



VASCON[®]
Development with Conscience

Vascon Engineers Limited

Development With Conscience

FY 2013 Result Update

May, 2013



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Consolidated Profitability Statement



| Rs. Mn | Q4 FY13 | Q4 FY 12 | FY 2013 | FY 2012 |
|---|---------------|----------------|---------------|--------------|
| Revenue | 1874 | 1807 | 7076 | 7121 |
| Other Income | 116 | 43 | 290 | 158 |
| Total Income | 1990 | 1850 | 7366 | 7279 |
| Construction Expenses / Material Consumed | 1432 | 1678 | 5388 | 5467 |
| Employee Cost | 213 | 140 | 773 | 697 |
| Other Expenses | 184 | 304 | 681 | 680 |
| EBITDA | 161 | -272 | 524 | 436 |
| EBITDA Margin | 8.11% | -14.69% | 7.12% | 5.99% |
| Interest | 58 | -2 | 332 | 370 |
| Depreciation | 59 | 48 | 205 | 182 |
| Exceptional Items | 40 | -346 | 59 | -391 |
| PBT | 4 | 27 | -72 | 275 |
| Tax | 37 | -29 | 98 | 120 |
| PAT | -33 | 56 | -170 | 155 |
| PAT Margin | -1.66% | 3.05% | -2.31% | 2.13% |

Segment-wise Financial Highlights



| Rs. Mn | Revenue | | Cost of Sales | | Gross Profit | | Gross Profit % | |
|--|---------|-------|---------------|-------|--------------|-------|----------------|--------|
| | FY 13 | FY 12 | FY 13 | FY 12 | FY 13 | FY 12 | FY 13 | FY 12 |
| EPC | 3,495 | 4,300 | 2,919 | 3,758 | 576 | 542 | 16.48% | 12.61% |
| Real Estate | 1,693 | 1,142 | 1,275 | 690 | 419 | 451 | 24.72% | 39.52% |
| Clean Room Partitions & BMS | 1,833 | 1,591 | 1,189 | 995 | 644 | 596 | 35.13% | 37.46% |

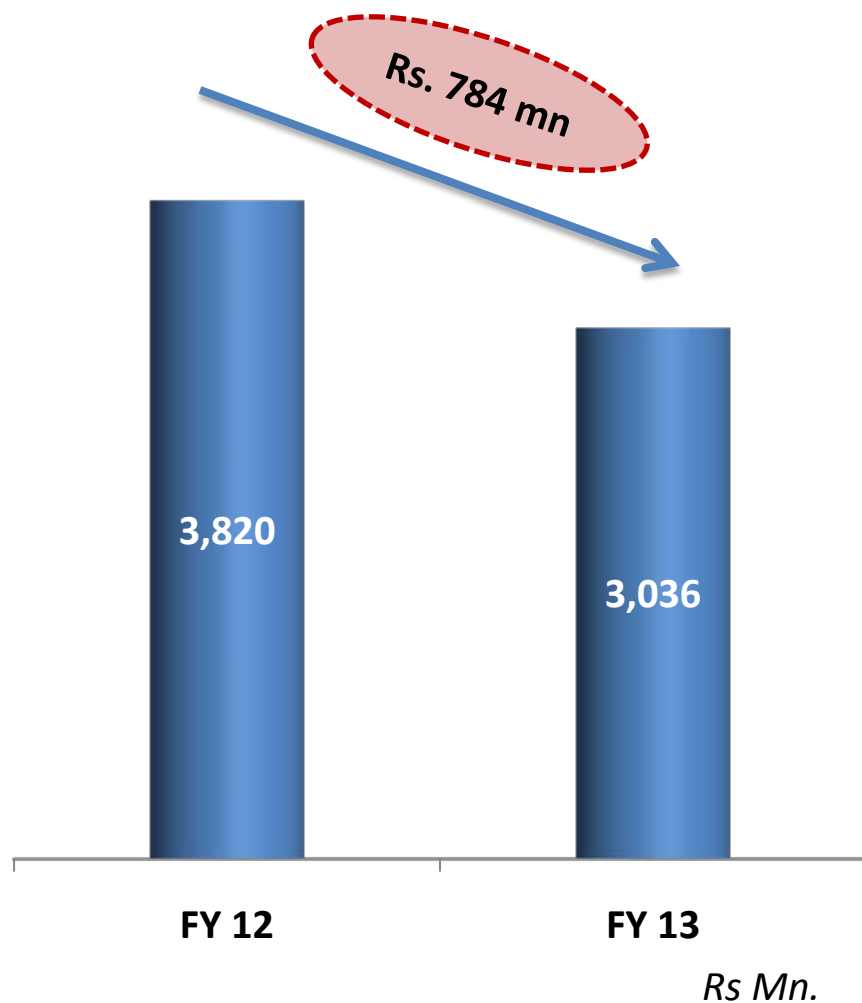
Consolidated Balance Sheet



| Rs. Mn | Mar-13 | Mar-12 |
|---------------------------------------|---------------|---------------|
| Net Worth | 7,135 | 7,305 |
| Minority Interest | 122 | 119 |
| Non Current Liabiliteis | | |
| Long Term Borrowigs | 460 | 582 |
| Deferred Tax Liabilities | 3 | 4 |
| Other Long Term Liabilities | 52 | 5 |
| Long Term Provision | 13 | 9 |
| | 528 | 599 |
| Current Liabilites | | |
| Short Term Borrowings | 1,994 | 2,349 |
| Trade Payables | 1,737 | 1,658 |
| Other Current Liabilities | 3,112 | 2,858 |
| Short term Provisions | 156 | 164 |
| | 6,998 | 7,029 |
| Total Equity & Liabilities | 14,783 | 15,053 |

| Rs. Mn | Mar-13 | Mar-12 |
|------------------------------|---------------|---------------|
| Non Current Assets | | |
| Net Fixed Assets | 2,270 | 2,319 |
| Non Current Investments | 362 | 328 |
| Deferred Tax Assets | 16 | 33 |
| Long term loans & Advances | 2,198 | 2,167 |
| Other Non current Assets | 22 | 42 |
| | 4,868 | 4,888 |
| Current Assets | | |
| Current Investments | 290 | 474 |
| Inventories | 3,527 | 3,828 |
| Sundry Debtors | 2,701 | 2,569 |
| Cash & Bank Balances | 459 | 445 |
| Short terms Loans & Advances | 982 | 899 |
| Other Currents Assets | 1,956 | 1,951 |
| | 9,915 | 10,165 |
| Total Assets | 14,783 | 15,053 |

Focus on Debt Reduction



**Gross Debt Reduction of
Rs. 784 mn
in FY 2013**

| Rs. in Mn. | FY 13 | FY 12 |
|---------------------|--------------|--------------|
| Long Term Debt | 460 | 582 |
| Short Term Debt | 1,994 | 2,349 |
| Current Liabilities | 582 | 889 |
| Total | 3,036 | 3,820 |

- **Orderbook Review & Renegotiation**
 - Delay in Projects resulting in cost overruns
 - Projects stalled due to non payment by developers affected execution cycle and resulted in significant cost overrun
 - Economically not viable to continue execution of Projects on same commercial terms
 - Initiated discussion and renegotiation of the EPC contract with the Clients

- **TNLA project**
 - Letter received from PWD Tamil Nadu for conversion of Assembly Building into Medical College and Hospital
 - Work to be resumed by next quarter

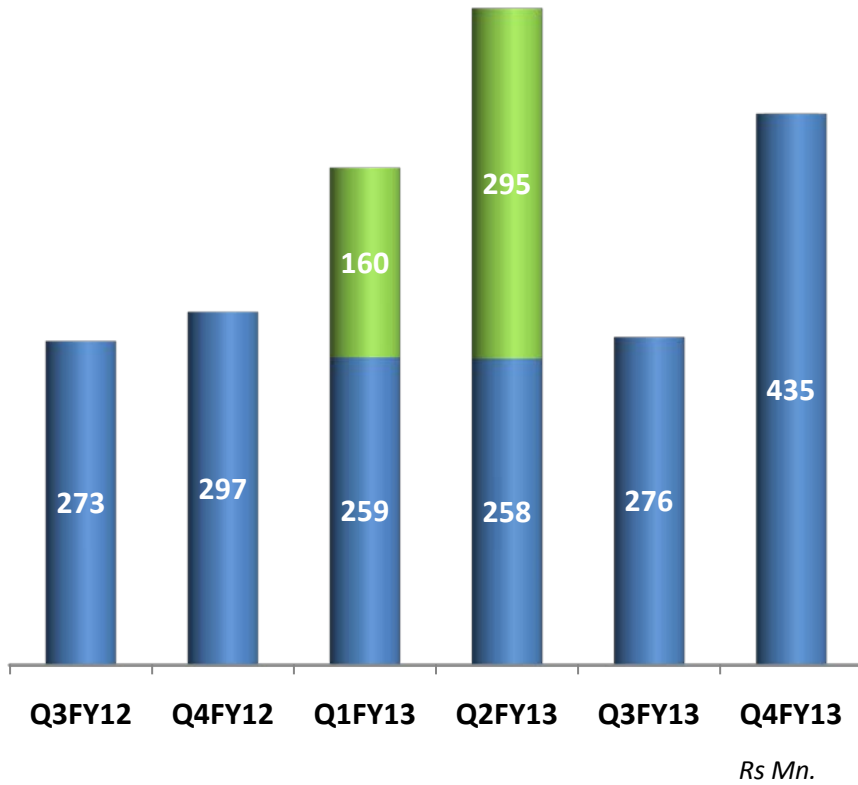
- **Fresh Order Inflow**
 - Order Intake of Rs. 3,543 mn in FY 13
 - Orders received from prestigious clients and reputed names
 - Godrej, Pune
 - Unitech, Chennai
 - Dayand Medical College, Ludhiana
 - Sadhu Vaswani Mission, Pune
 - Gift City, Ahmedabad

Current EPC Orderbook of Rs. 12,287 mn

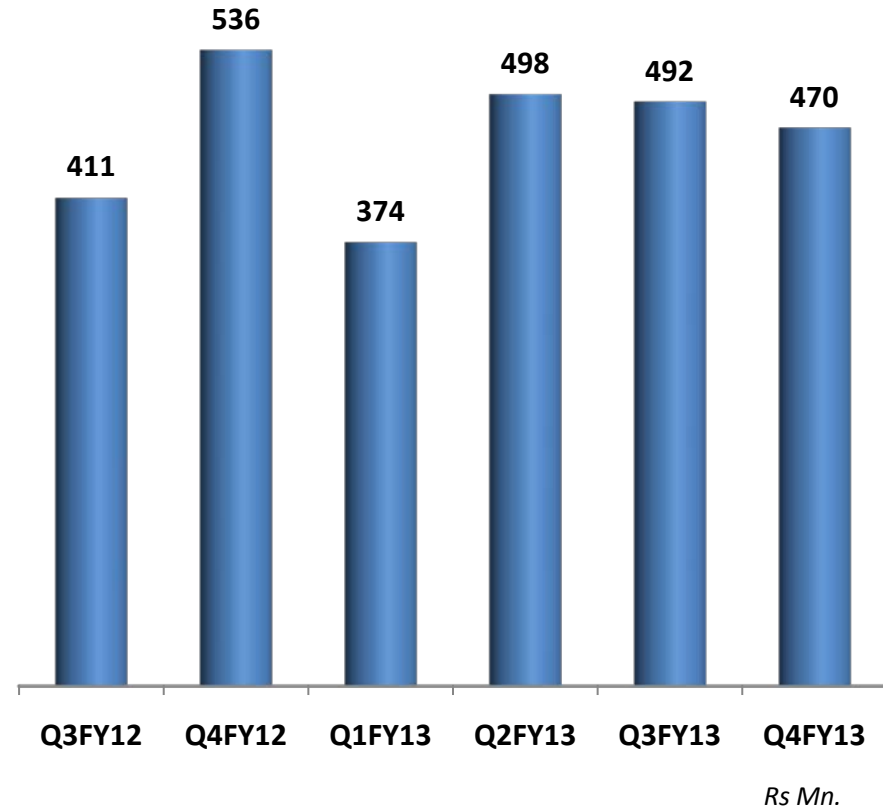
Revenue growth in other Segments



Real Estate Segment



Clean Room Partition & BMS Segment



Revenue from sale of commercial buildings

Real Estate Projects Progress



As on March 31, 2013

| Project Name | Location | Vascon Share | | Total | | | | Vascon Share | | |
|-------------------------|------------|--------------|---------|--------------|-------------|--------------|--------------|--------------|--------------|-----------------|
| | | | | Project Area | Area Sold | Sale Value | Collection | Sale Value | Collection | Rev. Recognised |
| | | Equity | Revenue | msft | msft | Rs. mn | Rs. mn | Rs. mn | Rs. mn | Rs. mn |
| Willows Phase (C,D) | Pune | 100% | 56% | 0.11 | 0.11 | 510 | 489 | 286 | 274 | 282 |
| Willows Phase (E,F) | Pune | 100% | 56% | 0.16 | 0.14 | 585 | 449 | 328 | 251 | 266 |
| Vista - Phase II | Nashik | 100% | 100% | 0.14 | 0.11 | 265 | 216 | 265 | 216 | 209 |
| Forest County (11 bld.) | Pune | 50% | 100% | 0.84 | 0.74 | 2,774 | 1,882 | 1,387 | 941 | 840 |
| Tulips – Phase I | Coimbatore | 100% | 100% | 0.05 | 0.05 | 193 | 182 | 193 | 182 | 193 |
| Tulips - Phase II | Coimbatore | 70% | 70% | 0.20 | 0.10 | 412 | 169 | 288 | 118 | 0 |
| Windmere Duplex | Pune | 100% | 45% | 0.17 | 0.05 | 438 | 107 | 193 | 47 | 46 |
| Windmere Apartments | Pune | 100% | 45% | 0.21 | 0.09 | 928 | 259 | 408 | 114 | 48 |
| Xotech | Pune | 50% | 100% | 0.15 | 0.03 | 125 | 92 | 63 | 46 | 28 |
| Nature Spring | Pune | 100% | 65% | 0.26 | 0.06 | 187 | 33 | 129 | 23 | 0 |
| Nature Nest | Pune | 100% | 65% | 0.25 | 0.03 | 88 | 15 | 61 | 10 | 0 |
| Ela | Pune | 100% | 100% | 0.12 | 0.06 | 282 | 98 | 282 | 98 | 147 |
| Garnets Bay | Pune | 50% | 100% | 0.03 | 0.02 | 171 | 45 | 86 | 23 | 0 |
| Eco Tower | Pune | 100% | 100% | 0.04 | 0.02 | 100 | 34 | 100 | 34 | 33 |
| Total | | | | 2.72 | 1.63 | 7,059 | 4,070 | 4,068 | 2,377 | 2,090 |

| City | Area | Dev. Area | Vascon Share |
|--|--------------|-------------|--------------|
| | Acres | msft | Msft |
| Joint Development Agreement (JDA) | | | |
| Belgam | 1.7 | 0.2 | 0.1 |
| Chennai | 105.0 | 8.7 | 6.6 |
| Hyderabad | 3.5 | 0.6 | 0.4 |
| Madurai | 28.2 | 2.7 | 1.8 |
| Nashik | 3.7 | 0.2 | 0.1 |
| Pune | 191.1 | 11.6 | 6.6 |
| Joint Venture (JV) | | | |
| Pune | 55.4 | 3.3 | 1.6 |
| Thane | 145.1 | 19.0 | 8.4 |
| JV & JDA | | | |
| Coimbatore | 37.2 | 2.9 | 1.5 |
| Pune | 1.6 | 0.3 | 0.1 |
| Owned Land | | | |
| Aurangabad | 9.0 | 0.8 | 0.8 |
| Goa | 7.6 | 0.5 | 0.5 |
| Nashik | 11.1 | 0.5 | 0.5 |
| Pune | 14.1 | 0.9 | 0.9 |
| Total | 614.3 | 51.9 | 30.0 |

Land Bank of 52 msft totally paid for, available for development

Focusing on Cash Flows improvement



- Monetization of completed project inventory / selective land parcels

| Project / Location | Type | Area (Sq ft) | Value (Rs. mn.) | |
|--------------------|-----------------|--------------|-----------------|----------------------------|
| Phoenix | Commercial | 106,000 | 150 | DONE |
| Al Monte | Commercial | 175,000 | 290 | DONE |
| Weikfield, Pune | Investment | | 140 | DONE |
| | | | 580 | |
| Zenith, Pune | Land Parcel | 380,000 | 270 | 80 mn received |
| V-Tech, Nashik | Commercial | 118,000 | 350 | Deal Done, payment awaited |
| Katvi, Pune | Land Parcel | 431,000 | 190 | |
| Nucleus, Pune | Commercial unit | 8,000 | 80 | |
| | | | 890 | |

- Divestment of Hospitality Portfolio**

| Project / Location | % Holding | Vascon Investment (Rs. mn.) |
|---------------------|-----------|--------------------------------|
| Hyatt, Pune | 19.0% | 304 |
| Holiday Inn, Pune | 28.7% | 239 |
| Galaxy Resorts, Goa | 43.83% | 37 |
| Coimbatore | 70.0% | 140 |
| | | 720 |

- 1. Continue focus on Cash Flow Improvement**
- 2. Focus on Real Estate project development**
- 3. Selective on new EPC orders**

For further information, please contact:

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