

Press Release

HCC Net Profit up 468% to Rs 38.4 crore in Q2 FY2015-16

Wins orders of Rs 3,664 crore; L1 positions of Rs 4,381 crore in FY 2015-16

HCC Concessions closes sale of Dhule Palesner Tollway for Rs 204 crore

Mumbai: October 29, 2015: HCC has registered a Net Profit of Rs 38.4 crore in the Q2 of FY2015-16, compared to Rs 6.7 crore in the corresponding quarter last year. The company's turnover is at Rs 961.8 crore compared to Rs 958.9 crore, in the previous year.

Financial highlights - HCC unaudited standalone results

For the quarter ended September 30, 2015

- Net Profit of Rs 38.4 crore compared to Rs 6.7 crore
- Operating Profit at Rs 182.3 crore compared to Rs 174.7 crore
- EBIDTA Margins at 19.50% compared to 18.78%
- Turnover at Rs 961.8 crore against Rs 958.9 crore last year
- Current order book at Rs 16,988 crore excluding L1 contracts worth Rs 4,381 crore

As of date, in the current financial year, HCC has won orders worth Rs 3,664 crore and is also the lowest bidder in projects worth Rs 4,381 crore where the contracts are yet to be signed. With this, the combined orders in hand and in the pipeline has crossed Rs 20,000 crore mark, which is the highest in last five years and nearly five times of the turnover achieved in FY2014-15.

Today, HCC Concessions closed the sale of its stake in the Rs 1,420 crore, Dhule Palesner Tollway Ltd to the Sadbhav Group for Rs 204 crore, which results in consolidated debt reduction of Rs.395 crore. With the closing of Nirmal BOT Ltd to the IDFC Group expected in the coming days, consolidated debt at HCC will stand reduced by a further Rs 225 crore.

The stake sale in 247 Corporate Park was also accomplished in the Q2 FY2015-16 to Blackstone at an enterprise value of Rs 1,047 crore, which includes assumed debt, resulting in a net cash inflow of over Rs 200 crore to HCC Group.

Commenting on the company's performance, **Praveen Sood, Group CFO** said, "There is visibility of outlay by public sector/government undertakings and reflects in the contracts secured by HCC. The prospects in infrastructure sector have started looking promising. In addition, the recent arbitration ordinance will help HCC to monetize the stuck claims faster to improve the cash-flow. HCC has a prominent presence and proven capabilities over a wide spectrum of infrastructure sectors. We are hopeful of benefitting from the growth opportunities as they emerge."

Performance of HCC subsidiaries:

HCC Infrastructure Company Limited: The much delayed land acquisition in certain key stretches of NH-34 has been completed by NHAI and execution is well underway to achieve final completion. The Rs 1,720 crore Farakka-Raiganj highway (102 km) has achieved ~70% progress and COD is expected by fiscal year end. Tolling on the Rs 1,424 crore Baharampore-Farakka highway (101 km) is proceeding smoothly and the monsoon quarter collection averaged ~Rs 20 lakh daily. The company is evaluating various solutions with NHAI and its lenders for the restart of its development between Raiganj and Dalkhola (Package 5) which has suffered a nearly 5 year delay in land acquisition, and for which 80% ROW has now finally been procured.

Steiner AG: After consolidating its position along with cautious order intake in past, Steiner AG has bounced back by securing orders of approx CHF 1.3 billion (Rs 8,753 crore) in last 12 months. In addition to this, the company has secured orders for more than CHF 662 million (Rs 4,447 crore), where the contracts are yet to be signed. The consolidation strategy adopted in the initial years has impacted turnover this year as the company has registered lower revenue of CHF 172.7 million (Rs 1,150 crore) in Q2 of FY2015-16. The closing cash balance of CHF 104 million (Rs 699 crore) reflects company's strong liquidity position.

Lavasa Corporation Limited (LCL): Lavasa city continues to be a popular tourist destination. The tourist footfall has increased by 40% in Q2 FY2015-16 to 6.1 lakh. During last 12 months, 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 1000 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.