

## PRESS NOTE

# **Vascon takes over GMP Technical, to offer turnkey solutions**

**Pune, August 9, 2010:** Real estate major Vascon Engineers Limited has taken over of GMP Technical Solutions Private Ltd, the leader in modular clean room and office partitions apart from offering HVAC, electrical and building management (BMS) systems. With this all-cash deal involving an outflow of Rs 626.30 million, Vascon now owns 90% of GMP, which recorded a turnover of Rs 1267 million for 2009-2010 and had a net worth of about Rs 441 million.

Both the companies already have a strong presence in the pharmaceutical industry. With the takeover, Vascon is better positioned to exploit the synergy in other verticals as well. While civil engineering has remained Vascon's core strength for over 24 years, GMP offers complete solution engineering in clean room modular partitions, HVAC design and supply, integrated building management systems, electric systems and accessories, epoxy and vinyl flooring, and interlocking and access controls.

Said R Vasudevan, Managing Director, Vascon Engineers: "We are strengthened by the technical and intellectual resources of a young company that is set to take off in multiple fields. So far, our customers have been counting on us for a well-built skeleton. Now we can extend that efficiency to the vital organs and the brain, as it were. The advantage in the pharmaceutical sector is obvious. What we are keen to exploit is the tremendous opportunities in other areas like hotels, green buildings and biotechnology, where we have already made a mark."

Vascon had promised its investors steady growth through a judicious mixture of EPC contracts and real estate projects, at the time of its IPO, nine months ago. While the first quarter of Vascon for 2010-2011 would appear to make good that promise both in terms of figures and projects, GMP is now expected to add fuel to the growth.

Said Ajay Mehta, Director, GMP: "We are excited with this union. We have known Vascon for some time and have worked with them. What we have here is the association of two professionally managed companies that are always on the lookout for fresh opportunities for rapid growth. At GMP, we are aiming to grow at 35% over the last year's revenue of Rs 1267 million and PAT of Rs. 217 million. Now with the boost given by Vascon's solid infrastructure, we may do even better not only in India but also in other countries, where we already have a presence."

Added Prashant Kavale, Director, GMP: "In another two years, we should be among the top three companies in India for IBMS, both in terms of value and volume. Our core team of technicians has had extensive training in the latest systems and software. We also have ongoing partnerships with the best names in equipment and systems from all over the world. Now with the solid experience of the Vascon team in various fields, we have synergy at its best. I won't be surprised if we clock a 40 percent growth in the next few years."

Vasudevan clarified that there was no plan to make any change in the GMP team. "Essentially, we are both engineers. Our first task is to sit together and decide what greater value we can offer our existing clients and how best we can use the synergy to offer a new suite of solutions to our clients."

The acquisition has enhanced Vascon's geographical footprint as GMP has offices in several cities in India and other countries that do not yet figure in Vascon's map and will fuel Vascon's topline and bottomline.

An ISO 9001:2000 certified company, Mumbai-based GMP has a 55,000 sq.ft manufacturing facility in Baddi, Himachal Pradesh, supported by an infrastructural area of 2.5 lakh sq. ft. fully equipped with the latest CNC and NC equipment. The company has 450 technicians working across the country. While the location in Baddi offers excise duty advantages, Vascon may now look to set up another facility, possibly in the south for greater logistical advantage.

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#### **FOR MORE INFORMATION PLEASE CONTACT:**

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