

HCC/ SEC/ 2018-2019

May 3, 2018

BSE Limited,  
The Corporate Relationship Dept,  
1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

**Subject: Analyst / Institutional Investors Meeting**

Dear Sirs,

Further to our letter dated April 26, 2018 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the copy of the presentation made before the meeting of the Analyst / Institutional Investors held on May 3, 2018.

Thanking you,

Yours faithfully

for **Hindustan Construction Company Limited**



**Venkatesan Arunachalam**  
**Company Secretary**



Cc:

National Stock Exchange of India Ltd,

Encl: As above.



**HCC**

**Hindustan Construction Co Ltd**

# Investor / Analyst Presentation

Q4 FY2017-18



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Steiner AG

HCC Infrastructure

Lavasa

Performance Highlights & Financial Results

Updates

Updates

Updates

Updates

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# Key Financial Highlights: FY18 and 4Q FY18

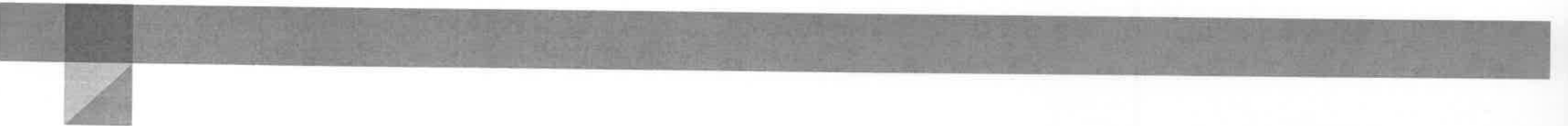
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Results are in accordance with the Indian Accounting Standards (IndAS) notified by the Ministry of Corporate Affairs

## ➤ FY18 Highlights

- Turnover (excluding Other Income) at Rs.4,575 cr vs. Rs.4,196 cr in FY17
- EBITDA margin (excluding Other Income) at 14.1% vs. 17.9%
- Profit after Tax of Rs.78 cr vs. Rs.59 cr
- Orders received in FY18: Rs.2,277 cr
- Order backlog as on March 31, 2018, at Rs.19,188 cr

## ➤ 4Q FY18 Highlights

- Turnover (excluding Other Income) at Rs.1,443 cr vs. Rs.1,358 cr in 4Q FY17
  - EBITDA margin (excluding Other Income) at 11.0% vs. 16.5%
  - Finance costs at Rs.164 cr vs. Rs.208 cr
  - Profit after Tax of Rs.20 cr vs. Rs.21 cr
  - Orders received in 4Q FY18: Rs.274 cr
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# Financial Performance :

## 2017-18 (y-o-y)

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Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

### Total Income from operations

Construction Cost (incl. material) / other exp

Employee Cost

**EBITDA (excluding Other Income)**

**EBITDA margins (excluding Other Income)**

Finance Cost

Depreciation

**Profit / (Loss) Before Tax**

Tax

**Profit / (Loss) After Tax**

Other comprehensive income (after tax)

**Total Comprehensive Income (after Tax)**

	FY18	FY17	y-o-y
	Rs. cr	Rs. cr	%
	4,826	4,458	8%
	3,493	3,045	15%
	438	397	10%
	644	754	(15%)
	14.1%	17.9%	
	660	772	
	123	125	
	112	118	
	34	38	
	78	59	
	(12)	22	
	66	81	

# Financial Performance : Q4 FY 2017-18 (y-o-y & q-o-q)

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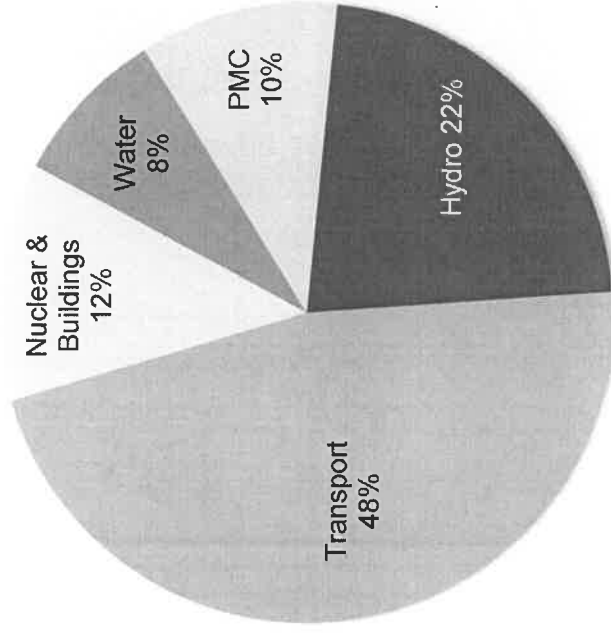
	Q4 FY18	Q4 FY17	y-o-y	Q3 FY18
	Rs. cr	Rs. cr	%	Rs. cr
<b>Total Income</b>	<b>1,511</b>	<b>1,429</b>	<b>6%</b>	<b>1,293</b>
Construction Cost (incl. material) / other exp.	1,167	1,023	14%	959
Employee Cost	116	111	5%	108
<b>EBITDA (excluding Other Income)</b>	<b>159</b>	<b>224</b>	<b>(29%)</b>	<b>164</b>
<b>EBITDA margins (%) (excluding Other Income)</b>	<b>11.1%</b>	<b>16.5%</b>		<b>13.3%</b>
Finance Cost	164	208		151
Depreciation	35	28		29
Exceptional Item	-	(21)		-
<b>Profit / (Loss) Before Tax</b>	<b>29</b>	<b>37</b>		<b>46</b>
Tax	9	16		15
<b>Profit / (Loss) After Tax</b>	<b>20</b>	<b>21</b>		<b>31</b>
Other comprehensive income after tax	(15)	21		(1)
<b>Total Comprehensive Income (after Tax)</b>	<b>5</b>	<b>42</b>		<b>31</b>

**HCC E&C**

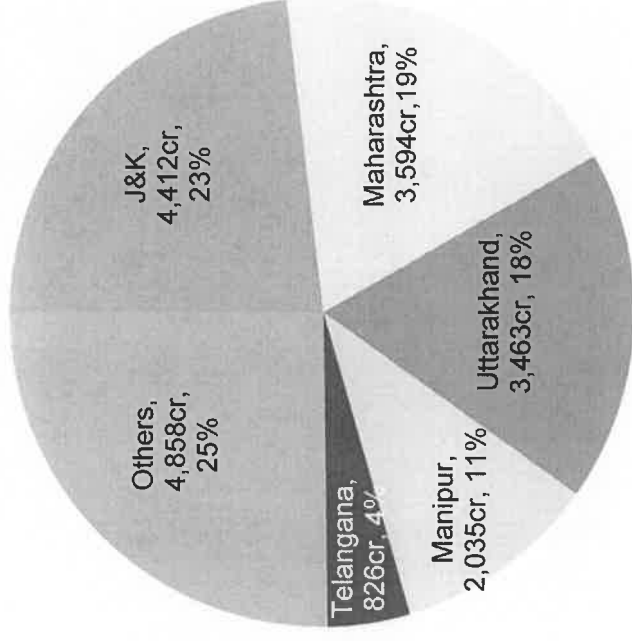


# Order Backlog – Rs.19,188 cr

Order Backlog - Business Line



Order Backlog - Geographic Breakup



Balanced portfolio having geographical spread across the country

# Orders Won: up to March 31, 2018

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## Projects awarded in FY18 : Rs.2,277 cr

No. Business Line	Name of Project	Client	HCC's share (Rs. cr)
1 Water	Parwan Dam + Tunnel	Water Resource Department, Rajasthan	606
2 Transportation	HSR Road - RV Stn. Reach 5 (Pkg 3)	Bangalore Metro Rail Corporation Ltd.	406
3 Nuclear	Construction of Building 401 (Block 3 to 7)	Indira Gandhi Centre for Atomic Research	764
4 Transportation	9 nos. elevated station of Pune metro	Maharashtra Metro Rail Corporation	254
5 Transportation	8 nos. elevated station of Pune metro	Maharashtra Metro Rail Corporation	247
Total awarded projects			2,277

## Post-Arbitration Award stages

At Arbitration  
Tribunal

Fresh  
Arbitration  
Awards

Lower Court

High Court Single  
Judge

High Court Division  
Bench

Supreme  
Court

Total arbitration awards in favour Rs.4,823 crores as of March 31, 2018

March 31, 2018

March 31, 2018

4,823

Court against BG

354

4,469

CCEA Order till date

100% Arbitration  
Award

75% Payable  
Amount

Collected

Balance

CCEA

2,744

2,043

1,416

627

ed as on date

1,292

969

-

969

235

-

-

-

4,271

2,831

1,416

1,596

do not include interest ever since letters were submitted in 2016 & 2017

- ❑ Supreme Court judgment in RJ7 matter to set precedent w.r.t. EoT Claims
  - ABP EoT case (also NHAI) expected to follow and would further entrench core principles that lower courts would be bound to follow
- ❑ Landmark SC judgment by Justice Rohinton Nariman w.r.t. Section 36 of new Arbitration Act to help expedite Collections
  - Automatic stay by courts on execution of Arbitration awards no longer applicable, whether or not the appeal was filed under New Act or Old Act
- ❑ Numerous censures were delivered this year by Delhi High Court to NHAI on account of frivolous / habitual appeals of Arbitration awards
  - Rationales for censure include loss to exchequer on high interest payable post-award
- ❑ Clients more amenable to settle vs. engaging in repeated challenges; for e.g. NHAI in the case of Paradip did not appeal beyond HC Division bench

**Steiner AG**

- Steiner AG, Headquartered in Zurich, is a leading Real Estate Developer and Total Services Contractor in the Swiss real estate market. Specializes in turnkey development of new buildings and renovation of existing properties
- Closing order backlog at CHF1,370 million (Rs.9,260 cr)
- Order intake during FY 2017-18 CHF890 million (Rs.6,011 cr)
- Cash balance CHF107 million (Rs.737 cr)
- Key financials of Steiner AG:

As per IGAAP

Turnover

PAT/ (Loss)

FY 2017-18	FY 2017-18	FY 2016-17	FY 2016-17
CHF Million	Rs. cr	CHF Million	Rs. cr
806	5,395	821	5,580
9.5	64	3.2	22

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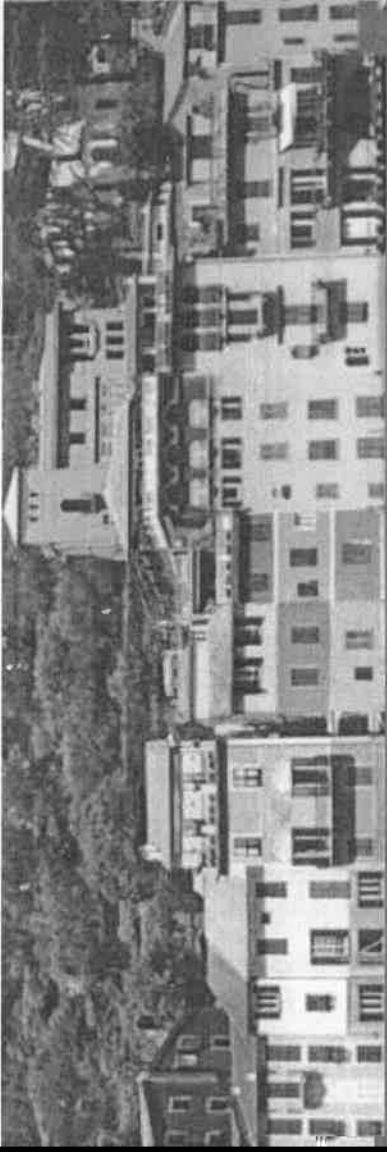
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Baharampore – Farakka – Raiganj – Dalkhola (NH-34 Packages 3, 4, 5)

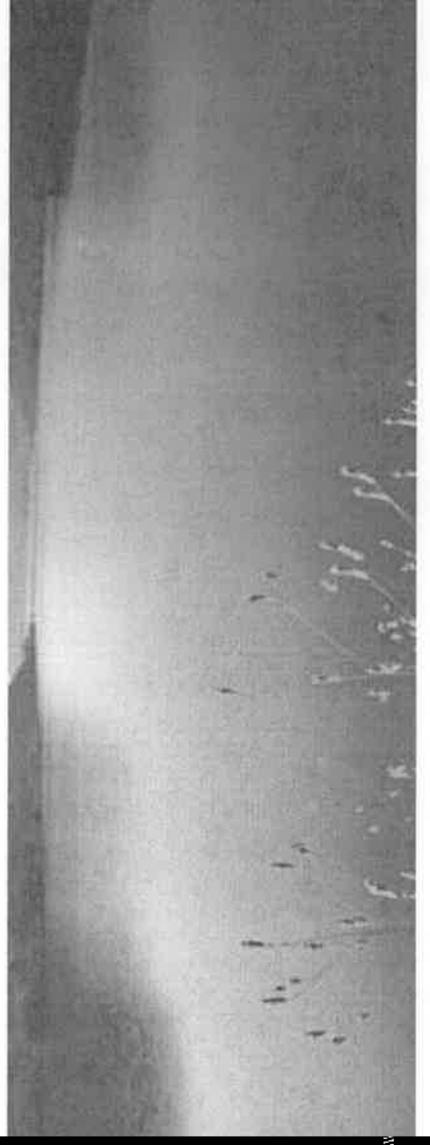
- Baharampore-Farakka (Pkg 3): Avg daily revenue of Rs.50.7 lakh and PCU growth of 24% y-o-y in Q4 FY18. FY18 saw Avg daily revenue of Rs.43.4 lakh and PCU growth of 13% y-o-y
- Farakka-Raiganj (Pkg 4): Average daily revenue of Rs.37.8 lakh and PCU growth of 31% y-o-y in Q4 FY18. FRHL April PCU growth came in at 22% y-o-y.
- Arbitration award of Rs.448 cr for Pkg 3 claims received in Q2 FY18 whilst Arbitration for Pkg 4 for Rs.721 cr claims (for land delays) is expected by Q3 FY19
- Raiganj-Dalkhola (Pkg 5): Project terminated. Arbitration for recoveries commenced

	FY17 Annual PCOD Revenue (Rs. Crores)	FY18 PCOD Revenue (Rs. lakhs per day)	FY18 Annual PCOD Revenue (Rs. Crores)	FY18 Proforma Annual FCOD Revenue (Rs. Crores)
BFHL	135	43.4	158	263
FRHL	68	41.5	152	266
Total	203		310	529





## Lavasa Corporation Limited



## Update on Resolution Plan

Investors have evinced interest and Resolution plan ongoing with Lenders to find optimal solution for all stakeholders

HCC working to maximise recovery, while also minimising its liability

## Operational Highlights

- Footfall at Lavasa in FY18 ~1.0 million
- Hospitality revenue in FY-18 was down 7% y-o-y at Rs.47 crores
- Overall hotels' average occupancy up 40bps y-o-y in FY18
- Retail revenue in FY18 was up 71% y-o-y

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