

Press Release

HCC Net Profit at Rs 10.9 crore in Q1 of FY2016-17 Order backlog over Rs 21,500 crore with improved market share

Mumbai: July 28, 2016: HCC has registered a Net Profit of Rs 10.9 crore in the Q1 of FY2016-17, compared to Rs 9.2 crore in the corresponding quarter last year. The turnover is at Rs 982.4 crore compared to Rs 975.1 crore, in the corresponding period of the previous year. HCC's order backlog, with an improved market share, is over Rs 21,500 crore in view of the government's renewed thrust on infrastructure.

Financial highlights - HCC unaudited standalone results

For the quarter ended June 30, 2016

- Net Profit of Rs 10.9 crore compared to Rs 9.2 crore
- Operating Profit at Rs 172.5 crore compared to Rs 178.4 crore
- Turnover at Rs 982.4 crore against Rs 975.1 crore last year
- EBITDA Margins at 17.5%
- The order backlog at the end of Q1 2016-17 is at Rs 17,465 crore. The company has received two major contracts post June 30, 2016 worth Rs 4,273 crore which has improved the order backlog over Rs 21,500 crore. Besides, it is the lowest bidder in contracts worth Rs 2,224 crore.
- The Joint Lender's Forum meeting of HCC held on July 12, 2016 (Reference Date) has passed to resolve the account under the recent RBI guidelines 'Scheme for Sustainable Structuring of Stressed Assets (S4A)'.

Commenting on the company's performance, **Praveen Sood, Group CFO** said, "The financial performance stands testimony to HCC's efforts aimed at improving operational efficiencies, cost rationalization and strict adherence of dispute resolution process. HCC's order backlog has grown more than 35% in last 15 months. We are witnessing green shoots of infrastructure growth and are confident that HCC will be able to leverage its capabilities in the fast improving infrastructure space".

HCC, in last two years, made concerted efforts for recovery of its dues amounting to Rs 11,000 crore from government agencies through arbitration proceedings. Till June 30, 2016, HCC has Rs 3,179 crore worth arbitration awards in its favour but only Rs 373 crore could be collected as the clients have challenged the verdict in courts.

"Cashflow Timing Mismatch" in last couple of years between claims realization (including its interest) and debt servicing is the major issue faced by the 90-year-old company. The payment of its legitimate arbitration awarded claims of over Rs 3,000 crore by the government agencies can dramatically alter the scenario. It can reduce to less than 50 per cent the outstanding funded debt of Rs 5,000 crore and bring down yearly payout to company's current paying capacity.

Performance of HCC subsidiaries:

Steiner AG: Steiner AG has registered a revenue of CHF 203.3 million (Rs 1,401.1 crore) and net profit of CHF 4.9 million (Rs 33.5 crore) in Q1 of FY2016-17. The company has secured orders of approx CHF 464.1 million (Rs 3,196.8 crore) in Q1. With this the order backlog has improved to CHF 1,590 million (Rs 10,952 crore) at end of June 2016. In addition to this, the company has secured orders for more than CHF 300 million (Rs 2,066.4 crore), where the contracts are yet to be signed. The closing cash balance of the company was CHF 95 million (Rs 654.4 crore) reflecting company's steady financial performance with strong liquidity position.

HCC Infrastructure Co Limited: HCC Concessions, the highway concessions subsidiary of HCC Infrastructure, attained average daily toll collection of Rs.45 lakhs for its Baharampore-Farakka Highway with a 16% y-o-y traffic growth in Q1 FY2016-17. The Company expects COD of Farakka-Raiganj (Pkg 4, NH34) by September 2016. The ramp-up of construction works will commence post monsoon for Raiganj-Dalkhola (Pkg 5, NH34).

Lavasa Corporation Limited (LCL): Lavasa Corporation Limited (LCL): Lavasa city continues to be a popular tourist destination. The tourist footfall has increased by 10% in FY 2016-17 to 11.2 lakhs. Lavasa has tie-up with MTDC to setup a tourism centre at Hinjewadi to capture the prospective IT crowd. With footfalls steadily increasing along with city taking shape, more brands are expected to set-up businesses in Lavasa.

About HCC:

HCC is a business group of global scale developing and building responsible infrastructure through next practices. With an engineering heritage of nearly 100 years, HCC has executed a majority of India's landmark infrastructure projects, having constructed 26% of India's Hydel Power generation and over 65% of India's Nuclear Power generation capacities, over 3,600 lane km of Expressways and Highways, more than 300 km of complex Tunneling and over 350 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. HCC is also developing Lavasa City, a planned hill city and one of India's largest urban development and management initiatives. The HCC Group, with a group turnover of Rs 8,768 crore, comprises of HCC Ltd, HCC Infrastructure Co. Ltd, Lavasa Corporation Ltd and Steiner AG in Switzerland.