



VASCON

Date: June 12, 2020

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

To,
BSE Limited,
The Department of Corporate Services
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort, 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,**

Vibhuti Dani
Company Secretary and Compliance Officer

Enclosures: as above

VASCON ENGINEERS LTD.

Registered & Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune - 14.
Tel.: +91 20 3056 2100/200/300, Fax: +91 20 3056 2600, Web: www.vascon.com CIN: L70100PN1986PLC175750

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VASCON



INVESTOR PRESENTATION | June 2020

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IMPACT OF COVID-19

Construction Activities

- Construction activities came to halt amid lockdown across the country which will lead to extension of construction timelines.
- Labor Migration may pose a challenge in getting construction activities to normalcy in near-term. Expect gradual ramp-up in execution activity.

Real Estate Demand

- Expect short-term demand disruption in the sector.
- Our existing unsold inventory is at lower level due to which impact on ongoing projects will be less.
- New launch - To be reviewed thoroughly in terms of Product, Pricing and Timing.

Working Capital

- Working Capital issue may arise in the sector as Banks & NBFCs getting more risk averse, resulting funding issues for many developers. Initiative by Government and Central Bank may infuse some breather for interim liquidity.
- Company's liquidity is adequate to meet the business requirements and do not foresee any liquidity concern in near term.

Ordering Activity

- Our current order book remains unchanged despite of COVID 19 as majority of our Order Book comprises of Government Project. Execution has been resumed at most of the project sites.
- Also, we are receiving substantial interest of expression / Tender for new Government Projects.

Government Initiative to boost the Real Estate / EPC

- Reduction of Home loan rates may boost real estate sector.
- Re-assessment of DP, Working Capital and reduced borrowing rate likely to infuse liquidity for the sector.
- Release of partial BG as against proportionate work done also enhance both fund and non fund based limit.

MAJOR DEVELOPMENT IN FY20



- In FY20, Bagged order worth **Rs. 1,671 Cr** for third-party EPC, which is highest-ever order intake in a year.
 - **Total Order Book** Stands at **Rs. 2,060 Cr**; External Orders is at **Rs. 1,953** and Internal Orders is at **Rs. 107 Cr**
-



Entered into New Segment- Bagged an **Order for Metro (Building Construction)** from Metro Rail Cooperation in Mumbai & Bangalore.



Airport Authority of India – Received **Order for ‘Extension of existing Terminal Building’** at Goa Airport, Dabolim



- **Land Monetization of Rs. 170 Crores** in Ajanta Enterprise (50% JV of Vascon)
 - Leasing of Commercial Property at Kaledonia, Andheri (E)
-



New Sales booking of **1,35,412 sqft** for a total sales value of **Rs 116 Cr** in **FY20**

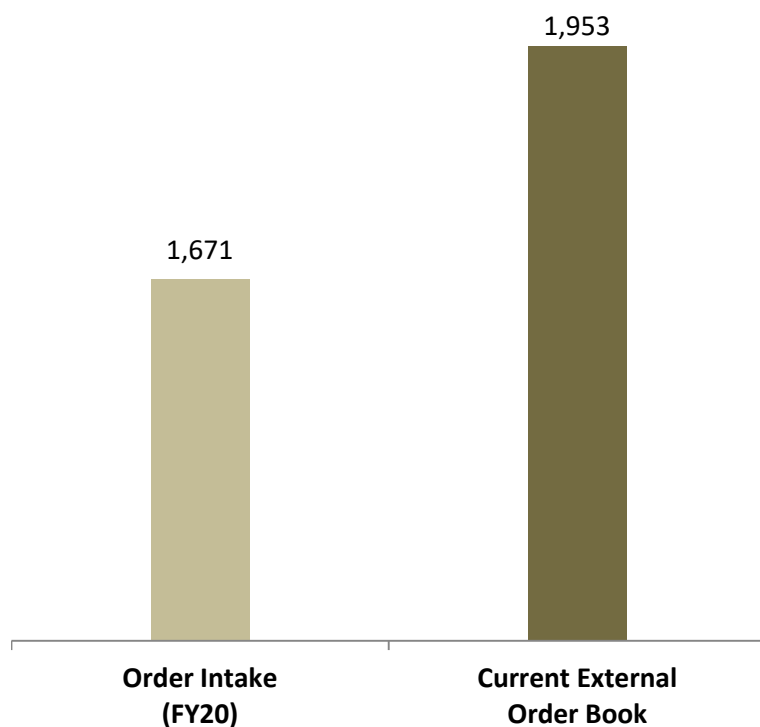


Identified Real Estate Projects launch worth ~ **Rs. 450 Cr** (Vascon Share), however due to **COVID-19** will take cautious approach in launching

HIGHEST-EVER ORDER-INTAKE IN FY20

EPC Business- External Order-Intake

(In Rs. Cr)



Order Intake	State	Rs. Cr.
Public Works Department, Raipur,	Chhattisgarh	506
Maharashtra State Police Housing & Welfare Corporation Ltd.	Maharashtra	465
Tycoon Avanti Projects	Maharashtra	172
Bangalore Metro Rail Corporation	Karnataka	160
Airport Authority of India	Goa	133
Mumbai Metro Rail Corporation	Maharashtra	131
Pune Municipal Corporation	Maharashtra	104
Total		1,671

RECEIVED ORDER WORTH **RS. 1,671** CRORE SINCE THE BEGINNING OF THE CURRENT FINANCIAL YEAR

LAND MONETIZATION OF RS. 170 CR

Seller	Ms Ajanta Enterprise, 50% JV of Vascon
Acquirer	Pune BP Development Pvt. Ltd. (SPV of Mapletree Investments Pte Ltd)
Location	Kharadi Village, Pune
Land Parcel Area	30,955 sq. mt.
Gross Consideration	Rs. 170 Cr (Entire <i>consideration received by Ms Ajanta Enterprise</i>)
Net Cashflow to Vascon	Rs. 52.5 Cr
Cashflow Utilisation	Reducing High Cost Debt & financing incremental Working Capital

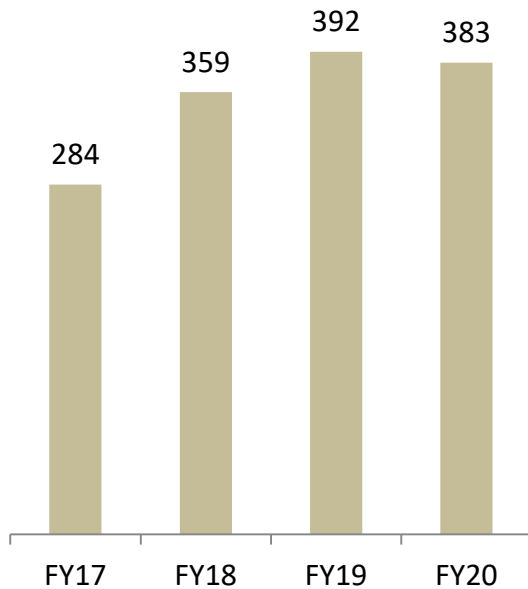
After this Land Sale transaction, Ajanta Enterprise has following :

Total development of ~ 800,000 sft

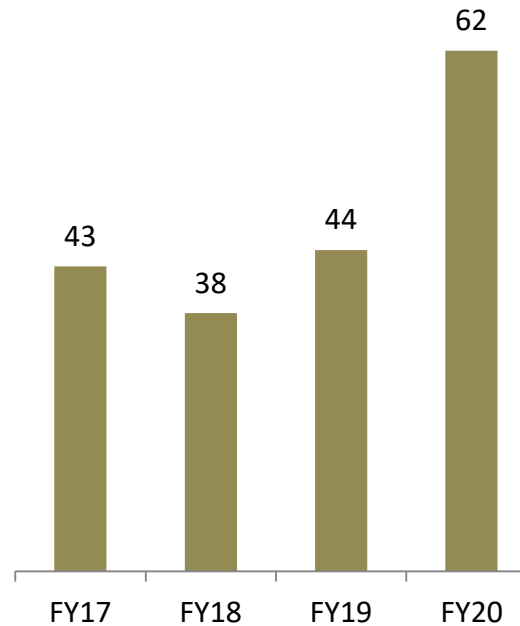
- a) Under Development : 160,000 Forest Edge & 180,000 sft Forest County,
- b) To be launched : ~ 400,000 sft

DELIVERING CONSISTENT PERFORMANCE

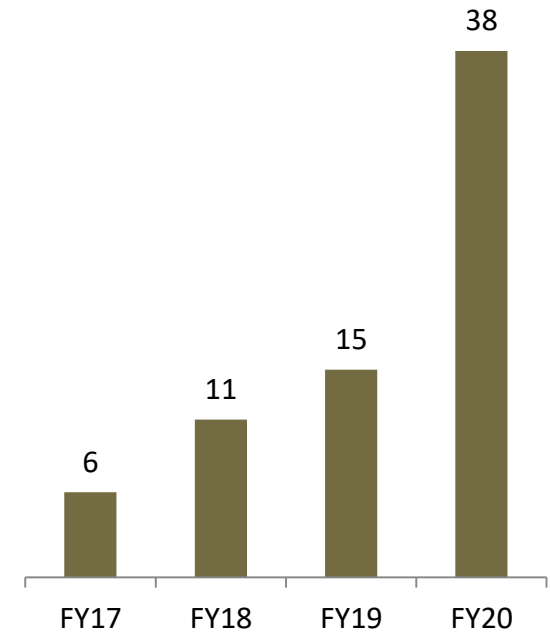
Revenue



EBITDA



PAT



STANDALONE NUMBERS (IN RS. CRS)

DESPITE CHALLENGING INDUSTRY ENVIRONMENT, COMPANY HAS MAINTAINED CONSISTENT REVENUE GROWTH AND FOCUSED ON BUILDING PROFITABILITY

P&L HIGHLIGHTS- Q4 & FY20

Particulars (Rs. Cr)	Standalone				Consolidated			
	Q4 FY20	Q4 FY19	FY20	FY19	Q4 FY20	Q4 FY19	FY20	FY19
Revenue	92.13	117.79	366.00	363.45	125.52	158.76	520.92	524.11
Other Income	2.08	4.96	17.24	28.80	3.99	7.24	19.97	36.90
Total Income	94.21	122.75	383.24	392.25	129.51	166.00	540.89	561.01
Construction Expenses / Material Consumed	75.39	91.20	253.98	270.71	96.49	115.85	348.93	383.29
Employee Cost	13.86	8.49	42.18	43.65	21.25	16.11	71.79	72.26
Other Expenses	5.59	8.78	24.78	33.36	10.94	21.84	46.30	61.47
EBITDA	-0.63	14.28	62.30	44.53	0.83	12.20	73.87	43.99
EBITDA Margin (%)	-1%	12%	16%	11%	1%	7%	14%	8%
Depreciation	2.26	1.98	8.65	7.99	3.91	3.44	14.99	13.42
Finance Costs #	-2.88	5.44	15.51	22.35	-1.88	7.40	19.05	26.32
Profit Before Tax	-0.01	6.86	38.14	14.19	-1.20	1.36	39.83	4.25
Tax	-	-	-	-1.02	-0.25	-0.01	0.09	-1.02
Profit After Tax	-0.01	6.86	38.14	15.21	-0.95	1.37	39.74	5.27
Other Comprehensive Income	1.77	0.04	1.63	-0.32	1.26	-0.18	1.12	-0.54
Total Comprehensive Income	1.76	6.90	39.77	14.89	0.31	1.19	40.86	4.73

FINANCE COST INCLUDES REVERSAL OF INTEREST PROVISION OF RS 10.39 CR AND RS 12.85 CR

FY20- SEGMENTAL PROFIT & LOSS - AFTER ALLOCATION

Particulars (Rs. Cr)	RE#	EPC##	GMP	Inventorised	Total
Revenue	161.12	277.05	152.82		590.99
Cost of Sales	93.11	210.01	95.15	0.31	398.58
Gross Profit	68.01	67.04	57.67		192.41
Gross Profit Margin %	42%	24%	38%		33%
Other Income	7.30	10.95	4.59		22.84
Employee Cost	13.54	28.64	29.61		71.79
Other Expenses	16.66	12.52	20.66		49.84
EBITDA	45.11	36.83	11.99		93.62
EBIDTA Margin (%)	28%	13%	8%		16%
Depreciation	1.91	6.93	6.15		14.99
EBIT	43.20	29.90	5.84		78.63
EBIT Margin (%)	27%	11%	4%		13%
Finance Costs					19.05
Profit Before Tax					59.58
Tax					19.85
Profit After Tax	-	-	-		39.73

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. Cr	Mar- 20	Mar- 19
Non-current assets	340.53	345.15
Fixed assets	107.62	114.26
Financial Assets	189.78	187.19
Other Non Current assets, Income Tax & Deferred Tax	43.13	43.70
Current assets	1,015.13	985.34
Inventories	480.86	500.23
Investments	18.03	4.33
Trade receivables	180.97	201.67
Cash and bank balances	68.80	72.12
Loans & Other Financial assets	236.69	188.96
Other current assets	29.78	18.03
Total Assets	1,355.66	1,330.49

Rs. Cr	Mar- 20	Mar- 19
Shareholder's Fund	743.67	699.59
Share capital	178.14	178.14
Other Equity	556.16	512.10
Non Controlling Interest	9.37	9.35
Non-current liabilities	116.64	159.30
Long term borrowings	98.33	140.22
Other Financial liabilities	18.31	19.08
Current liabilities	495.35	471.60
<i>Short term borrowings</i>	101.65	92.76
Trade Payables	201.59	201.67
Other Financial liabilities	65.49	31.32
Other current liabilities & Provisions	126.62	145.85
Total Liabilities	1,355.66	1,330.49



BUSINESS OVERVIEW

VASCON – AT A GLANCE



ENGINEERING PROCUREMENT & CONSTRUCTION

One of the leading EPC Company in India

REAL ESTATE DEVELOPMENT

Focus on Affordable Housing



200+
COMPLETED
PROJECTS



PROJECTS
ACROSS
30+ Cities



AN ISO 9001:2000
& ISO 14001:2004
COMPANY



50+ MILLION
SQUARE FEET
DELIVERED

EPC BUSINESS- OVERVIEW



- **Construction Experience across various verticals**
 - Executed over 200 projects with construction area of over 50 msft
- **Ability to execute around 8 msft per annum**
 - Currently executing around **3 msft p.a.** – operating at 40% utilization
 - Number of Personnel in Project / Engineering team - 489
- **Higher margins Because of Turnkey Capabilities**
 - In-house Design and Engineering team
 - Ability to demand premium over other construction companies
- **New Orders Target**
 - Focus on large and high value civil contracts by Government Agencies and reputed Private Companies
- **Generate positive cash flows from all the projects and re-invest to drive growth**

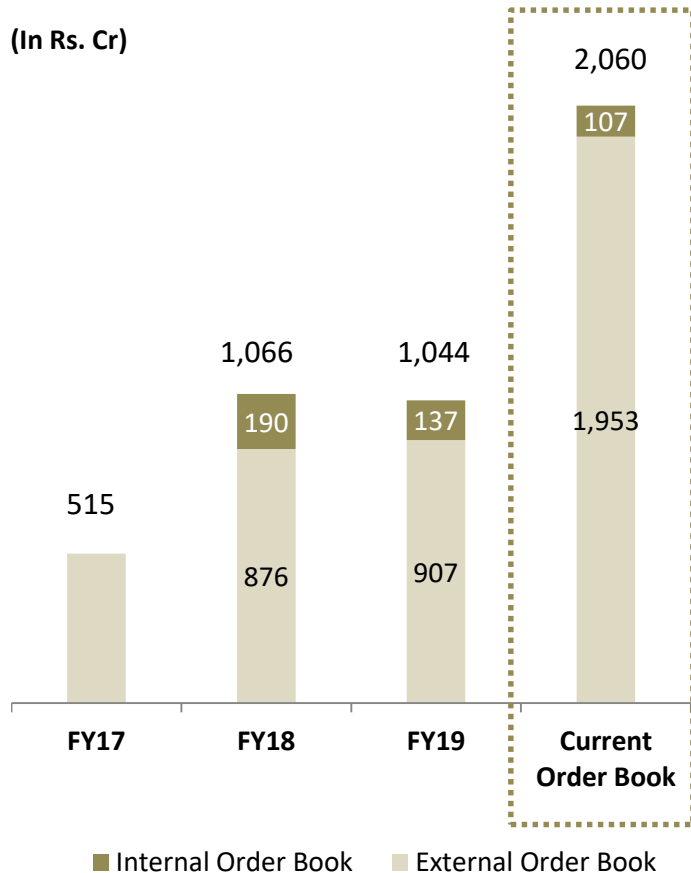
MARQUEE CLIENTS



MAINTAINING CONSISTENT QUALITY STANDARDS ENSURING REPEAT ORDERS

ORDER BOOK BUILD-UP & KEY ORDERS

(In Rs. Cr)



Project	Location	Amt (Rs. Cr)
External Order book		
PWD, Raipur	Raipur	416
Maharashtra State Police Housing	Mumbai	414
Tycoon	Mumbai	163
Metro Rail Depot	Bangalore	156
Goa Airport	Goa	132
MMRC Mumbai Metro	Mumbai	131
Adhiraj	Mumbai	105
PMC-Affordable Housing	Pune	102
Adampur Airport	Adampur	71
Kailash Enclave	Lucknow	55
Other Projects		208
Total		1,953
Internal Order book		
Windermere-Bunglows	Pune	18
Forest Edge	Pune	21
Katvi-Affordable Housing	Talegaon, Pune	68
Total		107
Total EPC Business Order book		2,060

EXECUTION OF NEW ORDERS TO IMPROVE REVENUE VISIBILITY & CAPACITY UTILISATION



REAL-ESTATE DEVELOPMENT

REAL ESTATE BUSINESS



BRAND EQUITY

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

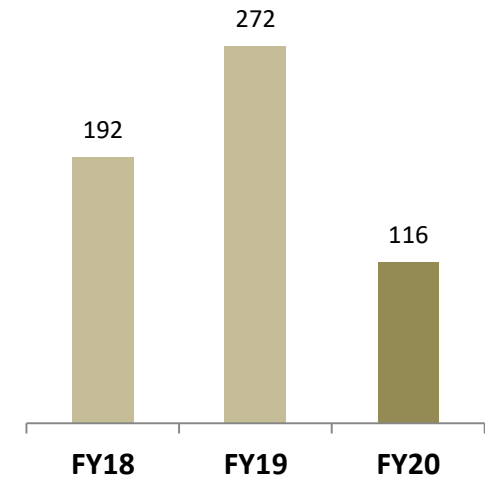


SUCCESSFULLY LAUNCHED REAL ESTATE PROJECTS

Projects	Vascon Share	Dev. Area (msft)	Launch	Status
Forest Edge (JV) A	50%	0.08	18-Jan	Fully Sold
Forest Edge (JV) B	50%	0.08	19-Sep	60% sold
Windermere (JV)#	45%	0.38	18-Mar	57% sold
Vascon Goodlife – Value Home (Own)	100%	0.3	18-May	62% sold
Forest County	50%	0.18	18-Dec	92% sold
Xotech C (JV)	50%	0.04	18-Oct	Fully Sold

#Relaunch

REAL ESTATE SALES (RS CR)



**“FOREST EDGE” –
KHARADI, PUNE**



**VASCON GOODLIFE -
KATVI, TALEGAON**



**RE-LAUNCH OF
WINDERMERE#**



XOTECH- PUNE

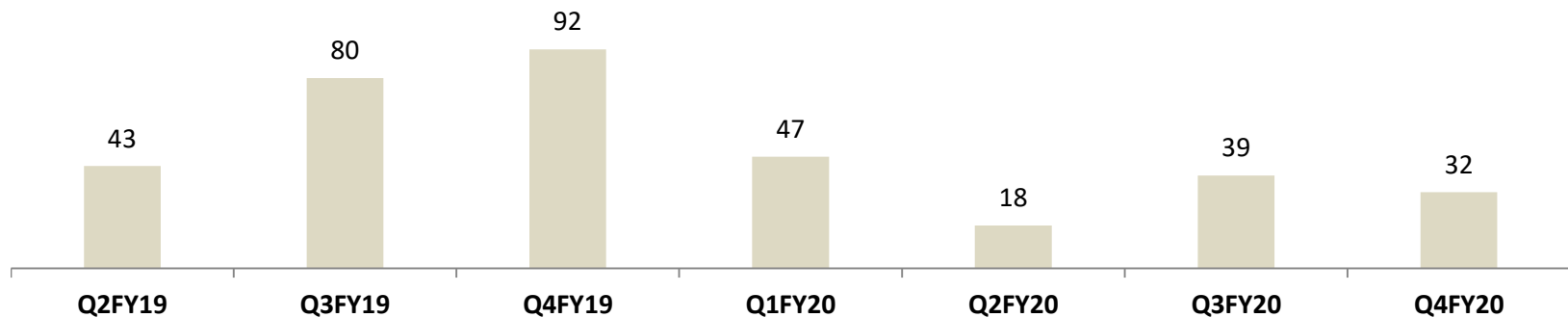


**FOREST COUNTY -
KHARADI**

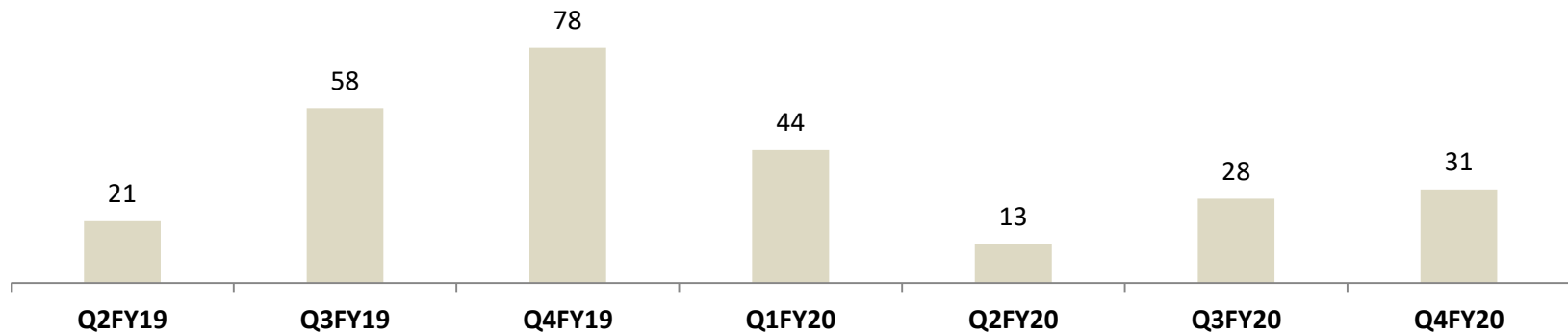


TRACK RECORD OF REAL ESTATE SALES

Q-O-Q SALES AREA SQ. FT ('000)



Q-O-Q SALES VALUE (RS. CR.)



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. Recognized
				msft	msft	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr
Forest Edge (A&B)	Pune	JV	50%	0.16	0.13	86	43	43	22	-
Forest County	Pune	JV	50%	0.18	0.16	120	12	60	6	-
Windmere Residential	Pune	JDA	45%	0.38	0.21	253	205	114	92	114
Platinum Square (I&II)	Pune	JV	70%	0.14	0.14	140	130	98	91	93
Vascon GoodLife	Talegaon	Own	100%	0.46	0.18	64	22	64	22	-
Xotech (I&II)	Hinjewadi	JV	50%	0.08	0.08	36	33	18	17	18
Total				1.40	0.90	699	445	397	249	225

REAL ESTATE PROJECTS – PIPELINE (LAUNCHES IN NEAR-TERM)

Sr. No.	Projects	Type	Segment	Total		Vascon Share	
				Saleable Area	Expected Sales Value	Saleable Area	Expected Sales Value
				msft	(Rs. in Cr)	msft	(Rs. in Cr)
1	Coimbatore	JDA	Residential	0.33	179	0.23	125
2	Madurai	JDA	Residential	0.49	220	0.37	165
3	4 Acre HDH - Phase I	JV	Residential	0.26	182	0.13	91
4	4 Acre HDH - Phase II	JV	Residential	0.22	150	0.11	75
	Total			1.3	731	0.84	456

REAL ESTATE PROJECTS – PIPELINE (OTHER PROJECTS)

Sr. No.	Projects	Type	Segment	Total	
				Saleable Area	Expected Sales Value
				msft	(Rs. in Cr)
1	Bavdhan - Comm	JDA	Commercial	0.23	158
2	Willows - Comm	JV	Commercial	0.23	191
3	Kalyani Nagar - Comm	JDA	Commercial	0.3	330
4	Kalyani Nagar	JDA	Residential	0.5	550
	Total			1.26	1,229

NON-CORE ASSETS

1. **44% EQUITY STAKE IN HOTELS AT GOA**
2. **COMMERCIAL PROPERTY AT KALDONIA, ANDHERI (E)**
3. **9 ACRE LAND PARCEL IN AURANGABAD**
4. **GMP TECHNICAL SOLUTIONS (85% SUBSIDIARY OF VASCON)**

CONTINUE FOCUS ON GENERATING CASH BY MONETIZING IDENTIFIED NON CORE ASSETS

THANK YOU!



Mr. Punit Bhayani
punit@vascon.com

Vascon Weikfield Chambers, Pune - 411014



Mr. Gauranh Vasani/ Ms. Hina Agarwal
vgaurang@stellar-ir.com hina@stellar-ir.com

Kanakia Wall Street, Andheri (East), Mumbai 400 093