



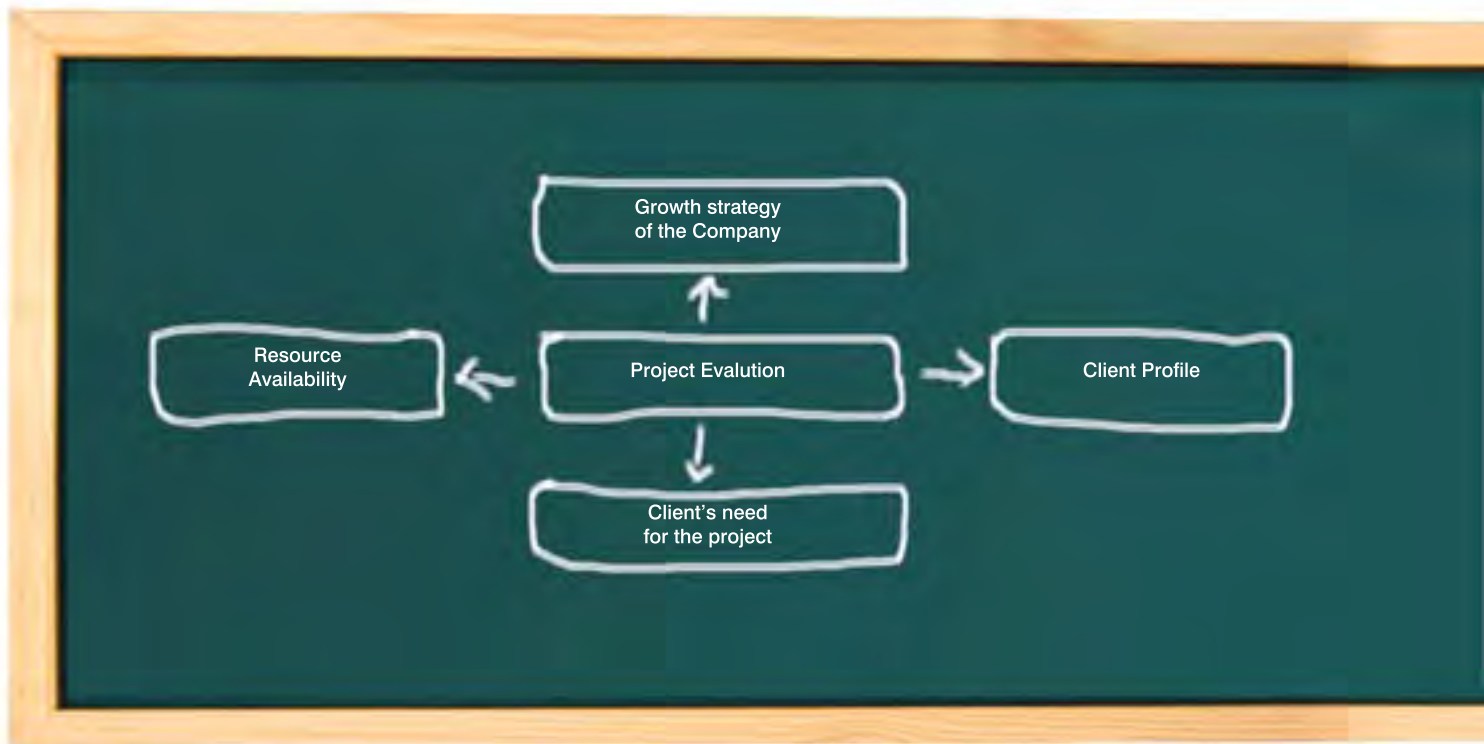
BUSINESS MODEL & REVIEW

ENGINEERING PROCUREMENT AND CONSTRUCTION (EPC) - STABILITY DRIVER

The Company commenced operations primarily as an EPC services company. Today the Company has 25 years of experience in providing EPC services, which includes constructing factories, hospitals, hospitality properties, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings. The Company is known for its quality of construction, which can be easily concluded from number of repeated orders that the Company gets from its clients. The Company provides EPC services for its own projects as well as to third parties. As of March 31, 2011, the Company has completed more than 190 EPC contracts, with construction of over 32 million sq. ft. and is engaged in 90 ongoing EPC contracts, with an estimated total contract value of Rs. 41,390 million with an Order Backlog of Rs. 27,980 million out of which 66 EPC contracts were for third parties with the order size of Rs.25, 820 million and an Order Backlog of Rs. 14,600 million and 24 EPC Contracts were for projects developed by us or the other development entities with an order size of around Rs.15, 569 million and an order backlog of Rs. 13,380 million. Our third party EPC clients include various reputed clients such as Ruby Mills in Mumbai, Symbiosis Education Institutes, Sinhgad Education Society, Cipla Ltd., Dr. Reddy's Laboratories Ltd., Tata Housing, NBCC, Adani Township, Goa Institute of Management, etc.

EVALUATION PROCESS FOR THIRD PARTY ORDERS

Projects evaluations are done based on client need, client profile, resources availability and overall growth strategy of the Company.



COMPANY'S GROWTH STRATEGY FOR EPC BUSINESS

1. Diversifying geographical presence
2. Diversifying nature of projects
3. Focus on institutional contracts
4. Use of latest construction technology to reduce time and cost
5. Bidding for full service and bigger size contracts

Company is also closely working with various government agencies like NBCC (National Building and Construction Company) for their projects in residential and commercial segment.

Company is having sound footprint in healthcare and education sectors, where the government and private sector is planning huge investment. This will help the Company in bagging new contracts in these sectors going ahead.



BUSINESS MODEL & REVIEW

COMPANY'S EPC ORDER BOOK

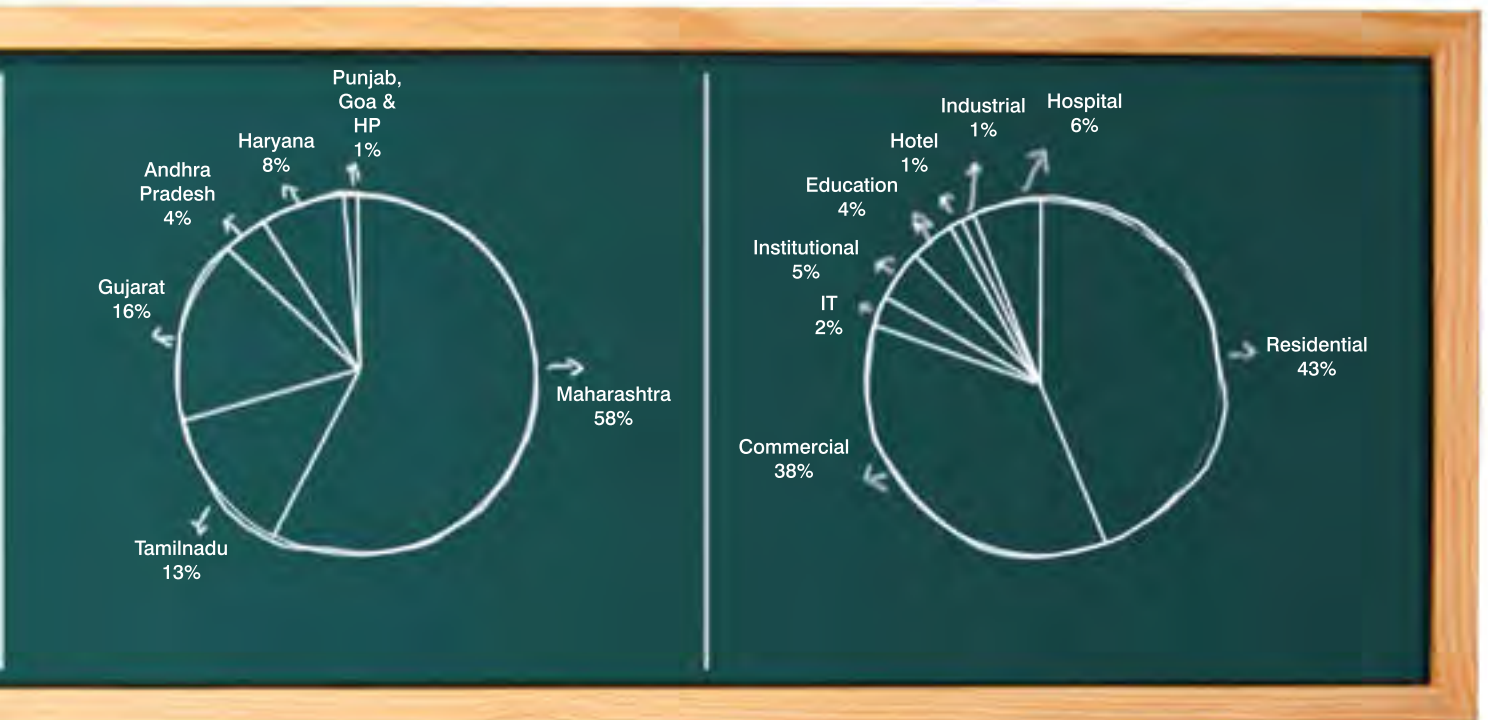
EPC Order Book as of 31st March, 2011			
		Order Book	Backlog
	No. of projects	Rs. million	Rs. million
3rd Party Contracts	66	25,820	14,600
Own Contracts	24	15,569	13,380
Total	90	41,390	27,980

The company has diversified its EPC portfolio both geographically and segment-wise to reduce the risk from projects.

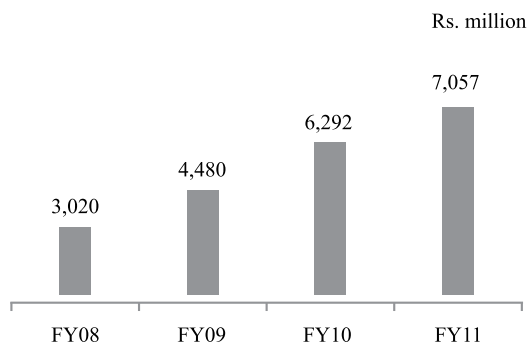
Geographical and segment-wise distribution for the order backlog of Rs. 27,980 million is as follows:

GEOGRAPHICAL DISTRIBUTION

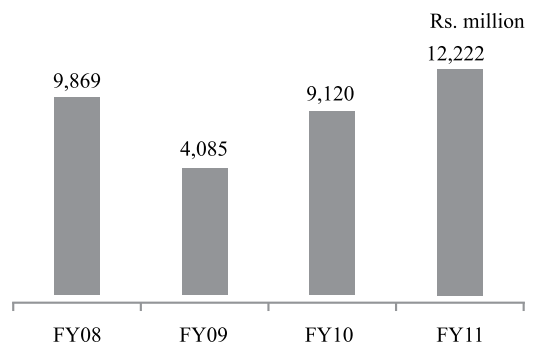
SEGMENT-WISE DISTRIBUTION



EPC Revenue Growth in last 4 years ~ 33%



Orders built over a period – Third Party





BUSINESS MODEL & REVIEW

REAL ESTATE BUSINESS - SCALABILITY DRIVER

The Company's real estate development business comprises the development of residential and office complexes, as well as shopping malls, multiplexes, hospitality properties, IT parks and other buildings directly or indirectly through our subsidiaries or the other development entities. The Company has a Pan India presence in developing real estate projects. The Company and the other development entities have completed various real estate development projects, and in the process of developing various real estate projects, with an aggregate saleable area of over 66 million square feet.

In order to achieve efficiency of scale and focussed working, the Company has decided to outsource the non core activities like project approval, project management and marketing to Vascon Infrastructure Ltd. a company promoted with these as main objectives.

Company has strategically entered into the Real Estate business to

√ Leverage its EPC experience

- The Company has a strong EPC base which helps the Company to rise above industry standards in terms of execution capabilities.
- Real Estate synergizes well with the EPC business; this not only helps the Company to grow faster but also to establish a niche in this space.

√ Unique Business model focused on lower land acquisition costs

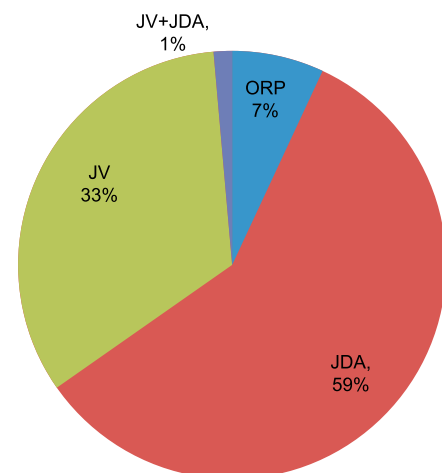
- Majority of Real Estate development is done through Joint Ventures (JVs) and Joint Development Agreements (JDAs), thereby reducing working capital requirement. The model also ensures against the blockage of capital and minimizes downside risk.
- Partnerships augurs well for local market dynamics.
- Company focus on real estate development in Tier II and Tier III cities in India: the idea being to focus on areas where the Company foresees significant value unlocking potential from its land holding.
- The Company also has diversified its Real Estate portfolio across India into cities like Pune, Nashik, Aurangabad, Thane, Chennai, Madurai, Goa, Hyderabad, Coimbatore, Belgaum and Chandigarh.

√ Presence across the entire universe of projects

- Today the Company has established its presence in developing Residential and Office Complexes, IT parks, Shopping malls, Multiplexes, Hospitality properties and other buildings.
- The Company undertakes the entire spectrum of Real Estate Development activities including identification and acquisition of land, providing EPC services and sales and marketing of projects to operations of completed projects.

Economic Interest wise distribution of Real Estate Business

Land Reserves	Development Potential	Attributable to Vascon	
		msf	%
Land Owned by the Company	3.0	2.9	7%
Development through JDA	34.9	22.6	59%
Joint Ventures	27.3	12.6	33%
JDA with JV	0.6	0.3	1%
	66.0	38.3	100%



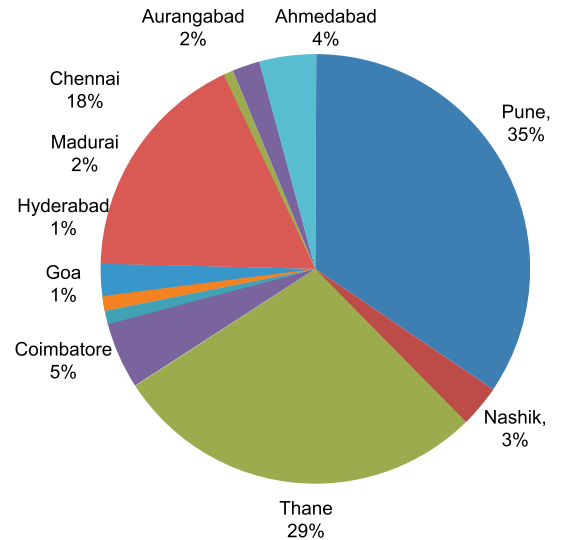


BUSINESS MODEL & REVIEW

Real Estate Project Portfolio of 66 msf.

No.	Location	Project Area msf	Attributable to Vascon msf
Residential			
1	Pune	15.0	9.1
2	Chennai	11.7	8.9
3	Thane	19.0	8.4
4	Coimbatore	2.8	1.5
5	Nashik	0.7	0.7
6	Madurai	1.0	0.7
7	Goa	0.5	0.5
8	Hyderabad	0.6	0.4
Commercial			
1	Pune	7.0	4.1
2	Ahmedabad	2.7	1.2
3	Aurangabad	1.4	0.7
4	Nashik	1.0	0.8
5	Madurai	0.7	0.5
6	Coimbatore	0.6	0.3
7	Chandigarh	0.3	0.1
8	Belgaum	0.2	0.1

Region-wise breakup of Real Estate Portfolio



PROJECT EXECUTION PROCESS

The Company utilizes a five-stage execution methodology for our development projects, consisting of land identification and acquisition, obtaining consents, authorisations and approvals required for development, project preparation, project management & execution and marketing & post-completion. A summary of the activities involved in these five stages of project development phases is set out in the following chart.





BUSINESS MODEL & REVIEW

DETAILS FOR THE ONGOING PROJECTS

Project Name	Location	Vascon Share		Project Area msft
		Equity	Revenue	
Willows Phase I	Pune	100%	56%	0.22
Willows Phase II	Pune	100%	56%	0.16
Vista - Phase I	Nashik	100%	100%	0.18
Vista - Phase II	Nashik	100%	100%	0.13
Forest County (11 buildings)	Pune	50%	100%	0.84
Tulips - Phase I	Coimbatore	70%	70%	0.07
Tulips - Phase II	Coimbatore	70%	70%	0.2
Windermere Duplex	Pune	100%	45%	0.17
Windermere Apartments	Pune	100%	45%	0.22
Total				2.19

PLANNED LAUNCHES FOR FY12

The Company is planning to launch 8 real estate projects in the current year. The total area for the projects is around 4 million sq. ft.

- Chennai Project:** This is a residential project in a rapidly growing suburb - Oragadam, Chennai. The project will comprise of premium bungalows, duplex, premium apartments and economy apartments. The project will feature various amenities such as water harvesting, jogging track, bike tracks, state of art clubhouse, etc.
Oragadam owes its strategic advantage due to a large manufacturing presence, demand base, supplier presence, established infrastructure and multi-modal connectivity.
- Xotech:** This is a residential project located at Hinjewadi, Pune IT hub, Maharashtra that comprises of very modest and quality 2 & 3 BHK apartments. The project will feature various amenities such as rain water harvesting, dedicated children play zone, club house, etc.
- ELA – The Earth:** This is a residential project located at upcoming area of Hadapsar, Pune, Maharashtra that will comprises of 2 and 2.5 BHK apartment. The project will feature various amenities such as swimming pool, club house, dedicated children play zone, rain water harvesting, etc.
- Nature Spring:** This is a mix development township project consisting of bungalows, premium apartment high-rise buildings, budget apartment high-rise buildings, low rise units, multiplex and shopping mall in an upcoming area of Talegaon, Pune with a state of art clubhouse marks its presence in the open space right at entry which offers world class amenities along with an uninterrupted view of the central open space.
- Panache Heights:** This is a residential project located at well developed area of Gachibowli, Hyderabad. The project will comprise of 2, 3 and 4 BHK apartments. The project will feature well developed landscape garden, rainwater harvesting, club house, etc.
- Neelambur Project:** This is a mix development project in Neelambur, Coimbatore, Tamil Nadu. The project will comprise of 1 & 2 BHK apartments with modern amenities such as rain water harvesting, club house, swimming pool, dedicated children play zone, etc.
- Madurai Project:** This is a mix development project at Madurai, Tamil Nadu. Residential area will comprise of 2, 3 & 4 BHK apartments with modern amenities such as well developed landscape garden, rain water harvesting, swimming pool, club house, dedicated children play zone, etc.
- Vista Phase III:** This is Phase III of eco friendly Vista residential project. The project will comprise of 2 building of 2 & 3 BHK apartments. The project will feature various amenities such as centrally landscape garden, dedicated children play zone, fully equipped multi activity club house, etc.



BUSINESS MODEL & REVIEW

HOSPITALITY BUSINESS - STRATEGIC INVESTMENT

As part of our growth strategy, the Company has developed number of hospitality properties and shopping malls and office complexes and intends to develop several others. We derive revenue from entities involved in owning and operating hospitality properties and service apartment complexes.

The primary reason to hold these properties is to tap the demand for the hospitality segment in and around our Real Estate development. Secondly, as the Company has expertise in construction, getting the investor who likes to save the lead time for construction, benefits both the parties.

The Company is also looking to expand its presence across the country, by making strategic investment in this segment, wherever a lucrative opportunity is available.

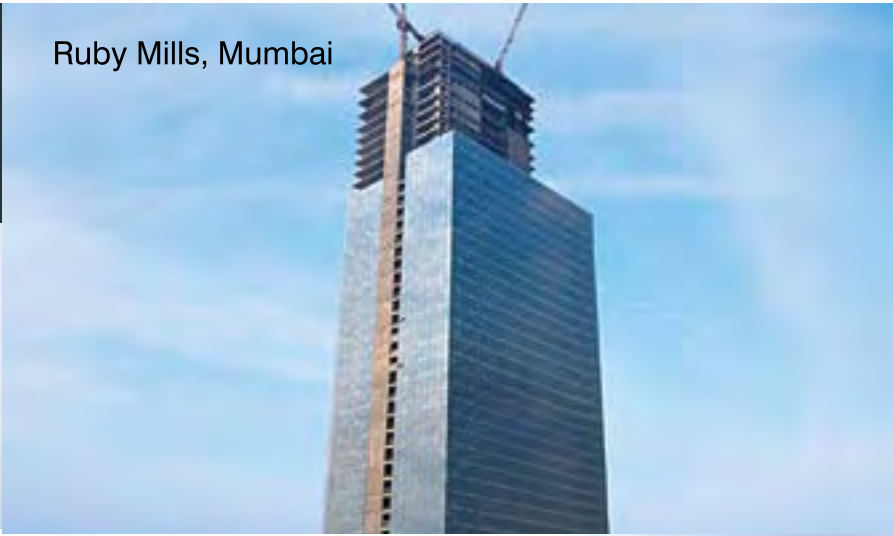
Company's Current Hospitality Portfolio

Hotel	Galaxy Resorts	Golden Suites	Hyatt	Holiday Inn	Coimbatore
Location	Goa	Pune	Pune	Pune	Coimbatore
Holding	43.83%	50%	26%	27.50%	70%
Category	3 Star	3 Star	5 Star	5 Star	4 Star
No. of Keys	65	71	306	187	107
Total Area (Sft)	70,000	55,000	4,50,000	1,09,769	1,06,500
Operator	Royal Orchids	Royal Orchids	Hyatt	Holiday Inn	To be finalized
Operational	Jan 2005	June 2007	Nov 2010	April 2011	Will get operational in FY 2013



PICTURES OF SUCCESS

Ruby Mills, Mumbai



Cipla SEZ, Indore



Multilevel Car Park,
Delhi Airport



BPTP, Gurgaon





PICTURES OF SUCCESS

Willows, Pune



Mazak, Pune



Vista, Nashik

Nucleus, Pune

