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Development with Conscience

Vascon Engineers Limited

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Analyst Presentation Q4 FY 2012 Result Update

May, 2012



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Financial Highlights

Consolidated Profitability Statement



Rs. mn	Q4 FY12	Q4 FY 11	FY 2012	FY 2011
Revenue	1,807	3,949	7,121	10,230
Other Income *	397	109	550	295
Total Income	2,204	4,058	7,671	10,525
Raw Material	1,678	3,182	5,467	8,126
Employee Cost	140	165	697	623
Other Expenses	313	153	680	497
EBITDA	73	558	827	1,279
EBITDA Margin	3.31%	13.75%	10.78%	12.15%
Interest	-2	118	370	257
Depreciation	48	46	182	138
PBT	27	394	275	884
Tax	-29	107	120	226
PAT	56	287	155	658
PAT Margin	2.54%	7.07%	2.02%	6.25%

* Other Income includes Exceptional Items

Consolidated Balance Sheet

Rs. mn	FY 2012	FY 2011
Shareholders' Fund		
a) Share Capital	901	900
b) Reserves and Surplus	6,404	6,275
	7,305	7,175
Share application money pending allotment	0.2	0.9
Minority Interest	119	76
Non Current Liabilities		
a) Long Term Borrowings	582	728
b) Other Non Current Liabilities	16	222
	598	950
Current Liabilities		
a) Short Term Borrowings	2,349	2,253
b) Trade Payables	1,657	1,716
c) Other Current Liabilities	2,860	2,082
d) Short Term Provisions	179	265
	7,045	6,316
Total equity and liabilities	15,067	14,518

Rs. mn	FY 2012	FY 2011
Non Current Assets		
a) Fixed Assets	2,319	2,247
b) Non Current Investments	328	363
c) Deferred Tax Asset (Net)	33	20
d) Long Term Loans & Advances	2,167	2,192
e) Other Non Current Assets	42	183
	4,889	5,005
Current Assets		
a) Current Investments	473	654
b) Inventories	3,827	2,911
c) Trade Receivables	2,583	2,682
d) Cash and bank balances	445	1,095
e) Short Term Loans & Advances	899	763
f) Other Current Assets	1,951	1,407
	10,178	9,513
Total Assets	15,067	14,518

Segment-wise Financial Highlights



Rs. Mn	Revenue		Cost of Sales		Gross Profit		Gross Profit %	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
EPC	4,303	7,057	3,758	5,632	542	1,425	13%	20%
Real Estate	1,178	2,030	690	1,841	842*	254	72%	12%
Hospitality	89	87	24	22	65	65	73%	75%
GMP	1,591	985	995	631	596	354	37%	36%
Other	-36	70	-	-	-	-	-	-
Consolidated	7,121	10,230	5,467	8,126	2,045	2,098	28%	20%

* Real Estate Gross Profit for FY 2012 includes exceptional items amounting to Rs 390 mn (Profit from Real Estate Business classified as Exceptional Item as per revised Schedule VI classification)

Rs. mn	FY 2012	Reasoning
EPC Revenue	4,303	Two major project viz. HDIL and TNLA came to a halt for almost 1 year, resulting in loss of revenue of about Rs. 2000 mn, coupled with slowdown in other projects due to general macro economic conditions affecting the sector.
Other Income	158	Interest income – Rs. 129 mn ; Miscellaneous Income – Rs.29 mn
Operating Other Expenses	680	Mainly due to : Provision for Doubtful Debt - Rs. 79 mn, Rent – Rs. 71 mn, Bank charges – Rs. 36 mn, Donation – Rs. 28 mn
Exceptional Items	391	Provision reversal of Sansara project, Sale of equity stake in Rose Premises, Sale of stake in Aurangabad Company
Depreciation	182	Increase in depreciation amount on account of full year depreciation of GMP vs. about 7 months in the last financial year.
Interest	370	Increase in net debt of around Rs. 848 mn and interest in the last one year

Rs. mn	31-Mar-12	31-Mar-11
Total Debt	Long Term – Rs. 582 mn Short Term - Rs. 2,349 mn Current Liability – Rs. 970 mn	Long Term – Rs. 728 mn Short Term - Rs. 2,253 mn Current Liability – Rs. 723 mn
Inventory	Ready and under construction real estate inventory – Rs. 2,602 mn EPC – Rs. 1051 mn GMP & Other – Rs. 175 mn.	Ready and under construction real estate inventory – Rs. 2,061 mn EPC – Rs. 755 mn GMP & Other – Rs. 93 mn



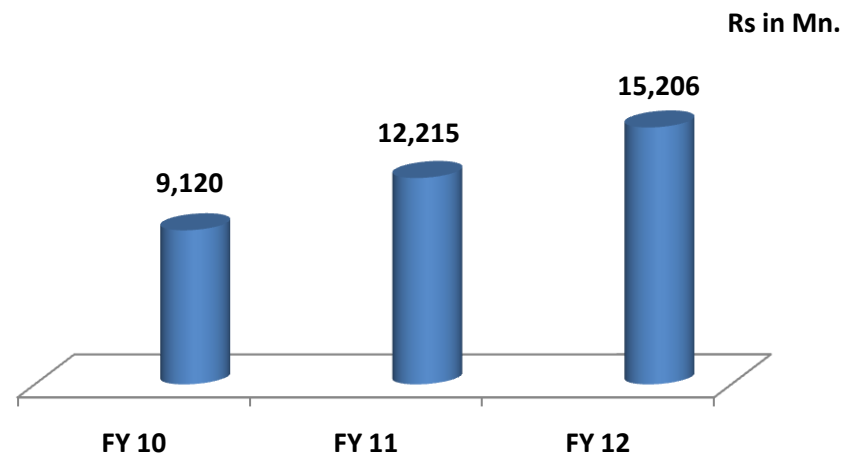
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EPC Business Update

EPC Order additions in FY 2012

Project name	Location	Type	Contract Value (Rs. Mn.)
Renissance Industrial Park	Mumbai	Industrial	11,000
Parthenon Phase II	Mumbai	Residential	1,860
"Kshitij" Parmanandwadi	Mumbai	Residential	964
Delanco – DLF	Goa	Residential	429
Tivoli, Nagpur	Nagpur	Residential	228
PNR Housing	Coimbatore	Residential	160
Monotype Grihanirman	Pune	Industrial	141
Cipla API-II (Kur)	Kurkumbh	Industrial	135
Cipla API-II	Kurkumbh	Industrial	124
Cummins India	Amboli	Industrial	72
Symboisis	Noida	Institution	39
Ramkunj Finishing work	Mumbai	Residential	30
Cipla Verna warehouse	Goa	Industrial	23

Third Party EPC Order Inflow



EPC Order Backlog as of 31st March, 2012

	Order Book		Backlog
	#	Rs. Mn	Rs. mn
3rd Party Contracts	64	38,318	24,408
Own Contracts	17	12,314	9,832
Total EPC	81	50,632	34,240



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Real Estate Business Update

Real Estate Projects Progress



Project Details till March 31, 2012

Project Name	Location	Vascon Share		Project Area	Area Sold	Sale Value	Collection	Rev. Recognised
		Equity	Revenue					
				msft	msft	Rs. mn	Rs. mn	Rs. mn
Willows Phase I	Pune	100%	56%	0.22	0.21	906	828	641
Willows Phase II	Pune	100%	56%	0.16	0.14	569	299	243
Vista - Phase I	Nashik	100%	100%	0.18	0.17	364	372	380
Vista - Phase II	Nashik	100%	100%	0.13	0.11	270	137	110
Forest County (11 bld.)	Pune	50%	100%	0.84	0.71	2,583	1,309	370
Tulips – Phase I	Coimbatore	70%	70%	0.07	0.07	252	154	169
Tulips - Phase II	Coimbatore	70%	70%	0.20	0.07	284	37	-
Windmere Duplex	Pune	100%	45%	0.17	0.05	690	93	24
Windmere Apartments	Pune	100%	45%	0.22	0.07	936	83	22
Xotech	Pune	50%	100%	0.12	0.03	113	13	-
Nature Spring	Pune	100%	65%	0.20	0.01	20	5	-
Nature Nest	Pune	100%	65%	0.04	0.01	16	3	-
Total				2.55	1.65	7,004	3,332	1,958

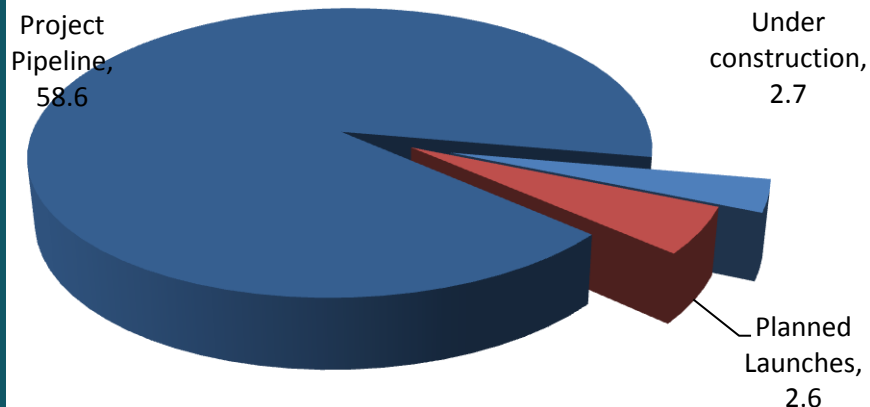
Real Estate: Projected Cash flow



		Projects Under Construction	Unsold Inventory of Completed Projects*
Total Area	Sq ft	2,309,181	-
Area sold till 31 st Mar, 2012	Sq ft	1,632,134	-
Sales Value of Area Sold [Vascon share]	Rs. Mn.	3,802	-
Amount Collected till 31 st Mar, 2012 [Vascon share]	Rs. Mn.	1,974	-
Area unsold till 31 st Mar, 2012	Sq ft	677,047	494,421
Estimated Sales Value of Unsold Area	Rs. Mn.	6,062	2,363
Less : Share of JD Partner	Rs. Mn.	3,202	1,011
Less: Estimated Construction Cost to be spent	Rs. Mn.	2,514	-
Positive Cash flow	Rs. Mn.	2,175	1,352

* Projects include Marigold, Al Monte, Phoenix, V Tech

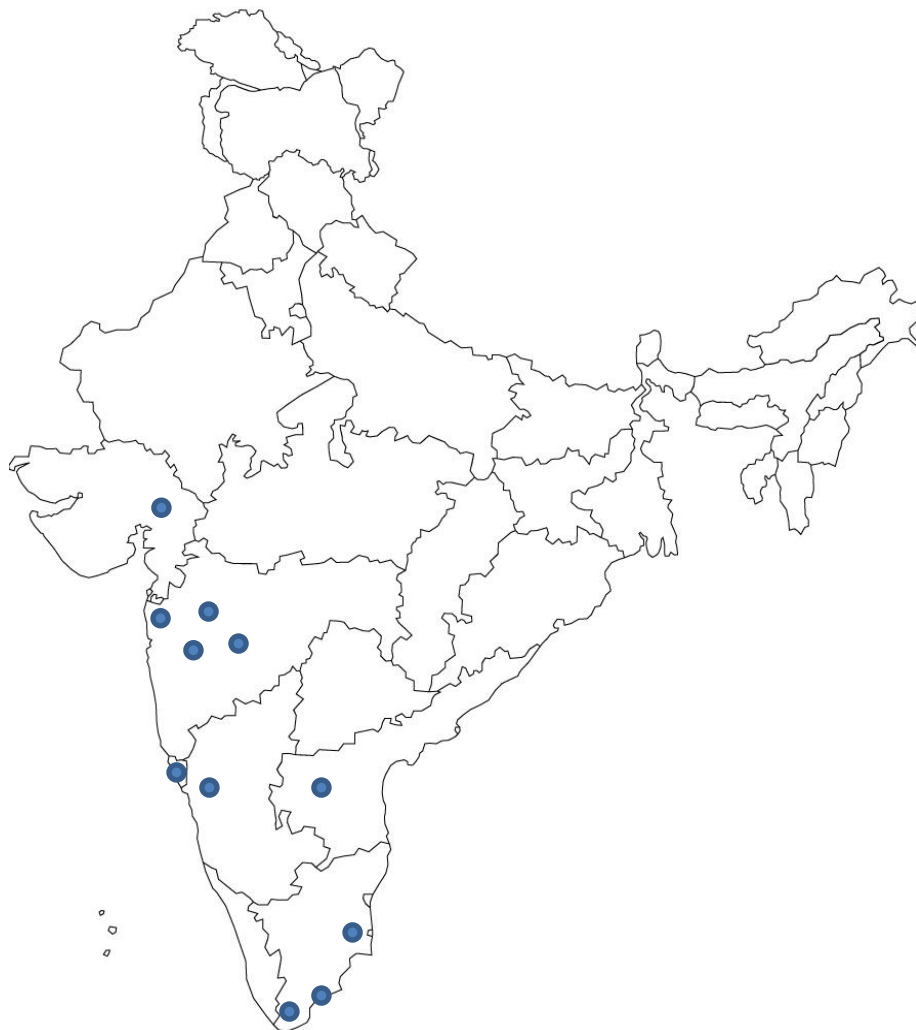
Projected Cash flow from ongoing projects ~ Rs. 3,527 mn



- **Total Vascon Investment for Real estate Development - ~ Rs. 4,000 mn**
 - No further payment towards Land is required
- **64 msft Total Developable Area**
 - Share of Vascon - 37 msft
- **Development Plan**
 - Targeting to mid price segment development (Rs. 3000 – 5000 psft)

Land Reserves	Development Potential		Attributable to Vascon	
	msf		msf	%
Land Owned by the Company	2.9		2.9	8%
Development through JDA	38.8		21.4	57%
Joint Ventures	17.1		10.5	28%
JDA with JV	5.2		2.5	7%
	63.9		37.3	100%

Real Estate Portfolio Details



City	Area	Dev. Area	Vascon Share
	Acres	msft	Msft
Pune	291.2	21.0	12.5
Ahmedabad	26.0	2.7	1.2
Aurangabad	14.9	1.4	0.7
Nashik	11.8	1.2	1.2
Thane	145.1	19.0	8.3
Coimbatore	39.1	3.5	2.0
Belgaum	1.7	0.2	0.1
Goa	7.6	0.5	0.5
Hyderabad	3.5	0.6	0.4
Madurai	28.2	2.2	1.5
Oragadam	105.0	11.8	8.9
	674.1	63.9	37.3

- Located at Talegaon, Pune
 - 1.7 kms from railway station
 - Surrounding area has well developed infrastructure like school, hospital, banks etc.
- 2.5 million sq. ft. total saleable area
 - 0.24 million sq. ft. to be launched in Phase I in the coming quarter
 - Phase I to be developed over 2.5 years
- Residential project with 1, 2 & 3 BHK
 - sizes ranging from 750 sq. ft. to 1,630 sq. ft.
- Township with latest amenities like swimming pool, gym, community Hall, kids play area, market etc



- Located at Hadapsar, Pune
 - Surrounding area has well developed infrastructure
- 0.12 million sq. ft. total saleable area
- Residential project with 2, 2.5 BHK
 - sizes ranging from 1,115 sq. ft. to 1,595 sq. ft.
- Township with latest amenities like club house, Swimming pool, Gymnasium, carom/card room/play station, well designed landscape garden, kids play area, sewage treatment plant, rain water harvesting, garbage treatment plant etc
- To be developed over 2 years

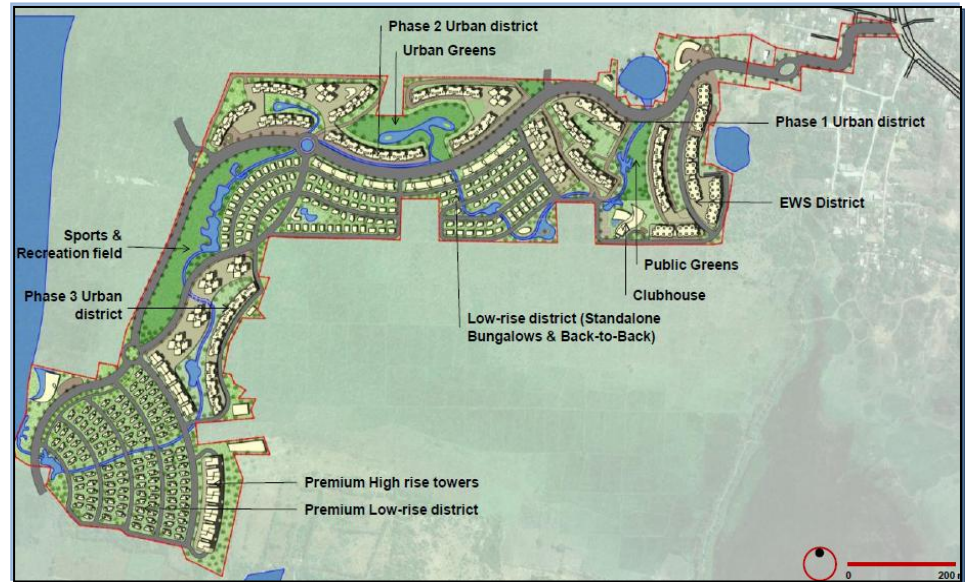




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Upcoming Real Estate Projects

- Located at Oragadam, Chennai
 - Surrounding area has well developed infrastructure
- Around 10 million sq. ft. of saleable area
 - 1.57 million sq. ft. to be launched in Phase I
 - Phase I to be developed over 3 years
- 1,2,3 BHK, Row Apartments, Bungalows etc.
 - size ranging from 564 sq. ft. to 2,500 sq. ft.
- Township with latest amenities like club house, Swimming pool, Gymnasium, Tennis and Basketball court, Jogging track, Party hall, water show in lake, Pharmacy, Farmers Market in Park etc.



- Located at Neelambur, Coimbatore
- 0.94 million sq. ft. total saleable area
- Residential project with 1 & 2 BHK
 - sizes ranging from 975 sq. ft. to 1,100 sq.ft.
- Township with latest amenities like club house, Swimming pool, Gymnasium, Party hall, well designed landscape garden, kids play area, sewage treatment plant, rain water harvesting etc.
- To be developed over 3 years from date of commencement



- Located at Wadala, Nashik
 - Surrounding area has well developed infrastructure
- 0.07 million sq. ft. of saleable area
- Residential project with 2 & 3 BHK
 - sizes ranging from 1,195 sq. ft. to 1,575 sq.ft.
- Township with latest amenities like club house, well designed landscape garden, kids play area, sewage treatment plant, rain water harvesting etc.
- To be developed over 2.5 years from date of commencement





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Hospitality Business Update

Hotel	Galaxy Resorts	Hyatt	Holiday Inn	Coimbatore
Location	Goa	Pune	Pune	Coimbatore
Holding	43.83%	26%	28.70%	70%
Category	3 Star	5 Star	5 Star	4 Star
No. of Keys	65	306	187	129
Total Area (Sft)	70,000	4,50,000	1,09,769	1,06,500
Operator	Royal Orchids	Hyatt	Holiday Inn	To be tied up
Operational	Jan 2005	Nov 2010	April 2011	FY 2013
Vascon Investment (Rs. Mn.)	37	304	239	140

Sale of Equity State in Rose Premises (Golden Suites, Pune):

- Vascon sold its equity stake for Rs. 4 crore (Book Value-Rs 2 crore)
- Debt of Rs 15 crore from Vascon to Rose Premises will be recovered in due course

Total Investment in Hotel Projects ~ Rs. 720 Mn.

Awards & Recognition during FY 12



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➤ BAI Award

- Project awarded : Vista, Nashik for Best Building of the year in Group Housing Residential Category

➤ AESA Awards 2012

- Project awarded : Hyatt, Pune for Juries Recommendation Award 2012 for Planning & Service

➤ BAI Universal Award (WBSC 2011 Pune)

- Project awarded : Altimo, Mumbai for Well Mechanized Project category

➤ Zee Business-RICS Real Estate Awards

- Project awarded : Zircon, Pune for Best Residential project - West category

➤ Construction Week Awards

- Project awarded : Ruby Mill, Mumbai for Tower Project of the Year

and many more.....



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