



VASCON

Vascon Engineers Limited

Heading towards better future...

EGM Presentation

May 2017



1

Fund Raising Details & Strategic Rationale of transaction

2

Focus Area & Business Plan

EPC

*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
- Delivered approx 34 million sq ft across 200 projects since inception
- Capability to execute 8 million sq ft per annum

Real Estate

*Focus on Affordable
Housing*

- Asset light Real Estate business mainly present in Pune & Thane (Mumbai)
- Real estate development carried out through JVs and JDAs
- Fully paid land bank; Developable area of 30.9 million sq ft per annum

The company has a subsidiary named **GMP Technicals** which is One of the largest manufacturer of clean room partitioning systems and Turnkey solution provider

1	Amount Raised	<ul style="list-style-type: none">▪ Rs. 110 Crores
2	Instrument & Key terms	<ul style="list-style-type: none">▪ Compulsory Convertible Debentures (CCDs) to be converted in to equity shares within 18 months▪ Conversion Price at Rs. 45.60 per equity share▪ Coupon Rate of 17% p.a.
4	Investors	<ul style="list-style-type: none">▪ Manan Finserve Private Limited▪ Vinca Rosea Farms and Properties LLP
5	Utilization of fund	<ul style="list-style-type: none">▪ Partial repayment of Debt▪ Investment in current project execution▪ Growth Capital for New project Developments

- The last four years were extremely tough for the company due to slow down in the real estate and the construction sector which resulted in reduced funding from banks thus impacting lot of projects
- This resulted in lower profitability, higher provisioning and significantly constrained the working capital of the company
- Considering the renewed Government focus on the affordable housing segment and to capitalise on the huge opportunity, the company needs Capital
- The Equity capital will lead to improvement in the liquidity, better rating and will provide the growth capital for Business Development

1 Fund Raising Details

2 Focus Area & Business Plan

...Government's strong focus on housing for all

- **Emphasis on Housing for All by 2022**
- **Aim to build 50 million new low-cost houses over the next 5 years**
- **Incentivizing Affordable Housing by increasing project completion timeline to 5 years from 3 years**
- **Interest subsidy & Tax incentives for the Affordable housing Projects**

*Infrastructure status
to
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

1

Katvi, Pune

- Foray into affordable housing project
- Total potential area of 4.6 lacs sq ft
- Land owned by Vascon

2

Talegaon, Pune

- Joint venture – Next launch in the affordable segment
 - Total Potential area of 1.16 million sq ft
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1

Amit Parsuramka



- Over 19 years of work experience in Sales, Marketing & Operations Management in Real Estate.
- Joined Vascon in May 2017 from Omkar Realtors, where he was Chief Marketing Officer. Prior to Omkar, was associated with Lodha Developers, Berger Paints and Whirlpool
- Enhanced growth in sales and revenue with improved brand visibility & reach across different geographies in India

2

Rajesh Mhatre



- Over 17 years of work experience across Fund raising, Strategy and Business Development.
- Joined Vascon in Feb 2017 from Lodha Ventures where he was COO and Head, Finance. Prior to Lodha Ventures, he was associated with Reliance and Citi.
- Prepared strategic vision for Lodha Ventures for new initiatives and capital deployment strategies across the new Business lines. Highly recognized for skills in financial structuring, innovation and creation of value driving divisions

...continue implementation of strategy of asset monetization

- **Aurangabad Land**
- **Commercial Property in Kaledonia, Andheri**
- **Goa Hotel (43.83% stake)**
- **Flats in Vista (Nasik) Projects**
- **Appartments in ELA Projects**

Expected market value of Rs. 110 Crs



“Build Houses for Every Indian”

Thank You