



**VASCON**

**Vascon Engineers**  
**Investor Presentation November 2017**

EPC | INDUSTRIAL | RESIDENTIAL | COMMERCIAL | IT PARKS | INSTITUTES | CLEAN ROOM SOLUTIONS

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# AGENDA

- KEY UPDATES & FINANCIAL HIGHLIGHTS
- VASCON – “RE-INVENTING ITSELF”
- KEY DEVELOPMENTS
- STRATEGY

The image is a wireframe architectural rendering of a modern, multi-story building. The structure is composed of thin, light-colored lines that define the building's form, including its facade, windows, balconies, and internal staircases. The building has a complex, multi-level design with various setbacks and protrusions. In the foreground, there are several human figures and a car, drawn in the same wireframe style, to provide a sense of scale. A solid, dark brown rectangular box is centered over the middle of the image, containing the text 'KEY UPDATES & FINANCIAL HIGHLIGHTS' in white, bold, uppercase letters. The overall aesthetic is clean and technical, typical of architectural presentations.

**KEY UPDATES & FINANCIAL HIGHLIGHTS**

# KEY UPDATES



## EPC Business



- Strong order intake of ~Rs. 370 crores till date in FY 18
- Current order Book stands at Rs. 720 crores

## Real Estate Business



- Platinum square phase II - Successfully launched and sold in September 2017
- Increased team size from 7 employees earlier to 50 employees at present
- New Sale booking of 151,939 sqft for a total sales value of Rs. 110 crores in H1FY18 against New Sale booking of 101,935 sqft for a total sales value of Rs. 60 crores in FY 17

## Other Updates

- SMERA assigned rating to SMERA BBB-/ Stable for Fund Based Facilities (Long Term) and SMERA A3 for Non-Fund Based Facilities (Short Term)
- Total consolidated debt as on 30<sup>th</sup> September, 2017 at Rs. 280 Crore

# STANDALONE PROFIT & LOSS HIGHLIGHTS – H1 & Q2 FY18



Particulars (Rs. Cr)	H1 FY18	H1 FY17	Q2 FY18	Q2 FY17
<b>Revenue</b>	<b>135.98</b>	<b>124.63</b>	<b>54.60</b>	<b>64.21</b>
Other Income	7.24	10.59	3.04	7.95
<b>Total Income</b>	<b>143.22</b>	<b>135.22</b>	<b>57.64</b>	<b>72.16</b>
Construction Expenses / Material Consumed	95.50	89.09	32.69	49.83
Employee Cost	19.63	15.59	11.12	7.11
Other Expenses	10.33	9.52	4.97	3.94
<b>EBITDA</b>	<b>17.76</b>	<b>21.02</b>	<b>8.86</b>	<b>11.28</b>
<b>EBIDTA Margin (%)</b>	<b>12%</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>
Depreciation	3.50	3.79	1.83	1.95
Finance Costs	11.27	12.51	5.52	6.10
<b>Profit Before Tax</b>	<b>2.99</b>	<b>4.72</b>	<b>1.51</b>	<b>3.23</b>
Tax	-	2.65	-	2.60
<b>Profit After Tax</b>	<b>2.99</b>	<b>2.07</b>	<b>1.51</b>	<b>0.63</b>
Other Comprehensive Income	(0.03)	0.29	0.11	0.04
<b>Total Comprehensive Income</b>	<b>2.96</b>	<b>2.36</b>	<b>1.62</b>	<b>0.67</b>

# STANDALONE BALANCE SHEET HIGHLIGHTS



Rs. Cr	Sep – 17	Mar – 17
<b>Non-current assets</b>	<b>369</b>	<b>390</b>
Fixed assets	53	57
Financial Assets	272	286
Other Non Current assets, Income Tax & Deferred Tax	45	46
<b>Current assets</b>	<b>774</b>	<b>754</b>
Inventories	452	420
Investments	10	5
Trade receivables	128	119
Cash and bank balances	32	45
Loans & Other Financial assets	137	144
Other current assets	16	21
<b>Total Assets</b>	<b>1,144</b>	<b>1,144</b>

Rs. Cr	Sep – 17	Mar – 17
<b>Shareholder's Fund</b>	<b>622</b>	<b>613</b>
Share capital	168	168
Reserves & Surplus	454	445
<b>Non-current liabilities</b>	<b>105</b>	<b>161</b>
Long term borrowings	71	130
Other Financial liabilities	34	31
<b>Current liabilities</b>	<b>417</b>	<b>370</b>
Short term borrowings	92	102
Trade Payables	103	94
Other Financial liabilities	111	45
Other current liabilities & Provisions	112	129
<b>Total Liabilities</b>	<b>1,144</b>	<b>1,144</b>

"RE-INVENTING ITSELF"

VASCON - "RE-INVENTING ITSELF"





# VASCON AT A GLANCE



## EPC Business

- Cumulative construction of over **50 mn. sq ft. across 200 projects**
- Current order book of over **Rs 720 cr.**
- Current execution capability of over **8 mn. sq ft. per year**

## Real Estate

- **Asset Light** Real Estate business mainly present in Pune & tier II cities
- **Cost efficient development model** through JVs and JDAs
- Fully paid land bank; **Developable area of more than 30 mn. sq ft.**

Our Subsidiary **GMP Technical (85% stake)** - one of the largest manufacturer of Clean Room Partitioning Systems

# EPC BUSINESS - EXECUTING PROJECTS ACROSS SEGMENTS



## Construction experience across various verticals

- Executed more than 200 projects with construction area of over 50 mn. sq ft.
- Residential Complex, Commercial Buildings, IT Parks, Hospitals, etc.

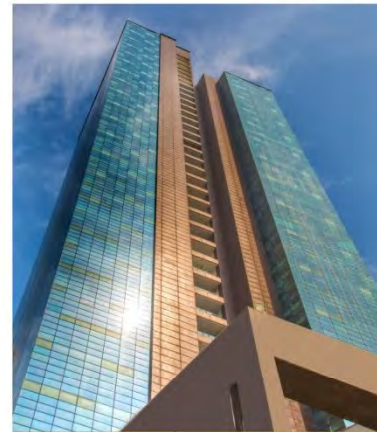
## Established brand name

- Known for quality, transparency, reliability, ethics & value
- Consistent high quality standards and timely execution of projects
- Repeat orders from clients testimony of standards delivered

## Capability to provide turnkey & customized solutions

- Activities such as project management, engineering and design of the entire project

## Marquee projects



Ruby Mills



Suzlon One Earth



Symbiosis Institute



Delhi MLCP Airport

# EPC BUSINESS - CONSISTENT QUALITY STANDARDS ENSURING REPEAT ORDERS



Pharmaceuticals

IT & Software

Infra/ Real Estate

Hotels

Institutions

**Cipla**

**IBM**

**DLFA**

**HYATT**  
REGENCY

  
॥ वसुधैव कुटुम्बकम् ॥  
**SYMBIOSIS**

 **DR. REDDY'S**

  
**Mastek**

**TATA HOUSING**

**IHG**<sup>®</sup>  
**InterContinental**  
**Hotels Group**

  
**GIM**  
GOA INSTITUTE OF MANAGEMENT  
PANAJI

 **SANDOZ**

 **Mphasis**  
Unleash the Next

 **PROPERTIES**

 **ROYAL ORCHID**  
HOTELS

  
**sanofi aventis**

  
**NUCLEUS**  
SOFTWARE

  
**एन बी सी सी**  
**NBCC**  
A Navratna CPSE

**THE**  
**PARK**  
Hotels

 **GLOBAL**  
**HOSPITALS**  
GROUP FOR CARE

  
**ORN**  
Pharmaceuticals  
Private Limited

  
**ZenSar**  
TECHNOLOGIES

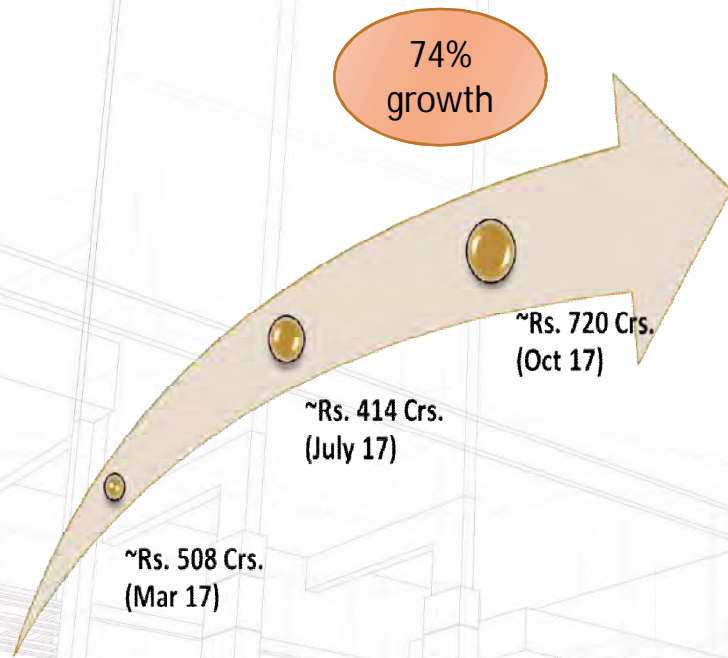
  
**GAR**  
Creating tomorrow today

  
**NOVOTEL**  
HOTELS

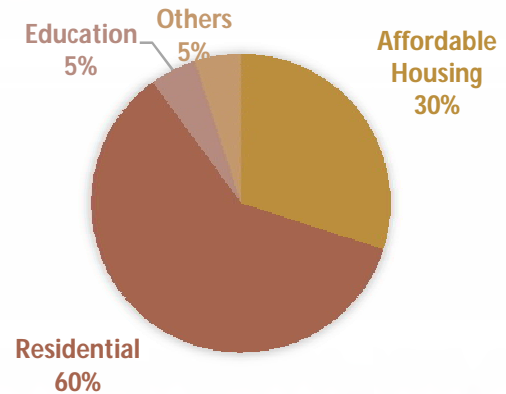
  
**Sahyadri**  
Hospitals

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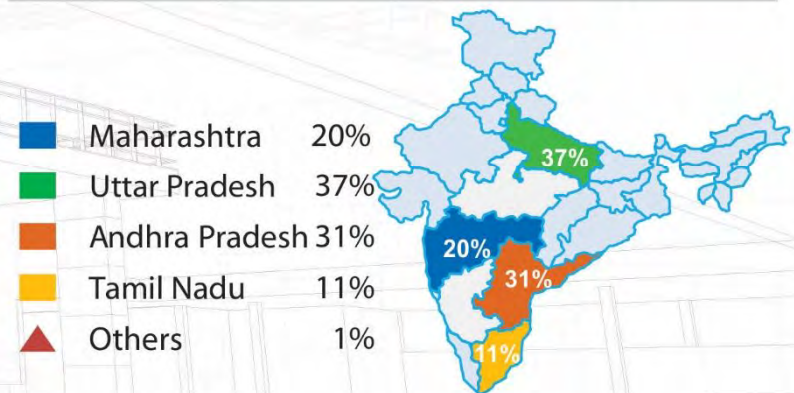
# EPC BUSINESS – ROBUST ORDER BOOK



## Segment-wise order book split



## Geographical order book split



Successfully bagged order of Rs. 236 cr. for Affordable Housing space in Andhra Pradesh in September 2017



## EPC PROJECTS – EXISTING ORDER BOOK

Location	Client	Current Order book (Rs. Cr)
Lucknow	Kailash Enclave	183
Ayyalur,Andhra Pradesh	Ayyalur	100
Adoni, Andhra Pradesh	Adoni	100
Mumbai	Sheth Creators – Malad (I&II)	74
Chennai	Sriram Educational Turst *	70
Lucknow	Everest Enclave	58
Chennai	Godrej Chennai	34
Pune	Tech Point	18
Chennai	TNMC Chennai	17
Others		66
<b>Total</b>		<b>720</b>

\* Order Received in Oct 17

# REAL ESTATE BUSINESS – MONETIZING CURRENT PORTFOLIO



## Asset Light Business Model

- **No Land Investment** - Joint Ventures (JVs) & Joint Development Agreements (JDAs) preferred
- Every project to have certain economic size and beyond threshold margin



Marigold, Kalyani Nagar

## Monetizing Existing Land Parcels

- Exit the land parcels which do not fit in the long term strategy
- **Dedicated team** with clear focus to liquidate non-core assets
- **Land Parcels with clear visibility** from sales velocity to be launched and monetized

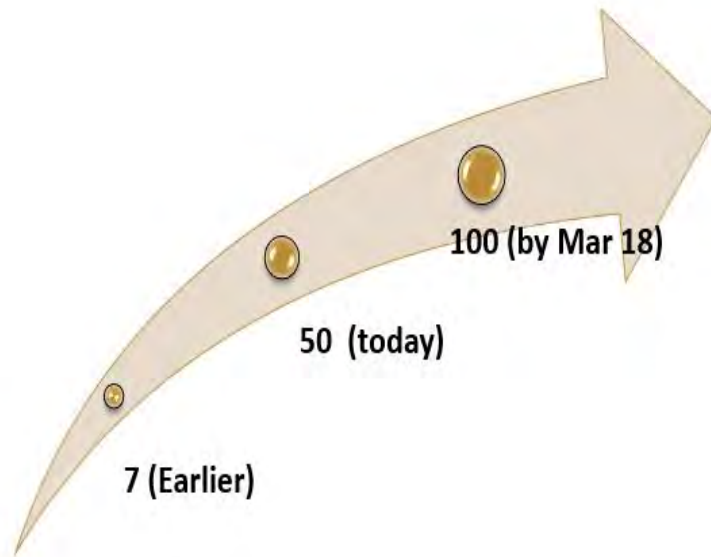


Zircon, Viman Nagar

# WHAT HAS CHANGED FOR VASCON IN LAST 6 MONTHS

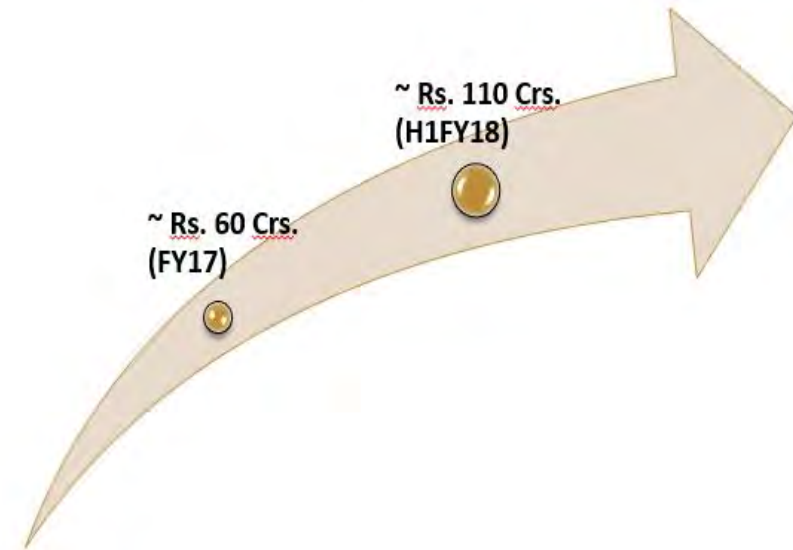


## Real Estate - Team Size



**Aggressive and young management team**  
Target of 100 Associates by Mar 18

## Real Estate - Sales



**Planned launches of 5 projects in next 6-8 months**

# CURRENT REAL ESTATE PROJECTS UNDER DEVELOPMENT



Project Name	Location	Vascon Share		Total				Vascon Share		
				Project Area	Area Sold	Sale Value	Collection	Sale Value	Collection	Rev. Recognised
				msft	msft	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
Willows Phase (D,E,F)	Pune	JDA	80%	0.21	0.20	94	92	75	74	74
Vista - Phase II	Nashik	Owned	100%	0.14	0.12	32	30	32	30	32
Forest County Ph-I	Pune	JV	50%	0.84	0.83	340	334	170	167	167
Forest County Ph-II	Pune	JV	50%	0.52	0.51	319	276	159	138	160
Windmere Residential	Pune	JDA	45%	0.38	0.16	163	94	72	41	59
Windmere Commercial	Pune	Owned	100%	0.04	0.01	18	6	18	6	0
Xotech	Pune	JV	50%	0.04	0.03	15	13	7	7	7
Ela	Pune	Owned	100%	0.12	0.11	54	44	54	44	48
Garnets Bay	Pune	JDA	50%	0.03	0.03	20	15	10	7	9
Platinum Square	Pune	JV	70%	0.13	0.11	98	36	69	25	39
<b>Total</b>				<b>2.45</b>	<b>2.12</b>	<b>1153</b>	<b>940</b>	<b>666</b>	<b>539</b>	<b>595</b>

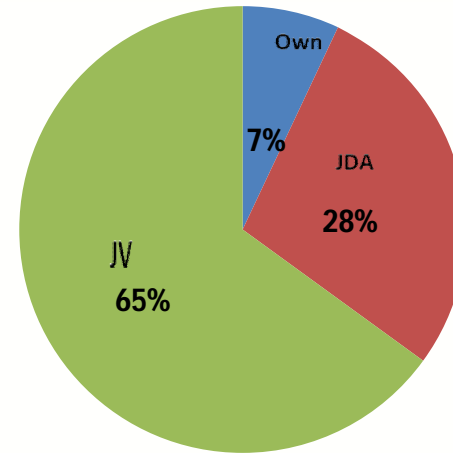


# REAL ESTATE PORTFOLIO

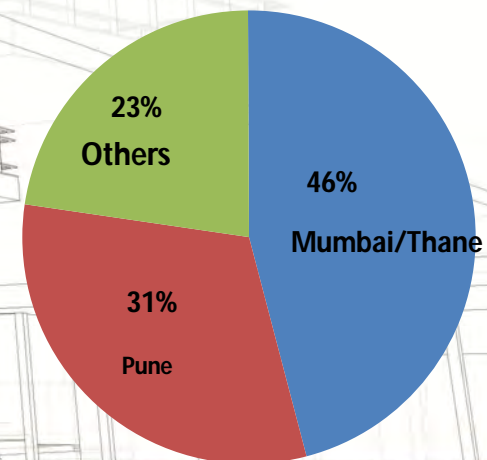


Particulars	Project Area (Acres)	Saleable area (msft)	Vascon Share Saleable Area (msft)
<b>JDA</b>	<b>86.6</b>	<b>7.1</b>	<b>4.6</b>
Pune	29.4	2.6	1.4
Chennai	25.0	1.6	1.3
Madurai	18.2	1.6	1.0
Coimbatore	14.0	1.2	0.9
<b>JV</b>	<b>200.5</b>	<b>22.3</b>	<b>10.1</b>
Thane	145.1	19.0	8.4
Pune	55.4	3.3	1.7
<b>Owned</b>	<b>23.1</b>	<b>1.5</b>	<b>1.5</b>
Pune	14.1	0.7	0.7
Aurangabad	9.0	0.8	0.8
<b>Grand Total</b>	<b>310.2</b>	<b>30.9</b>	<b>16.2</b>

## Focus on asset light JDA/JVs model



## Geographical land bank split

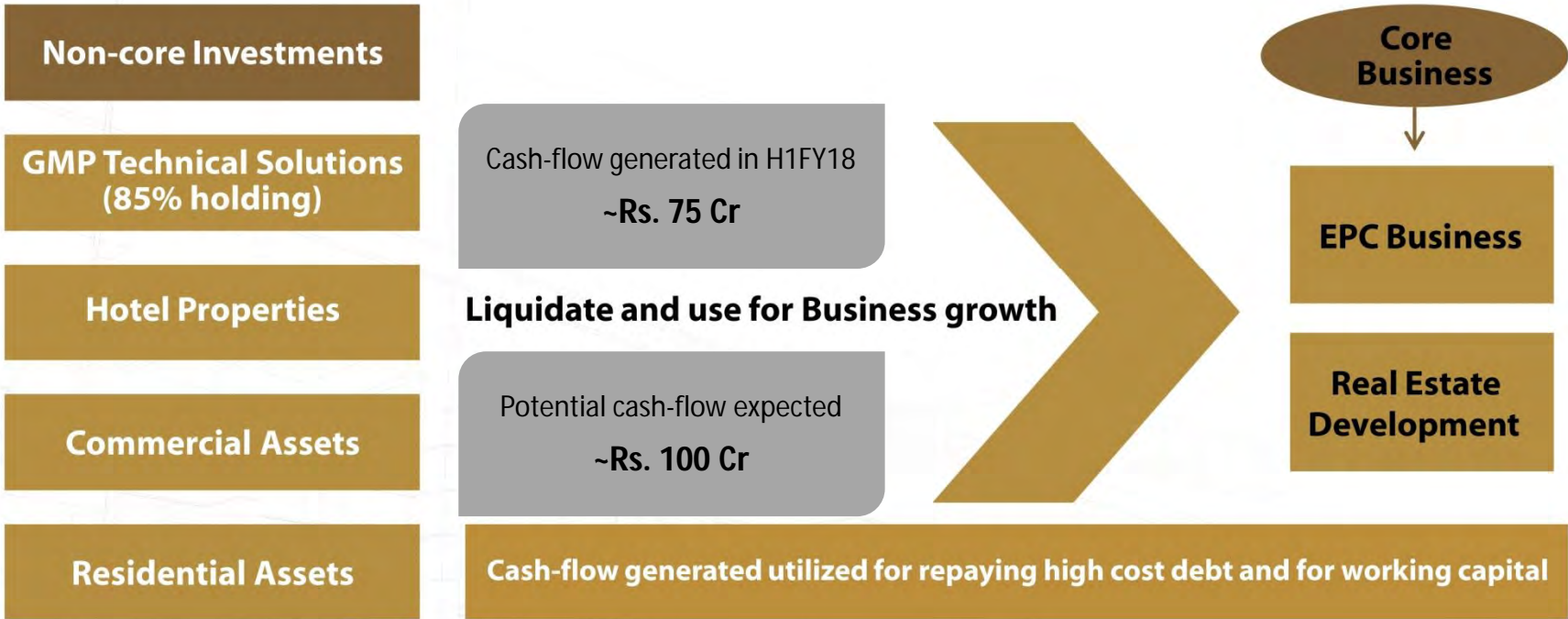


# STRATEGY GOING FORWARD

STRATEGY GOING FORWARD



# LIQUIDATING NON CORE INVESTMENTS



# NEW LAUNCHES IN REAL ESTATE



**Platinum Square - Phase II**  
**Successful launch in Sep 2017**



**Q2 Sales Rs.47.11 Cr.**

Ultramodern Luxury Boutique Offices in Viman Nagar,  
Pune Area of 91,200 sq. ft. of which 79,000 sq ft. sold  
~ 90% of the project

**Forest County - Phase III**  
**Launch expected by Q3 FY18**



**Phase I & II fully sold out**

Residential Project in Kharadi, Pune  
Area of 360,000 sq ft.

# AFFORDABLE HOUSING HUGE OPPORTUNITY



## Government's Focus on Affordable Housing Space

- Emphasis for Housing for All by 2022 – Strong Government focus
- Aim to build 60 million new low-cost houses over the next 6 years
- Incentivizing Affordable Housing by increasing project completion timeline to 5 years from 3 years
- Affordable Housing projects granted "infrastructure status," making them eligible for state incentives, subsidies, tax benefits and institutional funding
- There is a huge latent demand in the affordable housing segment to be captured if one offers the right product at the right price
- The idea is to create a strong "Affordable Housing Brand" which becomes a benchmark for affordable housing in the country

Affordable Housing to act as a fuel that would drive the company forward

# PREPARING TO CAPITALIZE OPPORTUNITY IN AFFORDABLE HOUSING



## EPC Business

## Real Estate Business

### Segment Focus

- Large civil contracts of affordable housing
  - High Value Government contracts
  - Contracts from reputed private real estate developers
  - Focus on profitability and size of the contract
- Focus on Affordable Housing projects
  - Fast moving inventory mix 1RK, 1BHK and limited compact 2 BHKs
  - Target customer segment to be self employed and low salaried personnel

### Geographic Focus

- States where state government is promoting affordable housing
- Pune and cities where Vascon has existing projects

### Strategy

- Completion of projects with in planned time and Cost
  - Target positive cash flow in every project
- Liquidate significant inventory at launch to generate better cash flow

# AFFORDABLE HOUSING FORAY



## New order Procured – EPC

- Order of Rs. 236 Crores from Shapoorji Pallonji
- Construction of Affordable Housing in Andhra Pradesh
- To be executed in 13 months

## New Planned Launches – Real Estate

1	Katvi, Pune	<ul style="list-style-type: none"><li>• Foray into affordable housing project</li><li>• Total potential area of ~ 0.46 mn. sq ft.</li><li>• Land owned by Vascon</li></ul>
2	Talegaon, Pune	<ul style="list-style-type: none"><li>• Joint venture – Next launch in the affordable segment</li><li>• Total Potential area of ~1.16 mn. sq ft.</li></ul>

**"We don't just construct we engineer success"  
"We don't just build the future, we perfect it"**

*- R. Vasudevan*



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**Thank You**