

Press Release

HCC Net Profit at Rs 19.38 crore in Q3 FY2015-16

Order book to cross Rs. 21,000 crore post conversion of L1 into orders

Mumbai: January 28, 2016: HCC has registered a Profit Before Tax (PBT) of Rs 76.2 crore without considering exceptional items as compared to Rs 40.5 crore in the corresponding quarter last year. However, after accounting for exceptional item for the quarter for Rs 45.6 crore, the Profit After Tax (PAT) stands at Rs 19.4 crore vs Rs 27.1 crore in the corresponding quarter last year. The company's turnover is at Rs 1058 crore compared to Rs 1123.6 crore, in the previous year.

Financial highlights - HCC unaudited standalone results

For the quarter ended December 31, 2015

- Net Profit of Rs 19.38 crore compared to Rs 27.14 crore
- Operating Profit at Rs 233.35 crore compared to Rs 205.68 crore
- EBITDA Margins at 22.51% compared to 18.81%
- Turnover at Rs 1058 crore against Rs 1123.6 crore last year
- Current order book at Rs 16,290 crore excluding L1 contracts worth Rs 5,978 crore

As of date, in the current financial year, HCC has won orders worth Rs 3,707 crore and is also the lowest bidder in projects worth Rs 5,978 crore where the contracts are yet to be signed. With this, the combined orders in hand and in the pipeline have crossed Rs 21,000 crore mark, which is the highest in last five years.

Commenting on the company's performance, Praveen Sood, Group CFO said, "We are seeing a revival in infrastructure sector with an enhanced capital expenditure commitment by the Government, aptly reflected in the order book of HCC. We have ensured double digit project EBIT margins over last 8 quarters through operational efficiency and cost management. Our endeavor now is to improve execution efficiency and target minimum 20% turnover enhancement in 2016-17. Along with this, we will pursue collection of arbitration claims to improve cash flow and bring down debt levels by 20% in the same year. This should bring down the interest cost (as a percentage of turnover) to around 10% and will be a major step for HCC to address its cash flow issues."

Performance of HCC subsidiaries:

Steiner AG: The positive movement in the fresh order acquisition has set a momentum in Steiner AG order book position. The company has secured orders worth CHF 1100 million (Rs 7,237 crore) in past 12 months. In addition to this, the company has secured orders for

more than CHF 615 million (Rs 4,046 crore), where the contracts are yet to be signed. With this the order backlog has improved to CHF 1,354 million (Rs 8,908 crore). The consolidation strategy adopted in the initial years has impacted turnover this year as the company has registered lower revenue of CHF 140.7 million (Rs 938 crore) in Q3 of FY2015-16. The closing cash balance of CHF 111 million (Rs 730.3 crore) reflects company's strong liquidity position."

HCC Infrastructure Company Limited: HCC Concessions, the transport subsidiary of HCC Infrastructure, closed the sales of its Dhule Palesner & Nirmal SPVs to the Sadbhav & IDFC Groups, respectively. The execution of Farakka-Raiganj (Rs 1,720 crore), the largest section on NH34, is in full swing and will achieve COD by May/June of this year. Baharampore-Farakka (Rs 1,424 crore) has been operational since May 2014 and averaged a daily collection of Rs 30 lakhs in the last quarter. The company is working with NHAI and lenders to restart work on Raiganj-Dalkhola, the 50 km last leg of NH34, which has suffered a nearly 5.5 year delay in land acquisition.

Lavasa Corporation Limited (LCL): Lavasa city continues to be a popular tourist destination. The tourist footfall has increased by 21% in Q3 FY2015-16 to 8.3 lakhs. During last 12 months, 1.1 million tourists visited Lavasa. The company had received a major blow when the project received a "stoppage of work" order by the then Union government in 2010 forcing it to face difficult working situation including financial challenges, impacting further development of the townships. Braving the harsh situation, the company, till date, has completed over 1100 residential units. In addition, work on 1.5 million sq ft of residential, commercial and social development is underway in Dasve and 1 million sq ft of residential development is underway in Mugaon. With government strategy of "Ease of Doing Business", we hope to clear many operational hurdles in Lavasa city development which will eventually create more than 90,000 jobs.