

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF VASCON ENGINEERS LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **VASCON ENGINEERS LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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

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

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



Hemant M. Joshi
Partner
(Membership No. 38019)

Pune, February 9, 2017

Vascon Engineers Limited

CIN: L70100MH1986PLC038511

Registered Office: 15/16, Hazari Baug, LBS Marg, Vikhroli (West), Mumbai - 400083

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

		(Rs. In Lakhs)				
Sr. No.	PARTICULARS	STANDALONE				
		Quarter Ended			Nine Months	
		Dec 31, 2016	Sep 30, 2016	Dec 31, 2015 (Refer Note 7)	Dec 31, 2016	Dec 31, 2015 (Refer Note 7)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income from operations					
	a) Net Sales / Income from Operations	4,790	5,198	7,053	14,860	23,242
	b) Other Operating Income	203	94	306	1,052	1,171
	Total Income from operations (net)	4,993	5,292	7,359	15,912	24,413
2	Expenses					
	a) Construction Expenses / Cost of materials consumed	4,029	4,167	5,557	12,309	18,017
	b) Purchase of stock- in- trade	-	-	-	1	-
	c) Changes of inventories of finished goods, work in progress and stock-in-trade	(234)	(277)	(166)	(1016)	260
	d) Employees benefits expenses	873	704	(186)	2,425	1,894
	e) Depreciation and amortisation expenses	167	195	196	546	592
	f) Other expenses	779	424	694	1,688	2,086
	Total Expenses	5,614	5,213	6,095	15,953	22,849
3	Profit from Operations before Other Income, Finance costs and Exceptional Items (1-2)	(621)	79	1,264	(41)	1,564
4	Other Income	1,439	991	778	2,859	2,238
5	Profit from ordinary activities before Finance costs and Exceptional Items (3+4)	818	1,070	2,042	2,818	3,802
6	Finance costs	799	747	604	2,319	2,864
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	19	323	1438	499	938
8	Exceptional items	-	-	-	-	-
9	Profit from Ordinary Activities before tax (7+8)	19	323	1438	499	938
10	Tax Expenses	-	236	1	236	3
11	Net Profit from Ordinary Activities after tax (9-10)	19	87	1437	263	935
12	Extraordinary Items	-	-	-	-	-
13	Net Profit for the period (11-12)	19	87	1437	263	935
14	Other Comprehensive Income (OCI)	17	5	3	46	(1)
15	Total comprehensive income (13+14)	36	92	1440	309	934
16	Paid-up Equity Share Capital (Face Value Rs. 10/- per share)	16,134	16,134	16,131	16,134	16,131
17	Earnings Per Share (EPS)					
	a) Basic EPS (in Rs.) (Not Annualised)	0.01	0.05	0.90	0.16	0.70
	b) Diluted EPS(in Rs.) (Not Annualised)	0.01	0.05	0.89	0.16	0.69

R. Vaidya



Segment wise Revenue, Results, Assets and Liabilities for the quarter and nine months ended 31st December, 2016

Particulars	Quarter Ended			Nine Months	
	Dec 31, 2016	Sep 30, 2016	Dec 31, 2015(Refer Note 7)	Dec 31, 2016	Dec 31, 2015(Refer Note 7)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Segment Revenue					
EPC (Engineering, Procurement and Construction)	4,600	4,846	6,334	14,107	20,712
Real Estate Development	393	446	1,025	1,805	3,701
Total	4,993	5,292	7,359	15,912	24,413
Particulars	Quarter Ended			Nine Months	
	Dec 31, 2016	Sep 30, 2016	Dec 31, 2015(Refer Note 7)	Dec 31, 2016	Dec 31, 2015(Refer Note 7)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
2. Segment Results					
EPC (Engineering, Procurement and Construction)	1,845	1,312	866	4,198	4,283
Real Estate Development	98	59	397	654	787
Subtotal	1,943	1,371	1,263	4,852	5,070
Less: Interest	(799)	(747)	(604)	(2,319)	(2,864)
Other Unallocable expenditure net off Unallocable income	(1,125)	(301)	779	(2,034)	(1,268)
Total Profit / (Loss) before Tax	19	323	1,438	499	938
Particulars	Quarter Ended			Nine Months	
	Dec 31, 2016	Sep 30, 2016	Dec 31, 2015(Refer Note 7)	Dec 31, 2016	Dec 31, 2015(Refer Note 7)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
3. Segment Assets and Liabilities					
Segments Assets					
EPC (Engineering, Procurement and Construction)	22,372	23,641	23,488	22,372	23,488
Real Estate Development	50,165	49,274	48,067	50,165	48,067
Unallocable	40,139	42,130	42,192	40,139	42,192
Total	1,12,676	1,15,045	1,13,747	1,12,676	1,13,747
Segments Liabilities					
EPC (Engineering, Procurement and Construction)	12,151	15,158	12,751	12,151	12,751
Real Estate Development	12,481	12,381	13,417	12,481	13,417
Unallocable	88,044	87,506	87,579	88,044	87,579
Total	1,12,676	1,15,045	1,13,747	1,12,676	1,13,747

R. Karth



Notes

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 9th February, 2017.
2. The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules 2016. The Company adopted Ind AS from 1st April 2016, and accordingly, these financial statements (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
3. The format for unaudited quarterly results as prescribed in SEBI'S circular CIR/CFD/CMD/75/2015 dated 30th November 2015 has been modified to comply with requirements of SEBI's circular dated 5th July 2016, Ind AS and Schedule III to the companies Act, 2013.
4. For the purpose of Standalone Results, the Company has identified in line with Ind AS 108 "Operating Segments", into two primary reporting business segments as follows:
 - a) Engineering, Procurement and Construction (EPC)
 - b) Real Estate Development
5. The reconciliation of net profit recorded in accordance with previous Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	Rs in lakhs	
	For the quarter ended Dec 31, 2015	For the Nine Months ended Dec 31, 2015
Net Profit as per previous Indian GAAP	1,287	494
Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes to Other Comprehensive Income (OCI)	(3)	1
Non amortisation of investment in partnership firm	80	229
Net impact of measuring financial assets and financial liabilities at amortized cost	67	199
Effect of fair valuation of financial guarantee premium	7	20
Impact of recognising the cost of the employee stock option scheme at fair value	-	(8)
Net Profit as per Ind AS	1,437	935
Other Comprehensive Income	3	(1)
Total Comprehensive Income as per Ind AS	1,440	934

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

Particulars	Rs in lakhs	
	Amounts to be utilized	Actual utilization till Dec 31, 2016
Repayment/ pre-payment, in full or part, of certain identified loans availed by our Company	6,200	6,200
Finance the construction of our Ongoing Projects	2,800	2,550
General corporate purposes and Issue Expenses	1,000	1,000
Total	10,000	9,750

The balance unutilized amount had been temporarily deployed in fixed deposits with banks.

7. The Ind AS compliant financial results, pertaining to the quarter and nine months ended 31st Dec, 2015 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
8. There is a possibility that these quarterly financial results may require adjustments before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to change in financial reporting requirements arising from new or revised standards or interpretations issued by MCA / ICAI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.
9. During the current quarter ended December 31, 2016, the Company has sold its stake in Viorica Hotels Private Limited for a consideration of Rs. 1,560 Lakhs, the transaction resulted in a loss of Rs. 863 lakhs. Since Rs. 561 lakhs was provided for in earlier years, balance loss of Rs. 302 Lakhs has been accounted for in current quarter.
10. The figures for the corresponding period have been regrouped and rearranged wherever necessary to make them comparable.

Place: Pune
Date: February 9, 2017



By Order of the Board of Directors

R. Vasudevan
Managing Director