent during the year on:</p>		
CSR Activities		In Cash	Yet to be paid in cash
		₹	₹
i) Construction/acquisition of any asset		0	0
ii) Purpose other than (i) above		100	0
			100



- 41 The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting dates as of the company.
- Following Subsidiaries along with Joint Ventures and Associates have not been audited for the year ended March 31, 2021 as of balance sheet date by other auditors, same have been consolidated on the basis of the accounts as certified by the management.
- Mumbai Estate Private Limited (Associate)
Vascon EPC Limited
Vascon Construction Saga LLP
Vascon Qatar WLL
- 42 The Company renegotiated the terms with debenture holders of Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures and agreed for payment of ₹ 700 lakhs and ₹ 664 lakhs on April 2021 and June 2021 respectively.
- The Company renegotiated the terms with debenture holders and agreed for full and final payment of ₹ 3,865 lakhs towards Zero coupon, rupee denominated unrated unlisted secured non-convertible debentures of ₹ 4,865 lakhs. The terms of debenture deed were earlier negotiated on March 30, 2018 wherein the settlement was agreed at ₹ 5,865 lakhs. Accordingly, the Company paid an instalment of ₹ 1,000 lakhs on April 30, 2018 as per the initially negotiated terms. Subsequent to September 30, 2018, the Company further paid an instalment of ₹ 500 lakhs on October 30, 2018, ₹ 500 lakhs on November 30, 2018 and ₹ 750 lakhs on January 2019 as per the renegotiated terms. In the Previous Financial year Company made payment of ₹ 750 lakhs on June 19 and balance outstanding as on Mar 20 is ₹ 1364 lakhs.
- 43 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.
- 44 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 45 Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year.

In terms of our report attached.

For Sharp & Tannan Associates
Chartered Accountants
(Firm Regn. No. 109983W)
By the hands of

CA Tirtharaj Khot
Partner
Membership No: (F) - 037457

Place: Pune
Date: May 31, 2021



For and on behalf of the Board of Directors

Mukesh Malhotra
Director
(DIN-000129504)

Dr Santosh Sundararajan
Chief Executive Officer

Vibhuti Dani
Company Secretary &
Compliance Officer

Place: Pune
Date: May 31, 2021

Siddharth Vasudevan
Managing Director
(DIN-02504124)

Somnath Biswas
Chief Financial Officer

Annexure referred to in Note 38 of the notes forming part of consolidated financial statements

Disclosure of particulars of segment reporting as required by Indian Accounting Standard (Ind AS) 108

Information about primary business segments

(₹ in Lakhs)

Particulars	EPC		Real Estate Development		Manufacturing & BMS		Unallocable		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue										
Total Sales including eliminations	29,732.57	25,554.24	5,910.78	7,450.77	15,054.31	15,284.32	-	-	50,697.66	48,289.33
External sales	29,732.57	25,554.24	5,910.78	7,450.77	14,854.31	15,282.38	-	-	50,497.66	48,287.39
Less: Eliminations	-	-	-	-	(200.00)	(1.94)	-	-	(200.00)	(1.94)
Other operating income	-	-	79.19	3,623.70	-	-	0.31	180.49	79.51	3,804.19
Total Revenue	29,732.57	25,554.24	5,989.97	11,074.47	15,054.31	15,284.32	0.31	180.49	50,777.16	52,093.52
Result										
Segment result	2,056.21	3,975.97	(1,007.90)	4,003.71	638.40	584.80	-	-	1,686.71	8,564.48
Unallocated expenditure net of unallocated income							(3,534.13)	(3,210.65)	(3,534.13)	(3,210.65)
Operating profit							(3,534.13)	(3,210.65)	(1,847.42)	5,353.82
Interest expenses							(2,680.35)	(1,905.36)	(2,680.34)	(1,905.35)
Interest and dividend income							541.09	533.87	541.09	533.87
Income taxes							(41.50)	(8.50)	(41.50)	(8.50)
Profit after tax							(5,714.88)	(4,590.65)	(4,028.16)	3,973.84
Other information										
Segment assets	40,653.03	37,641.67	66,793.94	72,286.66	13,479.43	13,351.81	11,070.26	12,286.47	131,996.67	135,566.61
Segment liabilities	18,227.40	17,841.68	26,912.25	28,302.19	5,328.75	5,636.92	11,612.45	10,355.75	62,080.86	62,136.54
Capital expenditure	170.89	96.01	-	-	210.03	178.41	-	-	380.92	274.41
Depreciation and amortization	318.40	397.69	18.48	19.33	467.96	614.76	403.21	466.86	1,208.05	1,498.63

Notes :

- The business group/Segment comprise of the following
 EPC Construction of Residential, Commercial, Industrial and other constructions
 Real Estate Development Development of Residential, Hotel premises, Industrial park etc
 Manufacturing&BMS Manufacturing of clean room partition & Building Management System (BMS)
- 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".
- Segment assets and liabilities represents assets and liabilities in respective segments. Investments, Tax related assets and other assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as "Unallocable"
- The Subsidiaries ,Jointventures and Associates have been included in segment classified as follows
 EPC Vascon Engineers Limited, Vascon EPC Limited, Vascon Soga Constructions LLP
 Real Estate Development Vascon Engineers Limited, Marvel Housing Private Limited, Vascon Value Homes Private Limited
 Almet Corporation Limited, Marathwada Realtors Private Limited
 Ajanta Enterprises, Phoenix Ventures,Mumbai Estate Private Limited, Cosmos Premises Private Limited
 Manufacturing & BMS GMP Technical Solutions Private limited, GMP Technical Servicers (FZE)

