



VASCON

Date: May 28, 2018

To,
National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra (E), Mumbai – 400 051

To,
BSE Limited,
The Department of Corporate Services
Department of Corporate Services
Mumbai 400 001

Ref Symbol: VASCONEQ

Ref: Scrip Code: 533156

Subject: Presentation Update

Dear Sir/ Madam,

Please find enclosed Presentation by the Company Post Board meeting.

This is for your information and records.

Thanking you,

For Vascon Engineers Limited,

Dr. Santosh Sundararajan
Chief Executive Officer



Enclosures: as above

VASCON ENGINEERS LTD.

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CIN: L70100PN1986PLC175750



VASCON

TOWARDS NEWER, BIGGER MILESTONES



200+
COMPLETED
PROJECTS



PROJECTS
ACROSS
30+ CITIES



AN ISO 9001:2000
& ISO 14001:2004
COMPANY



50+ MILLION
SQUARE FEET
DELIVERED

VASCON ENGINEERS

INVESTOR PRESENTATION | MAY 2018

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KEY DEVELOPMENTS & FINANCIAL HIGHLIGHTS

FY18 - DELIVERING ON COMMITMENTS



WHAT WE TARGETED

EPC Order Intake

> Rs. 500 Crs

Real Estate Launches

Identified Projects to be launched in FY18

Focus on Affordable Housing in both segments of

EPC & Real Estate

WHAT WE DELIVERED

- Achieved EPC order Intake of **~Rs 660 Crs**
- Order Intake from Reputed Developers (Shapoorji Palanji, Godrej) and Institutions

- Launched & Fully sold Commercial Building in Pune - **Platinum Square** – Phase II in Sep 2017
- Launched & Sold Residential **Project Forest Edge**, Kharadi in Nov 2017
- Re-launched **Windermere** , Koregaon Park, Pune in March 2018

- EPC - Received order worth **Rs 236 Crs** for construction of affordable housing in Andhra Pradesh
- Real Estate: **Launched first Affordable Housing Project** in Katvi, Talegaon under Brand of Vascon Goodlife

FY18 - DELIVERING ON COMMITMENTS



WHAT WE TARGETED

Improve Financial Health
Improve Ratings &
Optimizing Cost

Cash Flow Generation
Monetisation of
Identified Assets

**Improving Marketing
function for Real Estate**
Strengthening Team
across function

WHAT WE DELIVERED

- Received Stable Credit rating of SMERA BBB- for Fund Based Facilities and SMERA A3 for Non-Fund Based Facilities

- Generated cash flow of ~Rs 75 Crs in FY18 through sale of few identified assets
- Looking to liquidate all identified non-core assets;

- Appointed CEO with clear focus on Real Estate Business
- Appointed Separate Heads for Sales, Marketing & CRM Function
- Enhanced Real Estate team to **60** professionals currently from **7** people in March 2017

STANDALONE & CONSOLIDATED PROFIT & LOSS HIGHLIGHTS



Particulars (Rs. Crs)	Standalone		Consolidated	
	FY18	FY17	FY18	FY17
Revenue	335.35	239.72	540.58	496.35
Other Income	24.06	44.29	37.93	58.01
Total Income	359.41	284.01	578.51	554.36
Construction Expenses / Material Consumed	249.45	183.02	383.21	369.65
Employee Cost#	46.45	36.38	76.87	76.62
Other Expenses	25.22	22.10	73.83	57.00
EBITDA	38.29	42.51	44.60	51.09
EBITDA Margin (%)	11%	15%	8%	9%
Depreciation	7.52	7.34	14.32	15.64
Finance Costs	19.36	27.16	25.28	32.74
Profit Before Tax	11.41	8.01	5.00	2.71
Tax	0.02	1.88	0.35	1.50
Profit After Tax	11.39	6.13	4.65	1.21
Other Comprehensive Income	0.24	0.58	0.58	0.60
Total Comprehensive Income	11.63	6.71	5.23	1.81

EMPLOYEE COST INCLUDES ESOPs Rs 14.71 Crs (Rs 7.16 Crs)

SEGMENT WISE PROFIT & LOSS - AFTER ALLOCATION



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Particulars (Rs. Cr)	RE	EPC	GMP	Inventorised	Total
Revenue	119.01	315.30	202.61		636.92
Other Income	6.21	16.44	17.04		39.69
Total Income	125.22	331.74	219.65		676.61
Cost of Sales	94.09	236.43	133.92	8.53	472.97
Gross Profit	24.92	78.87	68.69		163.95
Gross Profit Margin %	21%	25%	34%		26%
Employee Cost	23.54	22.93	30.43		76.90
Other Expenses	13.76	15.28	48.55		77.59
EBITDA	(6.17)	57.10	6.75		49.15
EBITDA Margin (%)	-	18%	3%		8%
Depreciation	1.20	6.59	6.61		14.40
EBIT	(7.37)	50.51	0.14		34.75
EBIT Margin (%)	-	16%	0%		5%
Finance Costs					25.60
Profit Before Tax					9.15
Tax					4.50
Profit After Tax	-	-	-		4.65

IT INCLUDES REVENUE & EXPENSES RELATED TO AJANTA ENTERPRISE & PHOENIX VENTURES, IN FINANCIALS SHARE OF PROFIT IS TAKEN (AS PER IND AS)
 ## IT INCLUDES INTERNAL EPC ORDER REVENUE AND CONSTRUCTION EXPENSES

BALANCE SHEET - CONSOLIDATED

Rs. Crs	Mar- 18	Mar - 17
Non-current assets	386.66	394.10
Fixed assets	119.86	130.19
Financial Assets	195.62	199.01
Other Non Current assets, Income Tax & Deferred Tax	71.18	64.90
Current assets	935.16	929.15
Inventories	471.53	451.16
Investments	7.79	5.30
Trade receivables	205.58	224.22
Cash and bank balances	55.83	66.46
Loans & Other Financial assets	169.12	158.48
Other current assets	25.31	23.53
Total Assets	1,321.82	1,323.25

Rs. Crs	Mar - 18	Mar - 17
Shareholder's Fund	668.07	634.19
Share capital	174.14	167.66
Reserves & Surplus	493.93	466.53
Non Controlling Interest	10.93	11.91
Non-current liabilities	115.17	167.68
Long term borrowings	90.95	132.63
Other Financial liabilities	24.22	35.05
Current liabilities	527.65	509.47
<i>Short term borrowings</i>	111.58	137.89
Trade Payables	192.81	195.71
Other Financial liabilities	88.58	14.38
Other current liabilities & Provisions	134.68	161.49
Total Liabilities	1,321.82	1,323.25



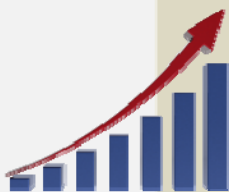
ENGINEERING PROCUREMENT & CONSTRUCTION

One of the leading EPC Company in India



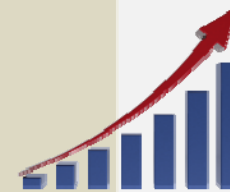
REAL ESTATE DEVELOPMENT

Focus on Affordable Housing



NON-CORE ASSETS

Liquidating non core investments





ENGINEERING PROCUREMENT & CONSTRUCTION

☐ **Construction Experience across various verticals**

- Residential Complexes, Commercial Buildings, IT Parks, Hospitals, Shopping Malls, Multiplexes, etc
- Executed over 200 projects with construction area of over 50 msft

☐ **Ability to execute around 8 msft per annum**

- State of the art equipment for quality and fast execution
- Number of Personnel in Project / Engineering team - 489

☐ **Currently executing around 3 msft p.a. – operating at 40% utilization**

- Significant room for growth with the current capacity
- Margins to grow exponentially with increase in revenues and order book

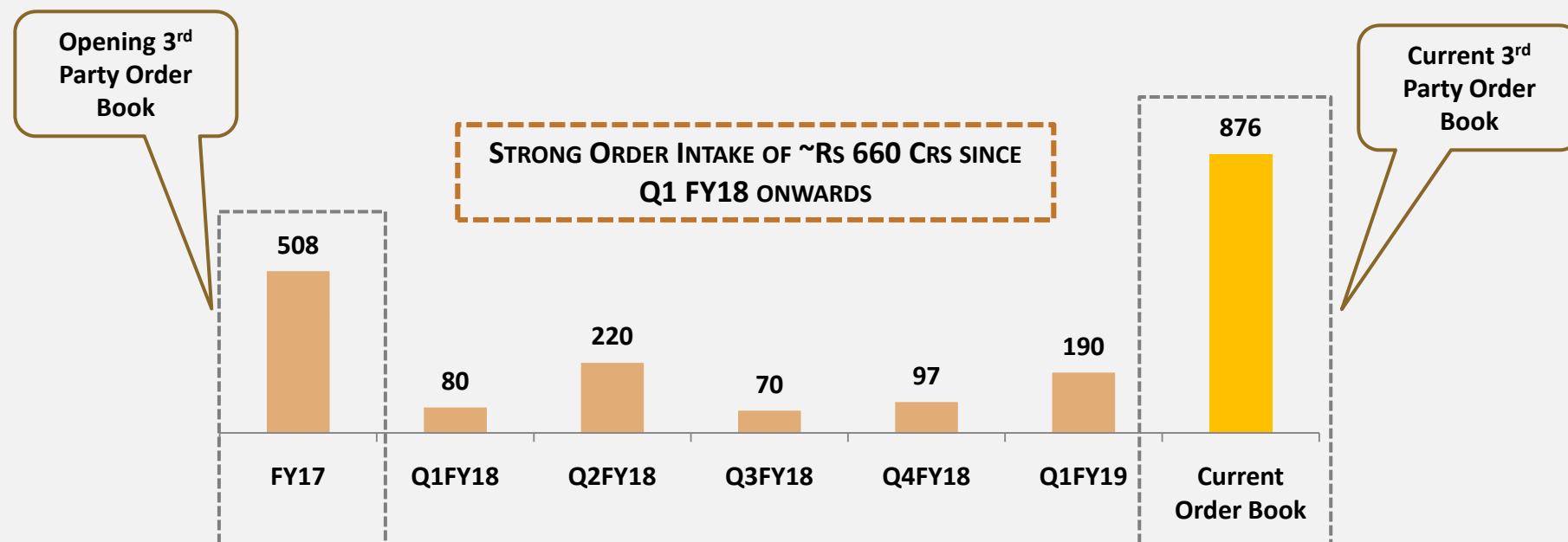
☐ **Higher margins Because of Turnkey Capabilities**

- In-house Design and Engineering team
- Ability to demand premium over other construction companies



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CONSISTENT ORDER INTAKE IN LAST YEAR



**EXECUTION OF NEW ORDERS TO IMPROVE REVENUE & CAPACITY UTILISATION
... LEADS TO BETTER OPERATING MARGINS IN FY19**

Figures in Rs Crores

EPC PROJECTS – EXISTING ORDER BOOK



Project	Location	Amt (Rs. Cr)
External Order book		
Kailash Enclave	Lucknow	138
Adhiraj	Mumbai	119
Godrej Greens	Pune	96
Ayyalur	Ayyalur, Andhra Pradesh	90
Adoni	Adoni, Andhra Pradesh	80
TNMC	Chennai	70
Sriram Educational Turst	Chennai	70
Sheth Creators – Malad (I&II)	Mumbai	64
Everest Enclave	Lucknow	45
Godrej Laguna	Chennai	34
Other Projects		70
Total		876
Internal Order book		
Platinum Square	Pune	4
Windermere-Tower I & II	Pune	15
Windermere-Bungalows	Pune	36
Hadapsar School	Pune	25
Forest Edge	Pune	25
Katvi-Affordable Housing	Talegaon, Pune	85
Total		190
Total EPC Business Order book		1,066



REAL ESTATE DEVELOPMENT

☐ Vascon Brand Equity in Pune

- Landmark developments (Windermere, Forest County and Willows) have established the Brand Vascon in Pune Market

☐ End-to-End Capabilities

- In-house Design and Construction team gives us a unique advantage over other Real Estate Developers

☐ Low Operating Cost

- Flat organization structure with agile decision reduces operating cost

☐ Asset Light Model

- JV and JDA with land owners with low upfront deposit

❑ Land Bank of 273 acres under various models

- Developable area of around 28 msft
- Focus on Real Estate development in Pune and Mumbai in beginning and then grow in other cities
- No land investments in new Projects; asset light development model through JVs & JDAs

Particulars	Project Area (Acres)	Saleable area (msft)	Vascon Share of Saleable Area (msft)
JDA with Land Owner	49.6	4.4	2.5
Pune	29.4	2.6	1.4
Madurai	18.2	1.6	1.0
Coimbatore	2.0	0.2	0.1
Owned in JV	200.5	22.3	10.1
Thane	145.1	19.0	8.4
Pune	55.4	3.3	1.7
Independently Owned	23.1	1.5	1.5
Pune	14.1	0.7	0.7
Aurangabad	9.0	0.8	0.8
Grand Total	273.2	28.2	14.1

REAL ESTATE - STRATEGY



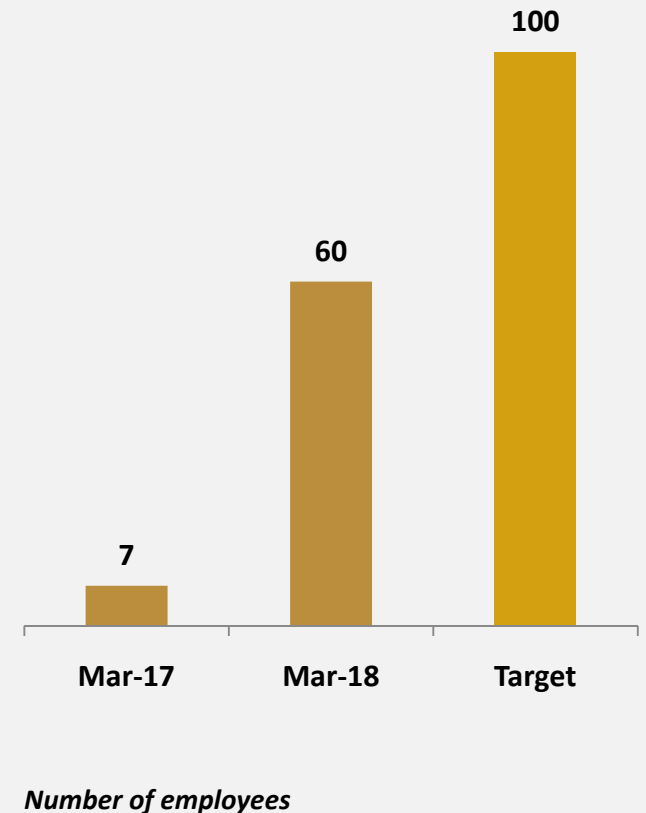
☐ Affordable Housing – the Focus Area

- Focus on developing Affordable Housing projects
- Perfect the Affordable Housing model in Pune and replicate in other cities
- Launch of new phases in existing projects with clear sales visibility
- Liquidate significant inventory at launch (Positive cashflows from the beginning of the Project)

INVESTED IN STRENGTHENING REAL ESTATE TEAM

☐ Key Steps taken in last Financial Year

- CEO (Real Estate) appointed with clear focus on Real Estate business
- Appointed separate heads for Sales, Marketing and CRM Function
- Real Estate team size grew from 7 people in March 2017 to 60 professionals at present; target to increase it to 100 people dynamic team





CURRENT REAL ESTATE PROJECTS UNDER DEVELOPMENT

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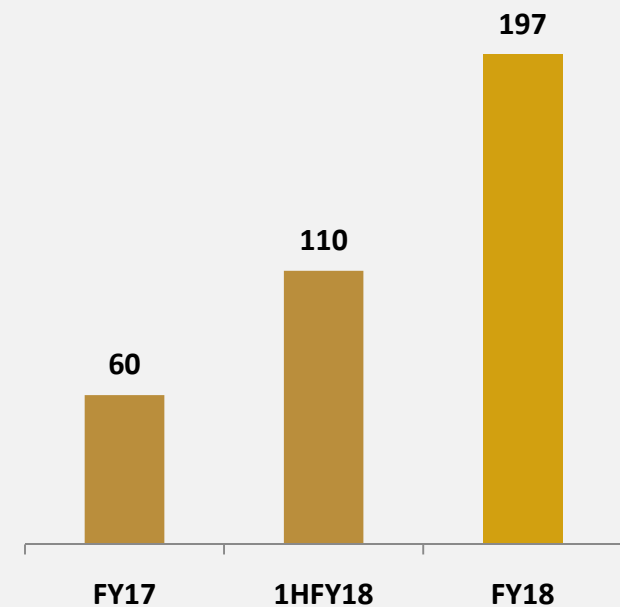
Project Name	Location	Vascon Share		Total				Vascon Share		
				Project Area	Area Sold	Sale Value	Collection	Sale Value	Collection	Rev. Recognised
		Type	Share	msft	msft	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
Forest Edge	Pune	JV	50%	0.08	0.06	40	9	20	5	-
Windmere Residential	Pune	JDA	45%	0.38	0.17	177	110	78	48	63
Platinum Square	Pune	JV	70%	0.13	0.12	118	78	82	55	59
Total				0.59	0.36	335	196	180	107	122

RECENTLY LAUNCHED PROJECTS



Projects	Dev. Area (msft)	Launch
Platinum Square (JV)	0.05	Sep 2017
Forest Edge (JV)	0.08	Jan 2018
Windermere (JV)	0.38	Mar 2018
Vascon Goodlife - Value Home (Own)	0.46	May 2018

REAL ESTATE SALES (RS CRS)



NEW SALE BOOKING OF ~2,46,867 SQFT FOR A TOTAL SALES VALUE OF ~Rs. 196.88 CR IN FY18 AGAINST SALE BOOKING OF 101,935 SQFT FOR A TOTAL SALES VALUE OF RS. 60.1 CR IN FY 17

RECENTLY LAUNCHED PROJECTS



PLATINUM SQUARE, PHASE II SUCCESSFUL LAUNCH IN SEP 2017



**ULTRAMODERN LUXURY BOUTIQUE OFFICES IN PUNE
AREA - 91,200 SFT; FULLY SOLD**

LAUNCHED "FOREST EDGE" IN JAN 2018 – A RESIDENTIAL PROJECT



**RESIDENTIAL PROJECT IN KHARADI, PUNE
AREA – 360,000 SFT; FULLY SOLD**

VASCON

[illegible]

Some homes
are meant to be passed
from generation to generation.
Not buyer to buyer.




WINDERMERE
AT KILBEGGANE PARK

It's not just a home. It's an inheritance.

Associated House Project of the year 2010*

Bookings window opens from 16th March, 2010.

Bookings to date are expected to reach 1m* March 2018

The grand lobby will be the first thing you experience when you enter the hotel.

The outdoor Perfect Box is a space

This beautiful pool is the highlight of the resort

This essential part is the highlight of the pattern.

As you drive on this highway, you can see the eye

Vision Windermere Press Ad, Inside Trim Size: 700 mm x 540 mm Bleed Size: 710 mm x 550 mm

AFFORDABLE HOUSING LAUNCH – VALUE HOME



VASCON GOODLIFE - KATVI, TALEGAON



VASCON'S FIRST-EVER VALUE HOUSING PROJECT LAUNCHED IN MAY 2018
SPREAD OVER 10 ACRES



LIQUIDATING NON-CORE ASSETS

LIQUIDATING NON-CORE ASSETS

NON-CORE INVESTMENTS

1. GMP TECHNICAL SOLUTIONS (85% HOLDING)
2. STAKE IN HOTEL PROPERTIES
3. COMMERCIAL ASSETS
4. RESIDENTIAL ASSETS

~Rs 75 CRS

CASH FLOW GENERATED IN FY18

CORE BUSINESS

EPC BUSINESS

REAL ESTATE
DEVELOPMENT

CASH FLOW GENERATED UTILIZED FOR REPAYING HIGH COST DEBT AND FOR WORKING CAPITAL



THANK YOU



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