





2004 COMPLETED PROJECTS



PROJECTS
ACROSS
30+ Obles



AN ISO 9001:2000 & ISO 14001:2004



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

#### WHAT WE DELIVERED

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

#### **Real Estate Launches**

Identified Projects to be launched in FY18

- 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

## Focus on Affordable Housing in both segments of

FPC & Real Estate

- 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

## WHAT WE DELIVERED

# Improve Financial Health Improve Ratings & Optimizing Cost

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

#### **Cash Flow Generation**

Monetisation of Identified Assets

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

## Improving Marketing function for Real Estate

Strengthening Team across function

- 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



Poutionland (Bo. Cus)	Standalo	ne	Consolidated		
Particulars (Rs. Crs)	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	
EBIDTA 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 VASCON

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		163.9
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
EBIDTA 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					9.1
Tax					4.5
Profit After Tax	<u>.</u>	-	-		4.6

# 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





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
Short term borrowings	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

## **VASCON – AT PRESENT**





## **ENGINEERING PROCUREMENT & CONSTRUCTION**

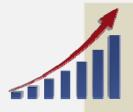
One of the leading EPC Company in India



## **REAL ESTATE DEVELOPMENT**

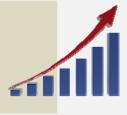
Focus on Affordable Housing





## **Non-Core Assets**

**Liquidating non core investments** 







## **ENGINEERING PROCUREMENT & CONSTRUCTION**

### **EPC BUSINESS**



## ☐ 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

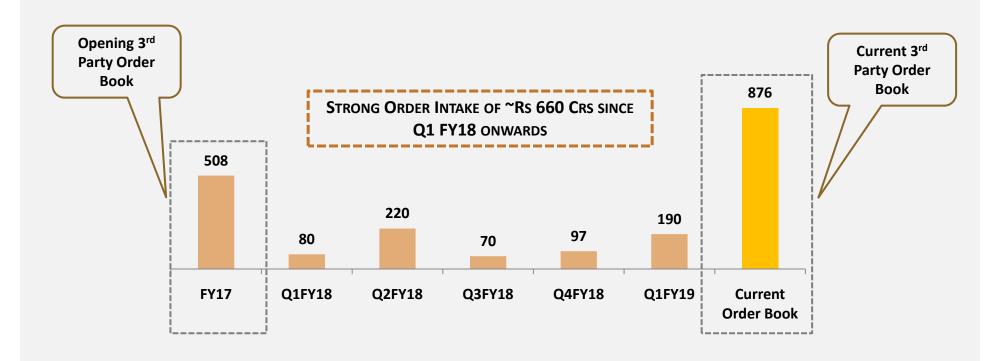
- Significant room for growth with the current capacity
- Margins to grow exponentially with increase in revenues and order book

## ☐ Higher margins Because of Turnkey Capabilities

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

## 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-Bunglows	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

### **REAL ESTATE BUSINESS**



## **☐** 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

## **REAL ESTATE LAND BANK**



## ☐ 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 than 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**



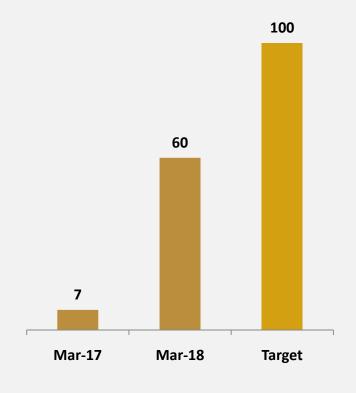
### ☐ Affordable Housing – the Focus Area

- 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)

## ☐ 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

#### **INVESTED IN STRENGTHENING REAL ESTATE TEAM**



Number of employees



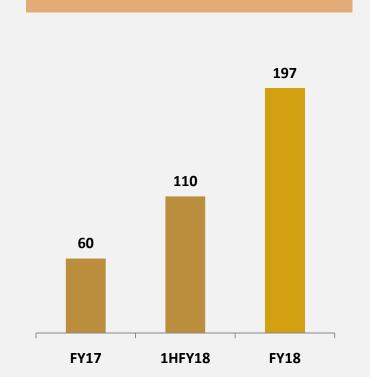
## CURRENT REAL ESTATE PROJECTS UNDER DEVELOPMENT VASCON

			Total			Vascon Share				
Project Name	Location	Vasco	n Share	Project Area	Area Sold	Sale Value	Collection	Sale Value	Collection	Rev. Recognised
		Туре	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



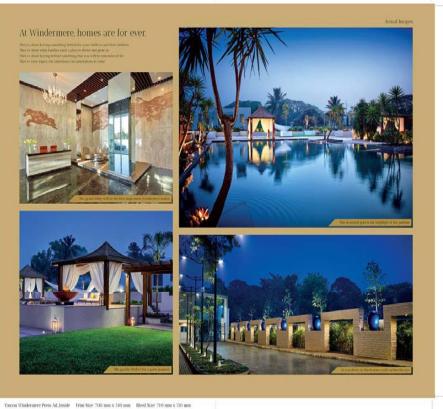
RESIDENTIAL PROJECT IN KHARADI, PUNE AREA – 360,000 SFT; FULLY SOLD

## RE-LAUNCH OF SIGNATURE LUXURY RESIDENCY



## **WINDERMERE**





## AFFORDABLE HOUSING LAUNCH – VALUE HOME VASCON



## **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





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

**CORE BUSINESS** 

**EPC BUSINESS** 

REAL ESTATE
DEVELOPMENT

Cash Flow Generated in FY18

~Rs **75** CRS

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



## **THANK YOU**



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@stellarir.com

Kanakia Wall Street, Andheri (East), Mumbai 400

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