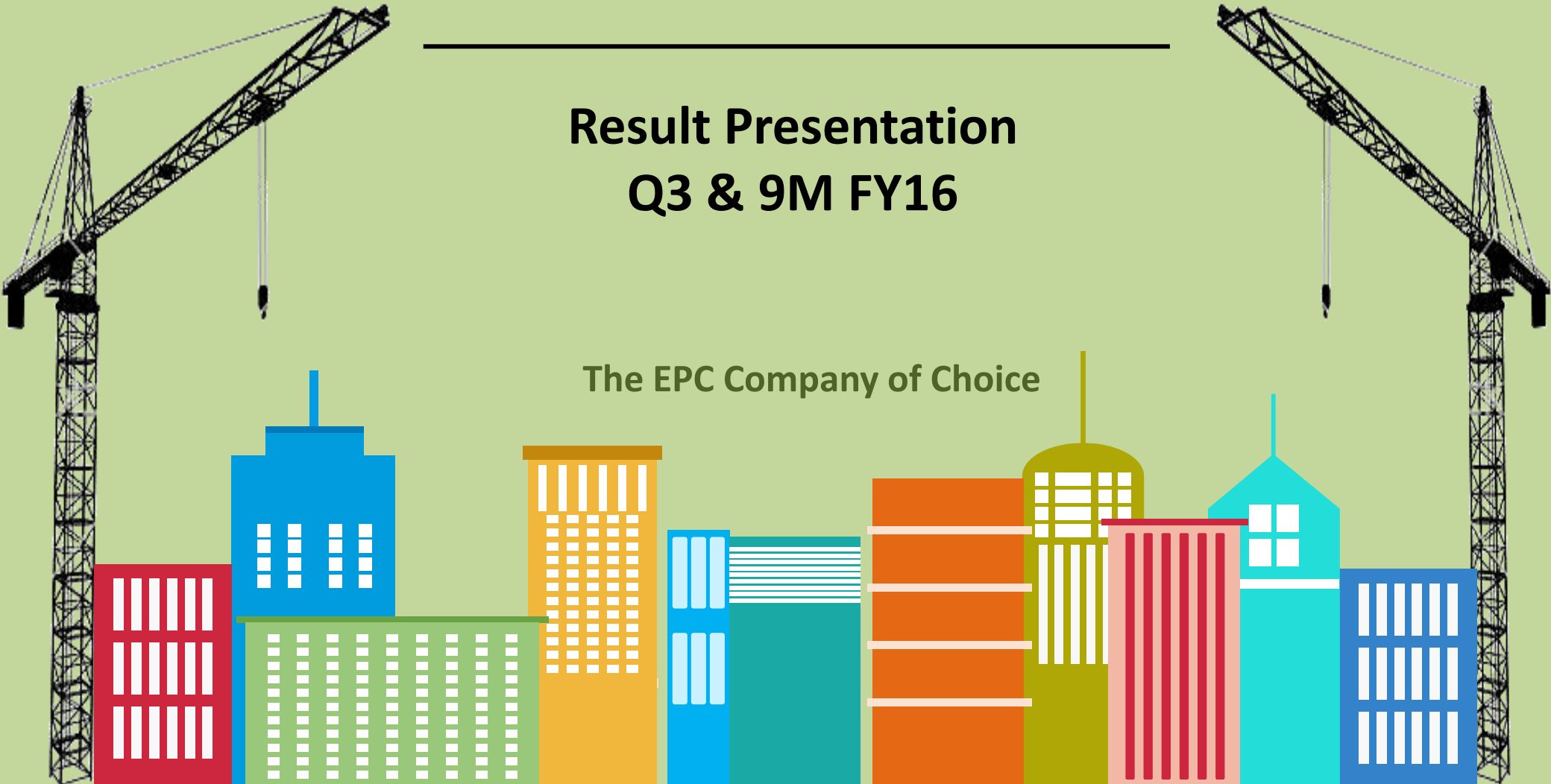


Vascon Engineers Limited

Heading towards better future...

Result Presentation Q3 & 9M FY16

The EPC Company of Choice



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- 1** Q3 & 9M FY16 – Business Update
- 2** Company Overview
- 3** EPC – The EPC Company of Choice
- 4** Clean Room Partition – One of the largest player in India
- 5** Real Estate – Monetizing current portfolio
- 6** Annexure



Q3 & 9M FY16 – Business Update

Rs. **1,461** Mn
Revenue

Rs. **241** Mn
EBITDA

Rs. **6,253** Mn
Net worth

16.5%
EBITDA Margin

Rs. **101** Mn
Profit After Tax

Rs. **2,000** Mn
Net Debt

Net Debt / Equity has improved to 0.3x in December 2015 as against 0.5x in March 2015

- **Order book in the EPC business stands at Rs. 8,484 mn as on 31st December, 2015**
 - ✓ Order intake of Rs. 2,860 mn during 9M FY16

- **Real Estate business development**
 - ✓ Sale of 87,020 sqft for a total sales value of Rs. 591 mn during 9M FY16
 - ✓ Average sales realization for the 9M FY16 has been Rs. 6,800 per sqft

- **Clean Room Partitions and BMS**
 - ✓ Focusing on improvement of EBITDA Margin

Focus on improving operational efficiency & generating Cash Flow

Consolidated Quarterly Performance

Particulars (Rs mn)	Q3 FY16	Q3 FY15	YoY	9M FY16	9M FY15	YoY
Revenue	1,429	1,568	(8.8%)	4,530	4,518	0.3%
Other Income	31	46		177	172	
Total Income	1,461	1,613	(9.5%)	4,707	4,690	0.4%
Construction Expenses / Material Consumed	987	1,468		3,221	3,779	
Employee Cost	46	211		444	600	
Other Expenses	187	246		505	555	
EBITDA	241	(311)		536	(244)	
EBITDA Margin (%)	16.51%	-		11.39%	-	
Depreciation	50	29		160	98	
Finance Costs	75	82	(9.1%)	320	225	42.4%
Exceptional Items	-	-		-	(56)	
Profit Before Tax	116	(422)		55	(623)	
Tax	15	0		69	64	
Profit After Tax	101	(422)		(14)	(687)	

Improved EBITDA margin on account of reducing overheads primarily due to:

- **Managing Director waived off his managerial remuneration amounting to Rs. 90.3 mn for previous period**

Q3 FY16 segment wise split

Particulars (Rs mn)	Revenue		Gross Profit		Gross Profit Margin (%)	
	Q3FY16	Q3FY15	Q3FY16	Q3FY15	Q3FY16	Q3FY15
EPC	634	680	111	(174)	17.5%	-
Real Estate	245	482	146	142	59.6%	29.5%
Clean Room Partitions & BMS	579	492	166	113	28.7%	22.9%

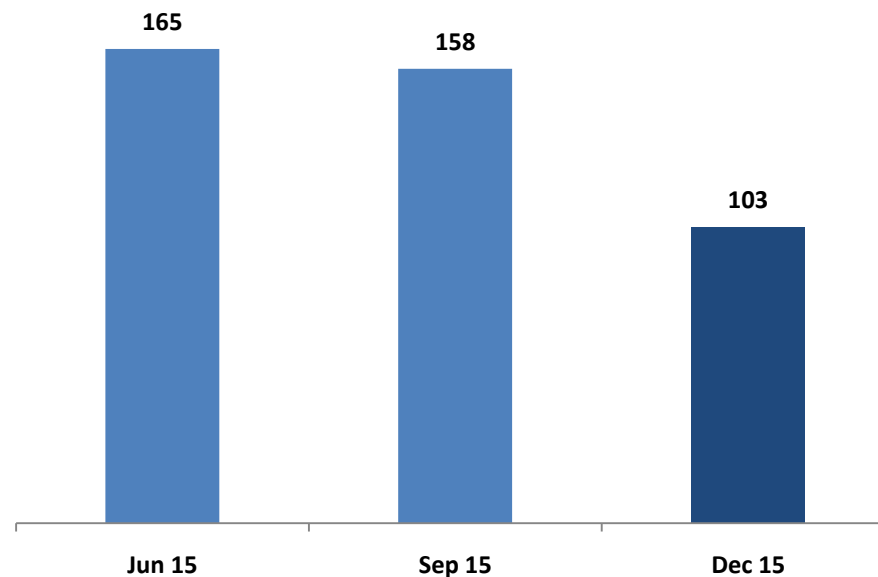
9M FY16 segment wise split

Particulars (Rs mn)	Revenue		Gross Profit		Gross Profit Margin (%)	
	9MFY16	9MFY15	9MFY16	9MFY15	9MFY16	9MFY15
EPC	2,073	2,002	433	(96)	20.8%	-
Real Estate	1,035	995	375	286	36.2%	28.2%
Clean Room Partitions & BMS	1,551	1,618	458	510	29.6%	31.5%

Reduction in interest cost

Gross Interest (Rs. Mn)	Dec-15	Sep-15	Jun-15	Mar-15
	Qtr	Qtr	Qtr	Annual
Gross Interest	103	158	165	580
Capitalized	(28)	(34)	(43)	(283)
Debit to P&L	75	124	122	297

Gross interest (Rs. Mn)



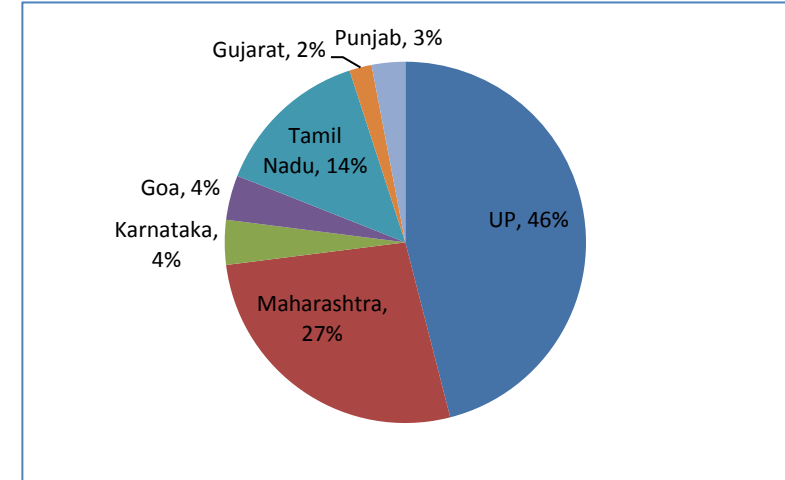
- Repaid loan of Rs. 620 mn in August 2015 from the fund raised through Rights Issue
- Converted Rs. 680 mn of loans of ICD Holders in to Non Convertible Debentures (NCD) with Zero Coupon, repayable after 30 months

Order book details (as of 31st December, 2015)

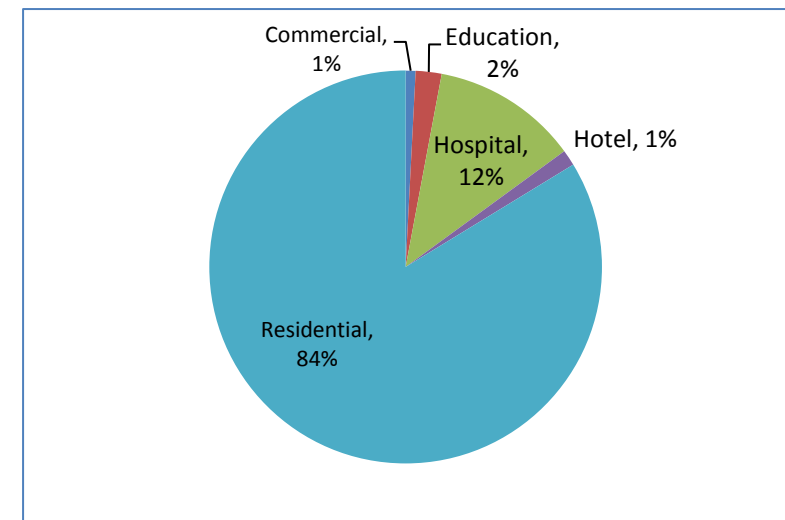
Sr. No.	Project Name	Place	Type	Backlog
				(Rs. Mn)
1	Kailash, Lucknow	Lucknow	Residential	2,826
2	Everest Enclave Lucknow	Lucknow	Residential	1,043
3	Sheth Creators-Malad	Mumbai	Residential	965
4	NBCC Mumbai	Mumbai	Hospital	870
5	Godrej Ecity	Bangalore	Residential	420
6	Godrej Chennai	Chennai	Residential	380
7	Delanco - DLF- GOA	Goa	Residential	346
8	Other Projects*			1,630
Total Existing Orders				8,484

* Projects with order backlog less than Rs. 200 Mn

Geographical order book split



Segment-wise order book split



Current Real Estate projects under development

Project Name	Location	Vascon Share		Total (As on 31 st Dec 2015)				Vascon Share (As on 31 st Dec 2015)		
				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 (D,E,F)	Pune	100%	80%	0.21	0.20	925	912	740	729	725
Vista - Phase II	Nashik	100%	100%	0.14	0.12	291	298	291	298	291
Forest County Ph-I	Pune	50%	100%	0.84	0.82	3,313	3,501	1,657	1,750	1,640
Forest County Ph-II	Pune	50%	100%	0.52	0.30	1,980	1,523	990	761	702
Tulips - Phase II	Coimbatore	100%	70%	0.13	0.12	537	554	376	388	384
Xotech	Pune	50%	100%	0.06	0.03	128	101	64	50	53
Ela	Pune	100%	100%	0.12	0.09	440	336	440	336	398
Garnets Bay	Pune	50%	100%	0.03	0.03	191	123	95	62	72
ECO Tower	Pune	100%	100%	0.03	0.03	191	183	191	183	180
Platinum Square	Pune	100%	70%	0.09	0.04	363	106	254	74	163
Sub-total				2.17	1.78	8,358	7,636	5,097	4,632	4,607
Windmere Residential	Pune	100%	45%	0.38	0.16	1,597	808	703	355	486
Windmere Commercial	Pune	100%	100%	0.04	0.02	278	108	278	108	0
Total				2.59	1.96	10,233	8,552	6,078	5,095	5,092

Targeting mid income market

Rs. 4,700 / sft - Average Realization of Project Portfolio (Ex Windmere)

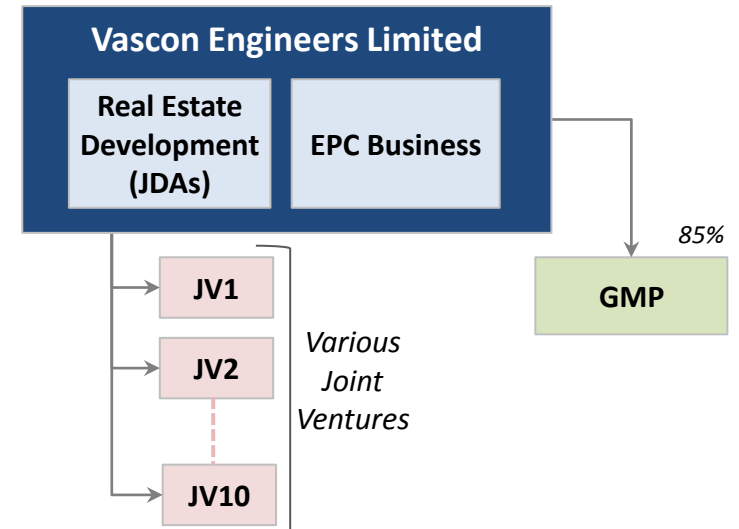


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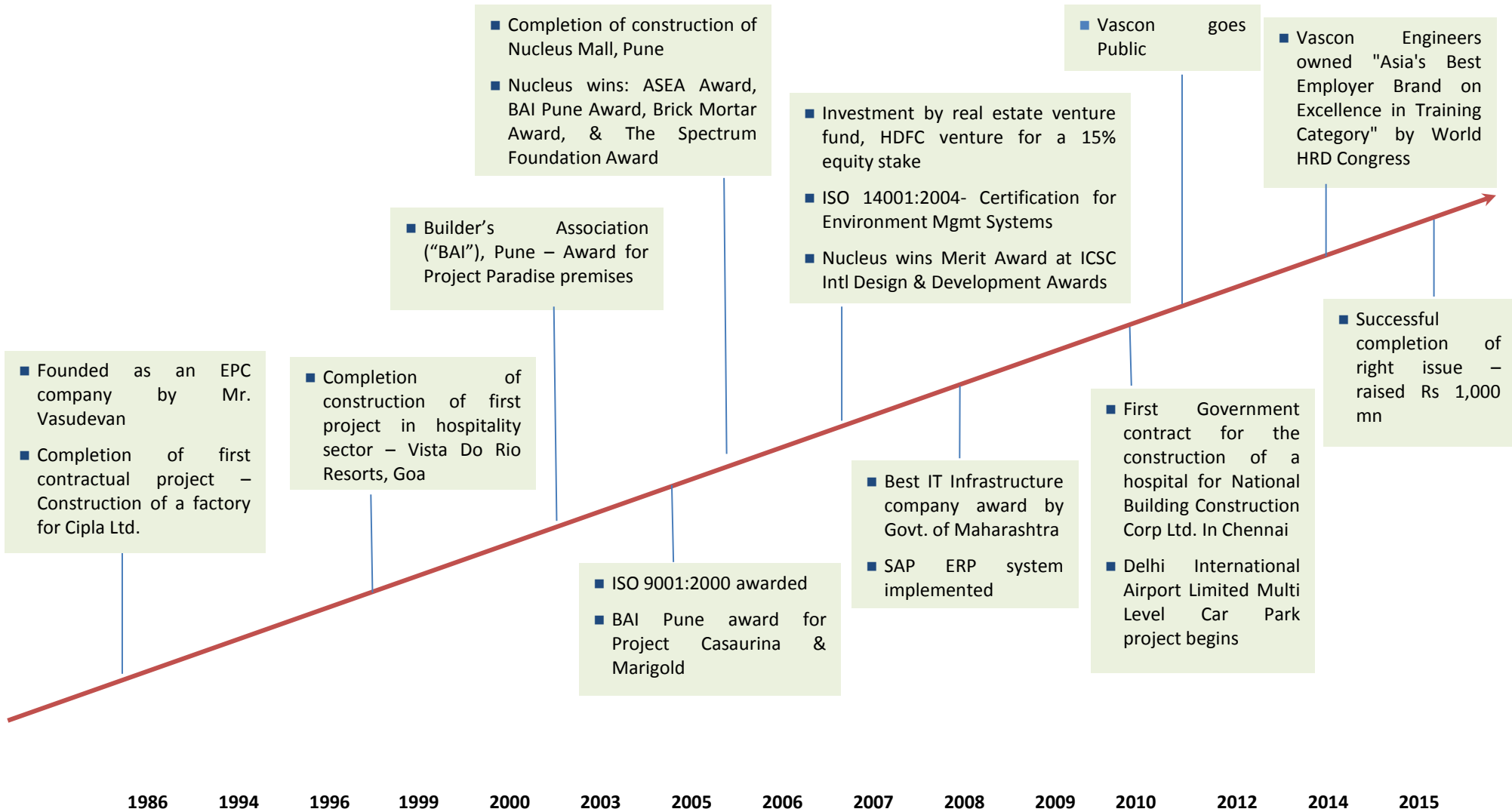
Company Overview



- Founded by **Mr R Vasudevan** in **1986**
- **One of the leading EPC company in India**
 - ✓ Expertise across various types of buildings like Residential, Commercial, Industrial, IT Parks, Hospitals, malls & multiplexes, Hotels etc.
 - ✓ Track record of successful & timely execution of Landmark projects
- **Clean room partition manufacturing & HVAC Company**
 - ✓ GMP Technical, acquired in FY2011, one of the largest manufacturer of clean room partitioning systems and Turnkey solution provider
- **Asset light Real Estate business mainly present in Pune & Thane (Mumbai)**
 - ✓ Real estate development carried out through JVs and JDAs



evolved as leading construction company...



3 years of tough challenges ...

- Moderate GDP growth combined with high interest rates and negative consumer and business sentiment
- Increase in raw material & labor cost
- Slowdown in economy resulted in to slowdown in project execution and deferral of capex plans
- Reduced funding from Banks to Construction & Real Estate sector

Resulted in an adverse environment for the construction & real estate sector

... impacted Construction Sector & Vascon as well

- Majority of the construction companies and real estate developers faced challenges of low sales, high cost & longer working capital cycle
- Reduction of fund & non fund based limits by Banks
- Higher exposure to Private Sector Developers

**Impacted Profitability
&
higher receivable provisioning**

Mr. R. Vasudevan, Managing Director



- Over 35 years of experience in the construction industry
- Responsible for the over all management of the Company
- Deep domain knowledge & Industry experience enabled him to lead the Company in challenging time
- Awarded the Top Management Consortium Award of Excellence for the year 2005
- Holds a first class Bachelor's degree in Civil Engineering from Pune University

Dr. Santosh Sundarajan, Chief Executive Officer



- Over 12 years of experience; has worked with Buro Engineers Singapore Pte Limited
- Looks after technical operations, project implementation, planning & budgeting, cost control, conducts technical and feasibility studies
- Holds a Bachelor's degree in Civil Engineering & a Doctorate in Structural Design from the National Institute of Singapore & Masters Degree in Finance from the University of London

Focus on Improving Operational efficiency ...

- **Robust Project Monitoring**
 - ✓ Review progress of the projects regularly & more frequently by MD & CEO
- **Modification in contracting policy**
 - ✓ Renegotiation of old contracts to include labour cost escalations
 - ✓ Escalation Specific Contract Terms
- **Reduce exposure to private sector contracts**
- **Completion of loss making contracts / withdrawal from contracts**

... with Strategic Initiatives

- **Writing-off bad debts to clean up the balance sheet in FY15**
- **Sale of Non Core assets to increase Cash flow in Company**
 - ✓ Sale of IT Parks in Nasik
 - ✓ Divested stake in Hotel Properties
- **Equity infusion of Rs. 1,000 mn through Right Issue**
 - ✓ Fund raised used for reducing high cost debt and kick-start key projects
 - ✓ Mr. Vasudevan & family infused Rs. 600 mn to subscribe the Right Issue; Increasing their stake from ~20% to ~38%

EPC

- Focus on diversified order book across segments
- Stringent criteria for client selection – work with reputed developers with better credential
- Selection based on need and urgency of clients
- Focus on Design, Build & Turnkey projects

Real Estate

- Current land bank is fully paid; No additional investment in Land bank
- Focus on completion of current land portfolio with preference on new phases of current fast moving projects
- Project conceptualize targeting mid income clients
- Design based on current preferences

GMP Technical Solutions

- Better utilization of the manufacturing facilities
- Focus on cost optimization to improve operating margin
- Established presence in Overseas markets – Focus to increase export business
- Target to increase service business, which offers better margin

**Well placed to capture growth in all segments
Improved balance-sheet after Right Issue of Rs. 1,000 Mn**

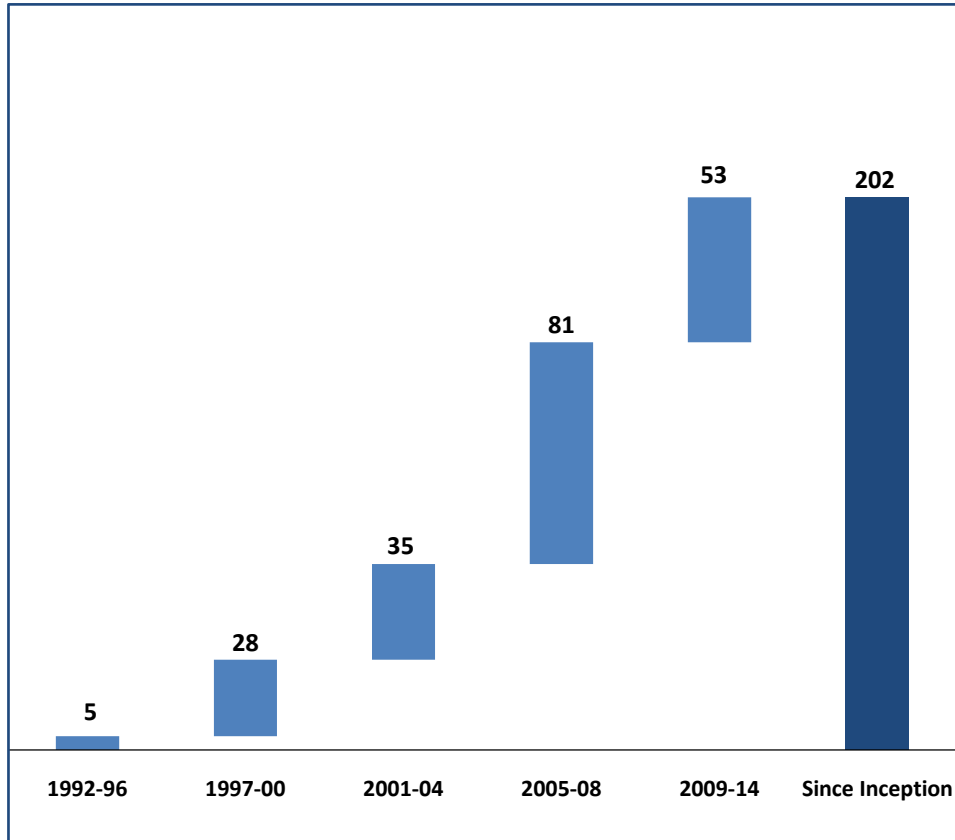


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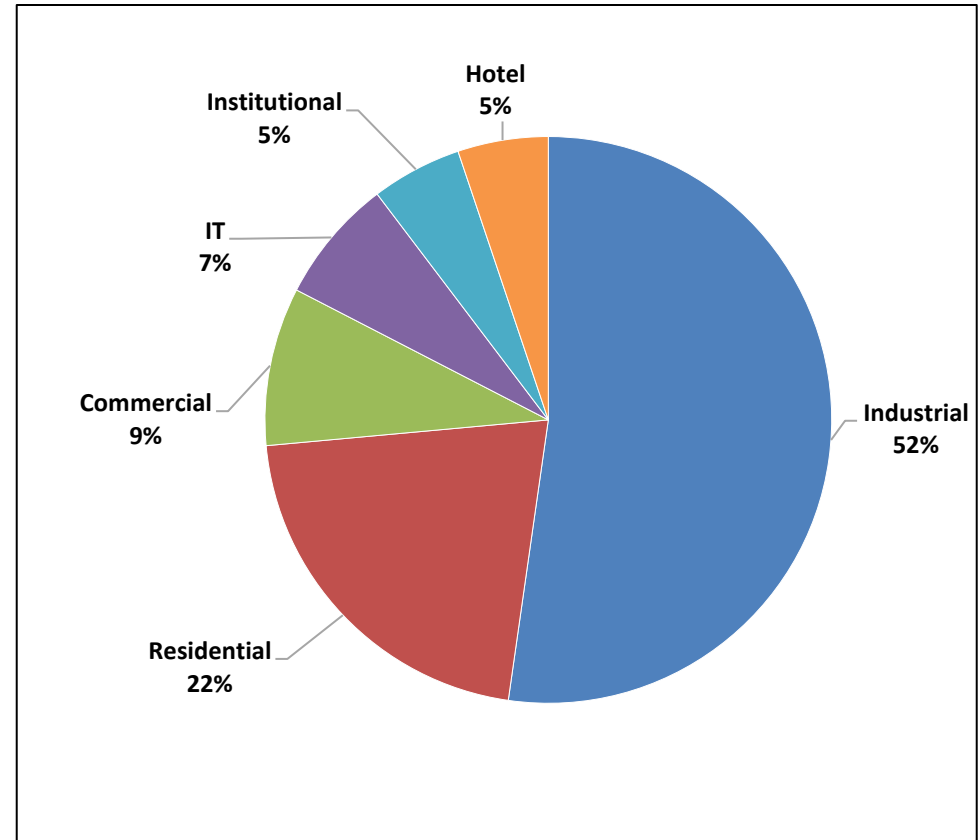
EPC Business



Over 200 projects with total area of > 34 mn Sqft ..



... across all building segments



Execution capability of ~ 8 mn sqft per year

Ruby Mills
Mumbai



**Tallest commercial building
in India**

Suzlon One Earth
Pune



Awards from BAI - Pune

Nucleus Mall & Offices
Pune



LEED Platinum Certification

Consistent quality standards ensuring repeat orders

Pharmaceuticals

IT & Software

Infra/Real Estate

Hotels

Institutions/Hospitals



॥ वसुधैव कुटुम्बकम् ॥
SYMBIOSIS

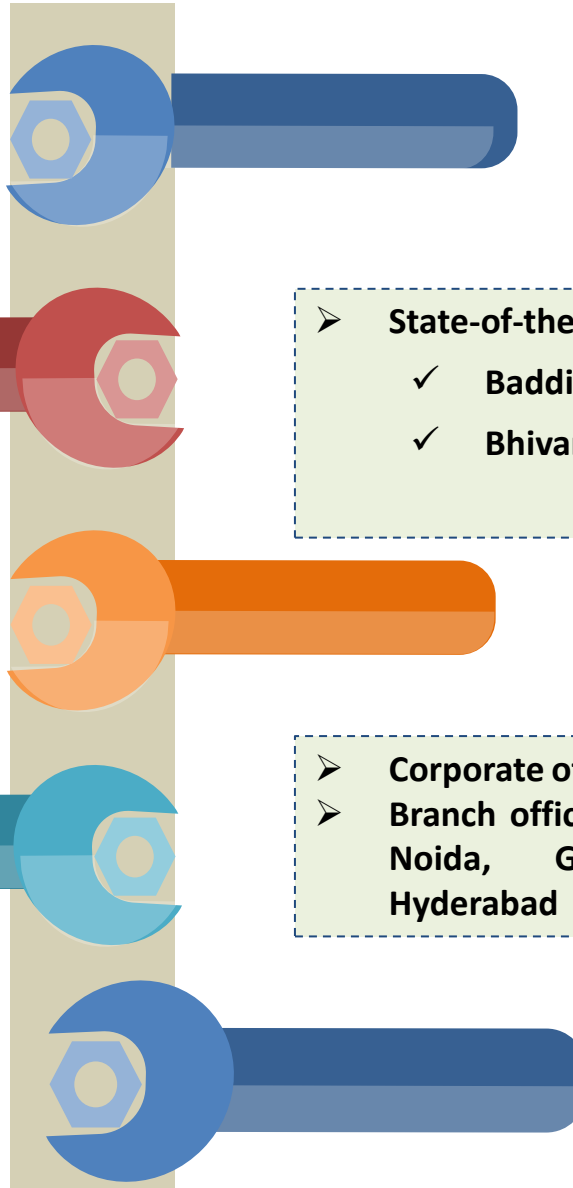




VASCON

GMP Technical Solutions





- Established in 2005
- ISO 9001: 2000 certified company

- State-of-the-art manufacturing facilities
 - ✓ Baddi in Himachal Pradesh
 - ✓ Bhivandi in Thane

- One of the largest manufacturers of Clean Room Partitioning Systems
- Turnkey Solution Provider within the Indian subcontinent

- Corporate office at Mumbai
- Branch offices in major Indian cities like Noida, Goa, Bangalore, Indore, Hyderabad

Business segments includes Clean Room Technology; Modular Furniture; Building Management Systems; IBMS; IT & Networking; HVAC and Electricals

- Manufacturing area of 150,000 Sq. ft. with a over all supportive infrastructure area of 450,000 Sq. ft.
- **Product range** includes
 - ✓ Clean Room Modular Partitions
 - ✓ Clean room & Fire Proof Doors
 - ✓ Clean room Equipments,
 - ✓ Containment Solutions / Isolators
 - ✓ Heating Ventilation & Air Conditioning - HVAC
 - ✓ Modular Operation Theater
 - ✓ Hygiene flooring, Lab furniture, Environmental Monitoring System – BMS
- **Industries** served
 - ✓ Pharmaceuticals (Onco, Sterile, OSD, Injectable, R&D Labs) API, Biopharmaceuticals etc.)
 - ✓ Hospitals
 - ✓ Solar Panels (Photovoltaic Cells)

Manufacturing facility at Baddi



Reputed clientele



Galvanized Iron Clean Room



Glass Reinforced Polymer Clean Room



Clean Room Doors



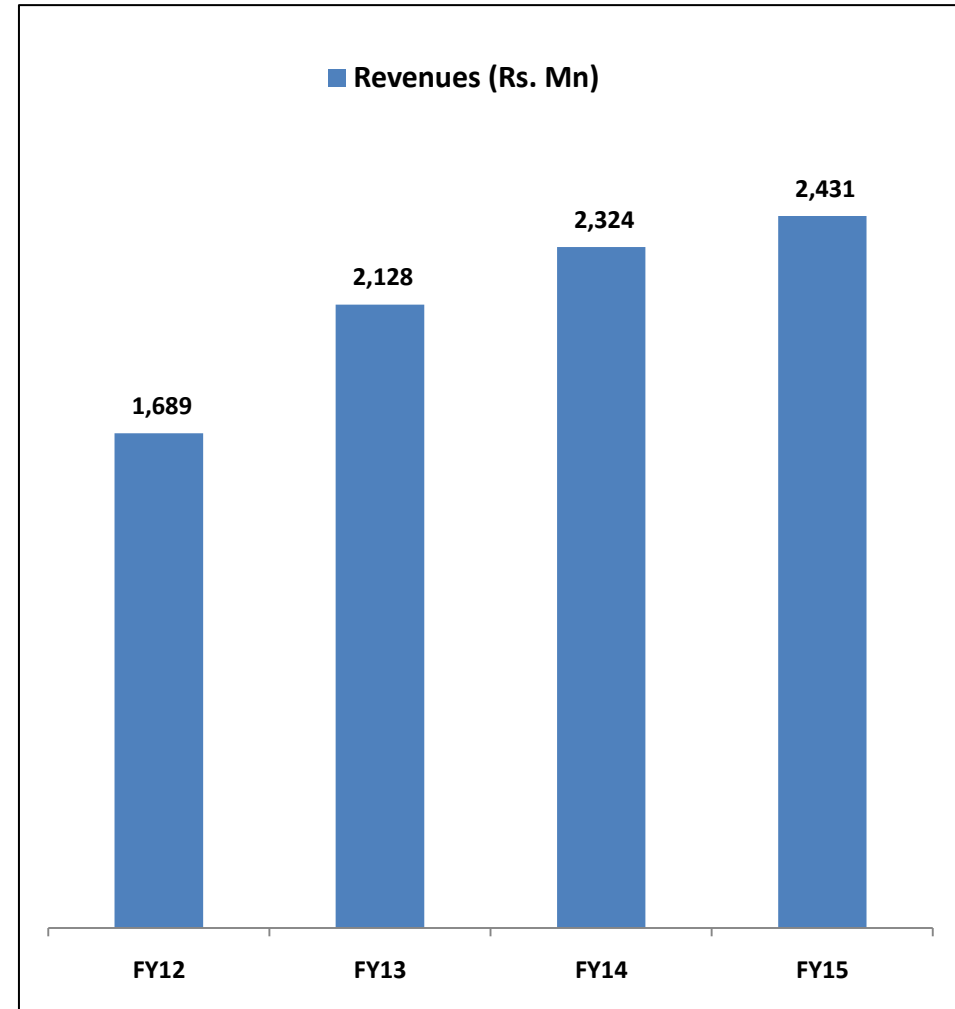
Barrier Isolator



Well-positioned to capture opportunity

- **Clean room market size in India - Rs. 15 bn**
 - ✓ GMP has a market share of ~7%; potential to tap the current opportunity
- **Used extensively in pharma and healthcare industry with great demand potential from**
 - ✓ New and existing pharma factories
 - ✓ Healthcare industry for operation theatres
 - ✓ Defense and auto component paint sector
- **Semi-conductor and solar industries opening up new growth opportunity**
 - ✓ Average ticket size of orders greater than other sectors

Strong revenue growth





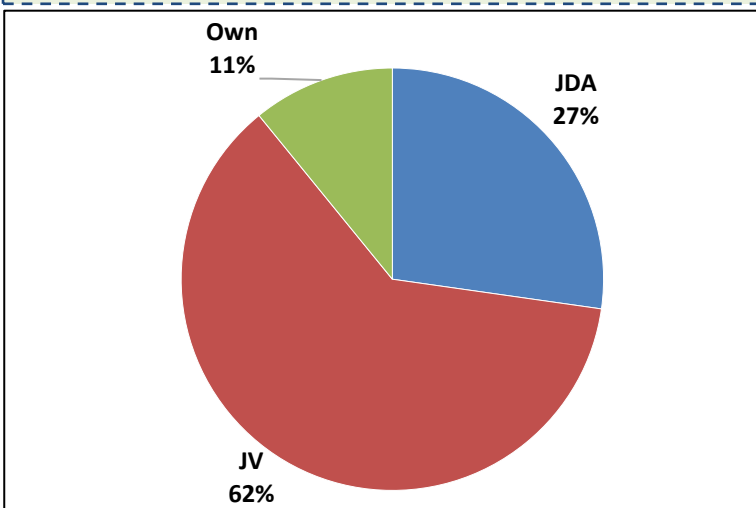
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Real Estate Portfolio

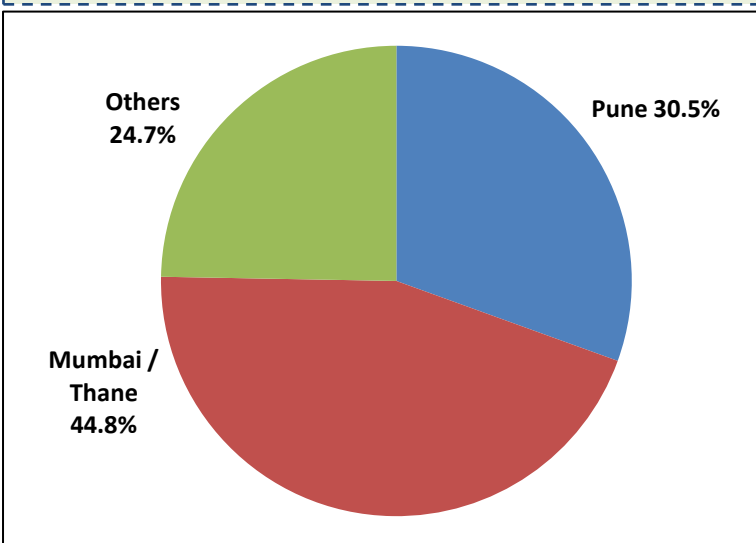


Particulars	Project Area (Acres)	Saleable area (msft)	Vascon Share Saleable Area (msft)
JDA	88.3	7.2	4.7
Pune	29.4	2.6	1.4
Chennai	25.0	1.7	1.3
Coimbatore	14.0	1.2	0.9
Madurai	18.2	1.6	1.1
JV	200.5	22.3	10.1
Pune	55.4	3.3	1.7
Thane	145.1	19.0	8.4
Owned	35.3	2.4	2.4
Pune	14.1	0.7	0.7
Aurangabad	9.0	0.8	0.8
Coimbatore	4.6	0.4	0.4
Goa	7.6	0.5	0.5
Grand Total	324.1	31.9	17.1

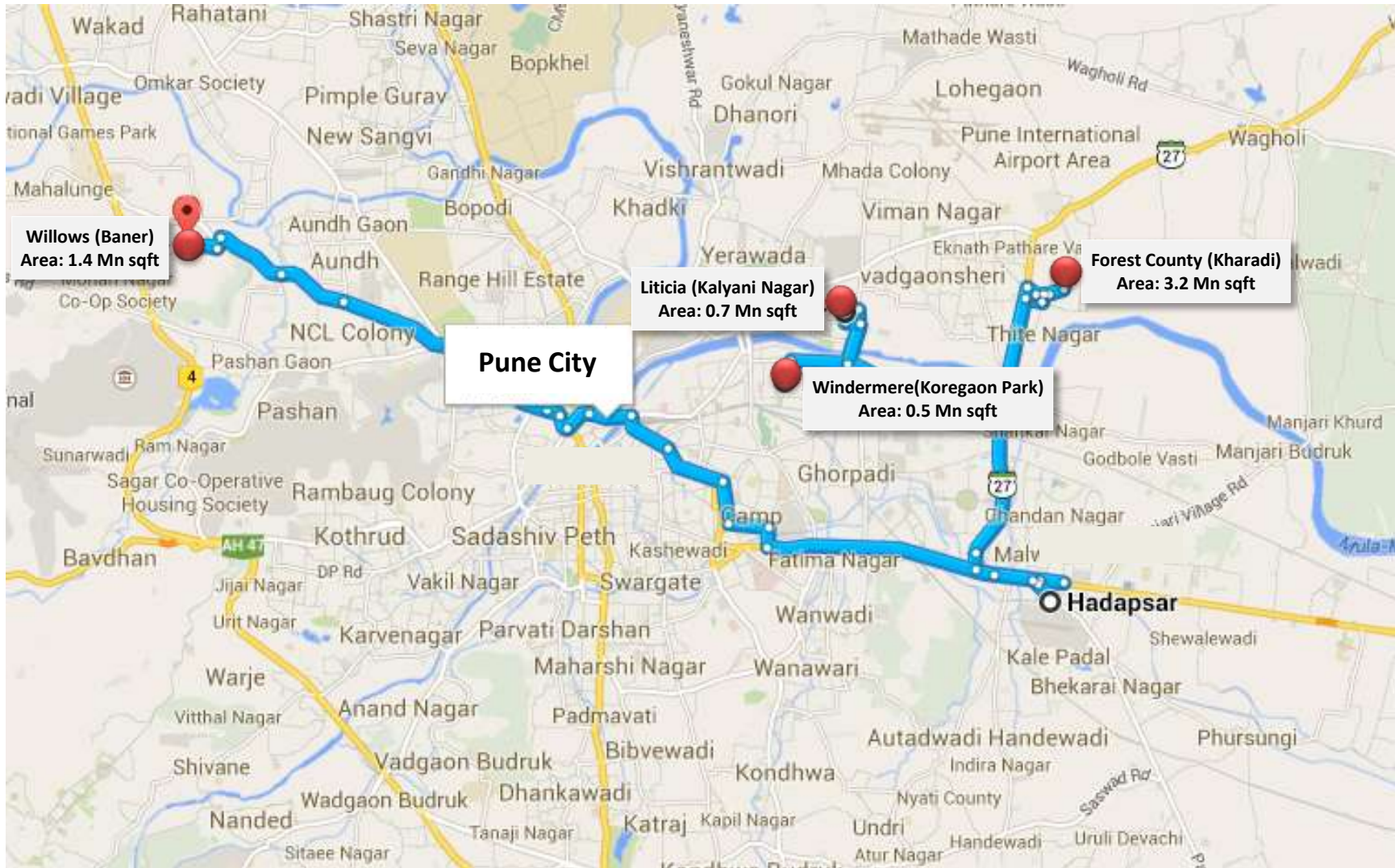
Focus on asset light JDA/JVs model



Geographical land bank split



Key Pune Real Estate Projects – Around 6 Mn Sqft





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Annexure



Particulars (Rs. Mn)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	
Revenue	10,315	7,280	7,370	6,255	6,947	
EBIDTA	1,070	440	520	310	124	
<i>EBIDTA Margin (%)</i>	<i>10.4%</i>	<i>6.0%</i>	<i>7.1%</i>	<i>4.8%</i>	<i>1.7%</i>	
Exceptional Item	(210)	(391)	59	-	968	
PAT	650	160	(170)	(432)	(1,448)	Post
<i>PAT Margin (%)</i>	<i>6.2%</i>	<i>2.1%</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>	Right Issue
Networth	7,180	7,310	7,130	6,751	5,185	6,253
Gross Debt	3,700	3,820	3,030	3,600	3,322	2,789
Net Current Assets	3,186	3,134	3,100	1,950	737	
Cash & Bank	1,100	440	460	498	584	

Proceeds from Right Issue of Rs. 1,000 mn used mainly for reducing Debt

**Santosh
Sundararajan,
Chief Executive
Officer**

- Over 12 years of experience; has worked with Buro Engineers Singapore Pte Limited
- Looks after technical operations, project implementation, planning and budgeting, cost control, conducts technical and commercial feasibility studies
- Holds a Bachelor's degree in Civil Engineering & a Doctorate in Structural Design from the National Institute of Singapore & Masters Degree in Finance from the University of London

**Siddharth
Vasudevan
Chief Operating
Officer**

- Looks after Legal & Liaison activities, Human Resource
- He holds a diploma in civil engineering from Sinhgad Institute of Technology, Pune & Bachelor of Applied Science in Construction Management from Singapore Institute of Management

**D. Santhanam,
Chief Financial
Officer**

- In charge of the taxation and the finance activities of the Company
- B.Com and CA with 24 years of experience in the construction industry

**M. Krishnamurthi,
Chief Corporate
Affairs**

- Looks after corporate affairs, strategy and project finance
- B. Com, CA, CS, CMA and BGL with 26 years of experience in construction, hospitality and bio-technology sectors



Ruby Mills

- Tallest commercial building in Mumbai.
- Total Constructed area around 1.55 mn sq. ft
- Winner of “Well Built Structure” by Builder’s Associaton of India



Symbiosis College

- Educational Institute Located at Viman Nagar, Pune
- Total Constructed area around 0.3 mn sq. ft
- Completed much before scheduled deadline in March 2007
- Won the BAI-Pune Centre award



Nucleus Mall

- Mall cum office space with state of the art facilities located in Camp, Pune
- Total Constructed area around 0.32 mn sq. ft
- Recipient of awards like BAI – Pune , Brick Mortar (West Zone) and Spectrum Foundation awards for its innovative design & development



Suzlon One Earth

- Rated: Platinum by LEED and 5-star by GRIHA
- Awarded as Best Corporate Building by AESA
- Acclaimed as “greenest corporate headquarters on earth”
- CREDAI Real Estate Award, Best Commercial & Retail Office Complex – Non Metro
- Total Constructed area around 0.82 mn sq. ft



Delhi Airport MLCP

- India’s Largest car parking building. IGI Airport, New Delhi
- Total Constructed area around 1.2 mn sq. ft
- Completed within 15 months.



Cipla SEZ, Indore

- Total Constructed area around 1.55 mn sq. ft
- Construction tenure - 18 months

Awards and Recognition

-  **Global CSR Award – 2012**
-  **Winner of 5th Indy's Award for Corporate Social Responsibility 2011**
-  **Best Safety Performance Award for Yamazaki Technology Centre Project Pune 2011**
-  **Asia's Best Employers Brand Award**
-  **Winner of BAI –Universal Well Built Structure Competition 2011 for Altimo Project at Altamount Road, Mumbai**
-  **Best IT Infrastructure Company Award Govt. of Maharashtra 2008**
-  **Well Equipped & Mechanized Site Award for Ruby Mills, Mumbai**
-  **BAI – Pune Centre**
-  **Construction World Top 10 Awards 2007**
-  **Eco Housing Certification for Windermere 2010**
-  **Brick & Mortar Award (West Zone) of the "a+d" & Spectrum Foundation Nucleus & Marisoft III 2005**
-  **AESA (Architects, Engineers, & Surveyor's Association) Nucleus & Marisoft III 2005**
-  **Top Management Consortium Award of excellence to R. Vasudevan**





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Thank You

For further information, please contact:

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