



Date: February 13, 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: Scrip Code: 533156

Ref Symbol: VASCONEQ

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,

Yours faithfully,

For Vascon Engineers Limited,

**MUTHUSWAMY
KRISHNAMURTHI
HI**

Digitally signed by MUTHUSWAMY
KRISHNAMURTHI
DN: c=IN, o=Personal, CN=4422262,
2.5.4.20=3d73b0c0362b7e511daa98f0b706ea306
7c990f776da98b2452deb1648,
postalCode=411014, st=Maharashtra,
serialNumber=6d8963e34b786f3f6f548f7260c8665
f0dc59c80d802c84993387b2efcc85aed,
cn=MUTHUSWAMY KRISHNAMURTHI
Date: 2018.02.13 16:04:22 +05'30'

M. Krishnamurthi

Company Secretary & Compliance Officer

Enclosures: as above

VASCON ENGINEERS LTD.

Corporate Office: Vascon Weikfield Chambers, Vascon Weikfield IT City Infopark, Pune-Nagar Road, Viman Nagar, Pune - 14.

Tel.: +91 20 3056 2100/200/300, Fax: +91 20 3056 2600, Web: www.vascon.com

Registered Office: 15/16 Hazari Baugh, L B S Marg, Vikhroli (W) Mumbai - 83. CIN: L70100MH1986PLC038511

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

This document is signed electronically



VASCON

Vascon Engineers
Investor Presentation February 2018

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

DISCLAIMER



- *This presentation and the accompanying slides (the "Presentation"), which have been prepared by Vascon Engineers Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*
- *This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.*
- *Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the real estate & infrastructure industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.*



AGENDA

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



KEY UPDATES & FINANCIAL HIGHLIGHTS

KEY UPDATES



EPC Business



- Strong order intake of ~Rs. 370 Cr till date in FY18
- Current order Book: Rs. 668 Cr third party & Rs. 233 Cr internal

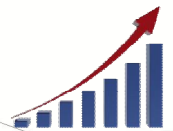
Real Estate Business



- Sold 68 units or 85% of the units in project 'Forest Edge' on the day of its launch in Jan 2018
- New Sale booking of 191,234 sqft for a total sales value of Rs. 141 Cr in 9MFY18 against New Sale booking of 101,925 sqft for a total sales value of Rs. 60 Cr in FY 18. New booking in 9MFY18 does not include figures of project 'Forest Edge'

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)



STANDALONE PROFIT & LOSS HIGHLIGHTS – 9M & Q3 FY18



Particulars (Rs. Cr)	9M FY18	9M FY17	Q3 FY18	Q3 FY17
Revenue	229.5	175.2	93.5	50.6
Other Income	9.0	23.4	1.8	12.8
Total Income	238.5	198.6	95.3	63.4
Construction Expenses / Material Consumed	162.7	124.9	67.2	35.8
Employee Cost	32.6	23.4	13.0	7.8
Other Expenses	17.2	18.8	6.9	9.3
EBITDA	26.0	31.5	8.2	10.5
EBITDA Margin (%)	11%	16%	9%	17%
Depreciation	5.5	5.5	2.0	1.7
Finance Costs	15.1	19.2	3.8	6.7
Profit Before Tax	5.5	6.9	2.5	2.2
Tax	-	3.3	-	0.7
Profit After Tax	5.5	3.6	2.5	1.5
Other Comprehensive Income	-	0.5	0.1	0.2
Total Comprehensive Income	5.5	4.0	2.6	1.7

SEGMENT WISE PROFIT & LOSS – AFTER ALLOCATION



Particulars (Rs. Cr)	RE #	EPC ##	Total
Revenue	98.6	193.7	292.2
Other Income	3.1	5.9	9.1
Total Income	101.7	199.6	301.3
Construction Expenses / Material Consumed	73.6	146.1	219.7
Employee Cost	15.7	17.0	32.7
Other Expenses	9.7	8.6	18.3
EBITDA	2.8	27.9	30.7
EBIDTA Margin (%)	3%	14%	10%
Depreciation	1.5	4.0	5.5
EBIT	1.3	23.9	25.2
EBIT Margin (%)	1%	12%	9%
Finance Costs			15.0
Profit Before Tax			10.2
Tax #			4.7
Profit After Tax			5.5

It includes Revenue & Expenses related to Ajanta Enterprise, in Financials Share of Profit is taken (as per Ind AS)

It includes Internal EPC order revenue and construction expenses

"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 668 Cr third party & Rs 233 Cr internal**
- 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.

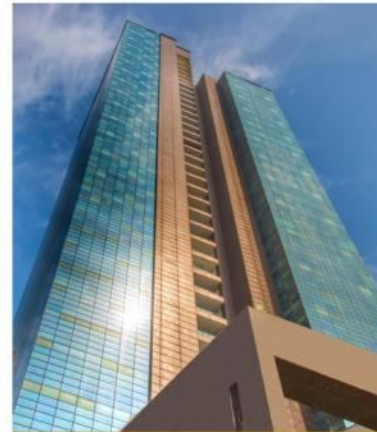
Established brand name

- 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

DLF

HYATT
REGENCY


॥ वसुधैव कुटुम्बकम् ॥
SYMBIOSIS

 **DR. REDDY'S**


Mastek

TATA HOUSING

IHG
InterContinental
Hotels Group


GOA INSTITUTE OF MANAGEMENT
PANAJI

 **SANDOZ**

 **Mphasis**
Unleash the Next

 **GODREJ** | PROPERTIES

 **ROYAL ORCHID**
HOTELS


sanofi aventis


NUCLEUS
SOFTWARE


एन बी सी सी
NBCC
A Navratna CPSE

THE
PARK
Hotels

 **GLOBAL**
HOSPITALS
DR. L. K. JAIN


ORN
Remedies
Private Limited


ZenSar
TECHNOLOGIES
Your Transformation Partner


GAR
Creating tomorrow today


NOVOTEL
HOTELS


Sahyadri
Hospitals

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

EPC BUSINESS – ROBUST ORDER BOOK



Third Party Orders –
31% growth

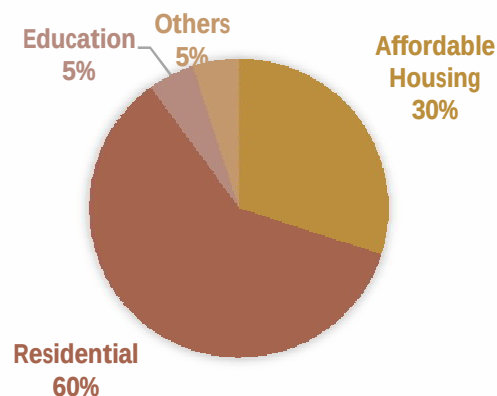
~Rs. 508 Crs.
(Mar 17)

~Rs. 414 Crs.
(July 17)

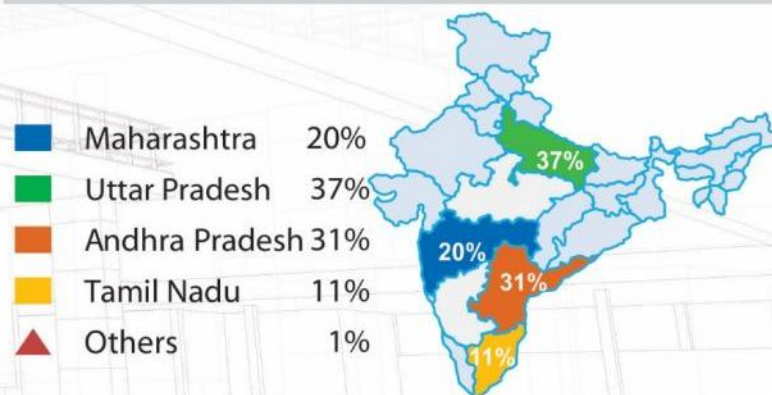
~Rs. 668 Cr
(Dec 17)

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

Segment-wise order book split



Geographical order book split



**VASCON**

EPC PROJECTS – EXISTING ORDER BOOK

Third Party EPC Order book

Location	Client	Amt (Rs. Cr)
Lucknow	Kailash Enclave	162
Ayyalur, Andhra Pradesh	Ayyalur	100
Adoni, Andhra Pradesh	Adoni	97
Mumbai	Sheth Creators – Malad (I&II)	78
Chennai	Sriram Educational Turst	70
Lucknow	Everest Enclave	55
Chennai	Godrej Chennai	34
Pune	Tech Point	12
Others		60
Total		668

Internal EPC Order book

	Amt (Rs. Cr)
Platinum Square	9
Windermere-Tower I & II	26
Windermere-Bungalows	36
Hadapsar School	25
Forest Edge	52
Katvi-Affordable Housing	85
Total	233

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

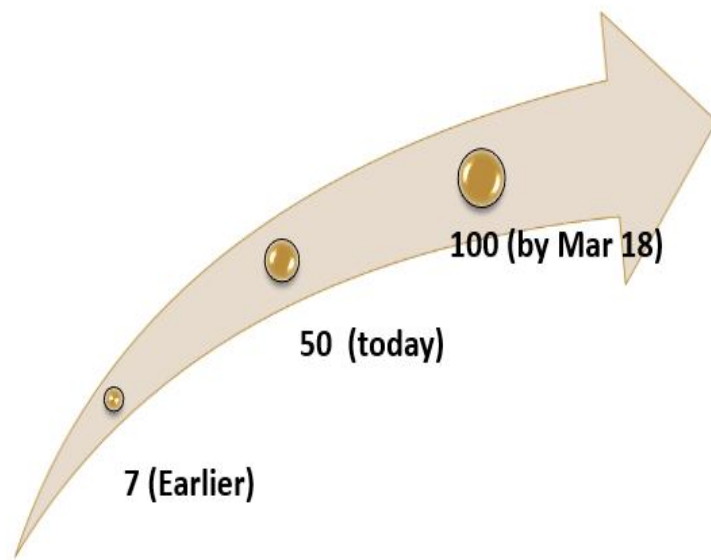


Zircon, Viman Nagar

WHAT HAS CHANGED FOR VASCON IN LAST 6 MONTHS

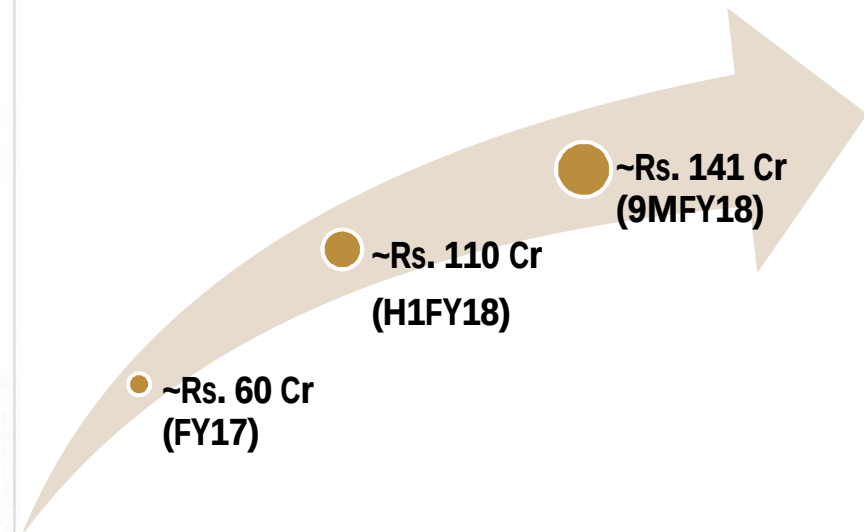


Real Estate - Team Size



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

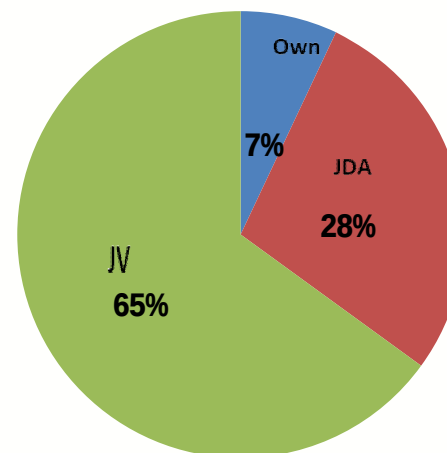


Project Name	Location	Vascon Share		Total				Vascon Share		
				Project Area	Area Sold	Sale Value	Collection	Sale Value	Collection	Rev. Recognised
		Type	Share	msft	msft	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
Willows Phase (D,E,F)	Pune	JDA	80%	0.21	0.21	95	95	76	76	74
Vista - Phase II	Nashik	Owned	100%	0.14	0.12	32	30	32	30	32
Forest County Ph-I	Pune	JV	50%	0.84	0.83	340	340	170	170	170
Forest County Ph-II	Pune	JV	50%	0.52	0.51	323	312	161	156	161
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	0.12	61	58	61	58	48
Garnets Bay	Pune	JDA	50%	0.03	0.03	20	15	10	7	9
Platinum Square	Pune	JV	70%	0.13	0.12	118	67	82	47	59
Total				2.45	2.16	1,184	1,029	689	597	619

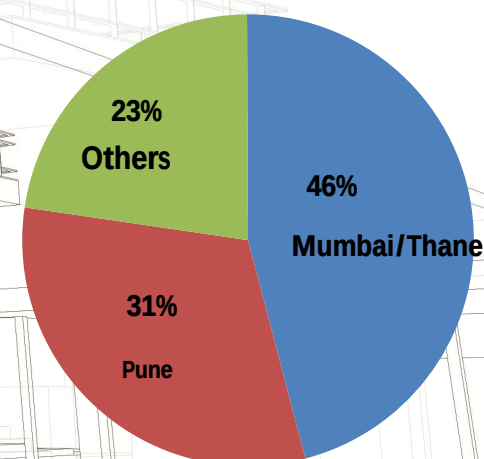
REAL ESTATE PORTFOLIO

Particulars	Project Area (Acres)	Saleable area (msft)	Vascon Share Saleable Area (msft)
JDA	86.6	7.1	4.6
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
JV	200.5	22.3	10.1
Thane	145.1	19.0	8.4
Pune	55.4	3.3	1.7
Owned	23.1	1.5	1.5
Pune	14.1	0.7	0.7
Aurangabad	9.0	0.8	0.8
Grand Total	310.2	30.9	16.2

Focus on asset light JDA/JVs model



Geographical land bank split



STRATEGY GOING FORWARD

STRATEGY GOING FORWARD



LIQUIDATING NON CORE INVESTMENTS



Non-core Investments

GMP Technical Solutions
(85% holding)

Hotel Properties

Commercial Assets

Residential Assets

Cash-flow generated in 9MFY18
~Rs. 87 Cr

Liquidate and use for Business growth

Potential cash-flow expected
~Rs. 100 Cr

Cash-flow generated utilized for repaying high cost debt and for working capital

Core Business

EPC Business

Real Estate Development

NEW LAUNCHES IN REAL ESTATE



Launched “Forest Edge”- A Residential Project



Sold 68 units or 85% of the units in project ‘Forest Edge’ on the day of its launch

Affordable Housing Projects

1	Katvi, Pune	• Foray into affordable housing project • Total potential area of ~ 0.46 mn. sq ft. • Land owned by Vascon
2	Talegaon, Pune	• Joint venture – Next launch in the affordable segment • Total Potential area of ~1.16 mn. sq ft.

Planned Launch of Affordable Housing Project in coming months

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

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

- R. Vasudevan



Mr. M. Krishnamurthi / Mr. Punit Bhayani
mk_murthi@vascon.com punit@vascon.com

Vascon Weikfield Chambers, Pune - 411014



Mr. Gaurang Vasani / Mr. Vikash Verma
vgaurang@stellar-ir.com vikash.verma@stellar-ir.com
Kanakia Wall Street, Andheri (East), Mumbai 400 093

Thank You