



Hindustan Construction Co Ltd

Investor / Analyst Meet

Q1 FY 2011-12

July 28, 2011

Presentation Flow

- HCC - Quarterly Financial Results & Highlights**
- HCC Group - Highlights & Updates**
- HCC Infrastructure - Highlights & Updates**

Key Financial Highlights : Q1 FY 2011-12

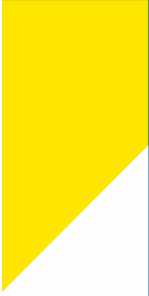
- As compared to the same quarter of the previous year
 - Turnover increased by 5%, Rs. 1,059.9 Crs from Rs. 1,008 .2 Crs
 - EBITDA margin at 13.0%, Rs. 137.7 Crs v/s Rs. 122.8 Crs
 - PAT is at Rs. 2.9 Crs v/s Rs. 28.3 Crs
- Orderbook is at Rs. 17,007 Crs (excluding Savalkot project)
- L1 contracts worth Rs. 2,077 Crs

Financial Performance Review : Q1 FY 2011-12 (3 mths)

For the quarter ended 30 th June 2011	Q1 FY 2011-12		Q1 FY 2010-11		
	Rs. Crs	% to turnover	Rs. Crs	% to turnover	y-o-y growth %
Turnover (inclusive of JV)	1060		1008		5.1
Turnover (net of JV)	1058	100.0	992	100.0	6.6
Other Income	1	0.1	3	0.3	
Construction Cost (incl. material)	807	76.3	760	76.6	6.2
Employee Cost	113	10.6	109	11.0	2.9
EBITDA	138	13.02	123	12.4	12.1
Interest	93.	8.8	58	5.8	61.5
Depreciation	39	3.7	35	3.5	13.1
PBT	6	0.6	36	3.7	(83.1)
Tax	3	0.3	8	0.8	(59.5)
PAT	3	0.3	28	2.9	(89.9)

Key Group Highlights

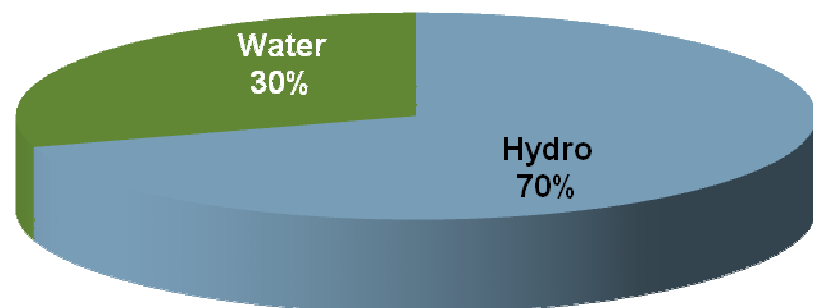
- **HCC E&C**
 - Orderbook at Rs. 17,007 Crs, excludes L1 contracts Rs. 2,077 Crs
- **Steiner AG**
 - Closing order backlog at CHF 1.07 billion. In addition the Company has been awarded 8 contracts worth CHF 762 million, for which contracts are yet to be signed
- **HCC infrastructure**
 - HCC approves Rs. 240 Crs fund raising in HCC Concessions at Rs. 1,650 Crs valuation
- **HREL**
 - 247 Park Phase II fresh proposal under parking scheme submitted to BMC for approval
- **Lavasa**
 - Expert Appraisal Committee recommends 'Environment Clearance', which is accepted by MoEF with preconditions



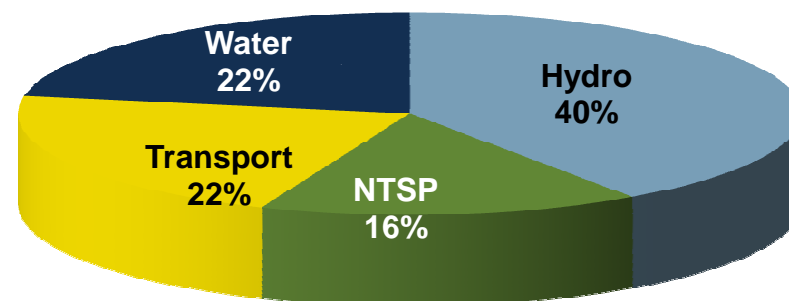
HCC E&C

Order Inflow & Backlog – Q1 FY 2011-12

Order Inflow – Rs 1,001 Crs



Total - Rs 17,007 Crs



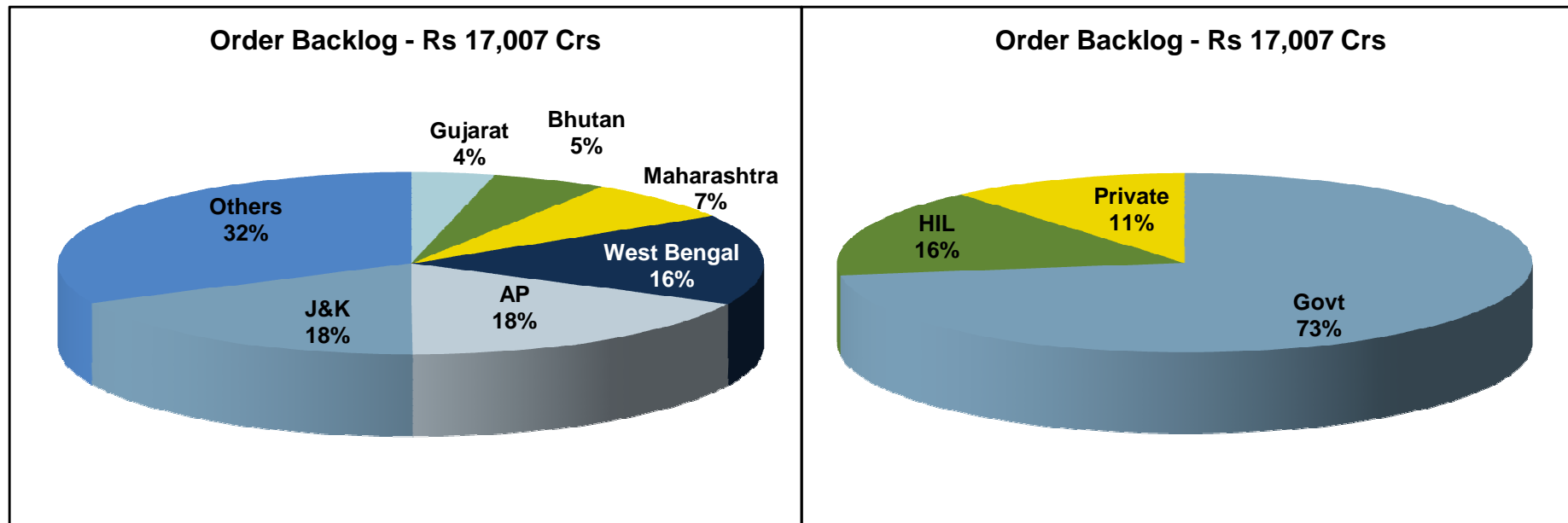
Orders Won

Project	Employer	Value – Rs Crs
Tehri Pumped Storage Project	THDC India Ltd	Rs. 1,932 Crs HCC's share – Rs. 702 Crs
Limbdi Branch Canal	SSNNL, Gujarat	Rs. 299 Crs

L1 Orders

**2 Nos of
Rs 2,077 Crs**

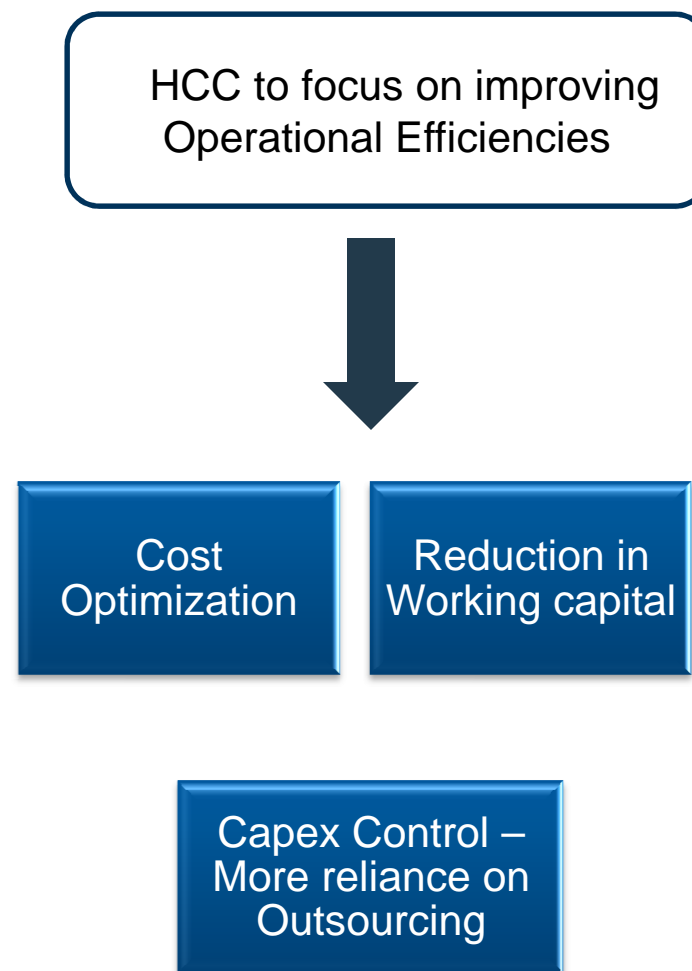
Order Backlog - Distribution



- Increasing share of private sector projects in inflow
- Government projects now account for 73% of order book
- Even geographical distribution
- Reliance on J&K projects decreasing
- Savalkot project removed

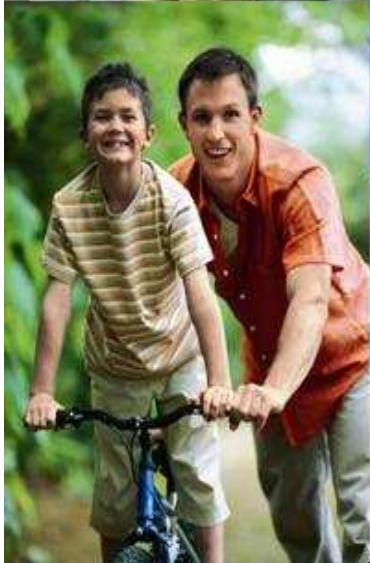
HCC's Focus in FY 2011-12

- Under the backdrop of
 - Shortfall in infrastructure investments
 - Delay in project implementation due to environmental clearances / acquisition problems
 - Increase in commodity prices
 - Hardening interest rates





Lavasa Corporation Limited



Statutory Approvals

(1 of 2)

Year	Key Approvals
1996	GoM framed Special Regulations for Hill Station Development
2001	Declaration of Hill Station, UDD, GoM GoM declared 18 villages in Mulshi and Velhe Taluka as notified area of Hill Station area In-principle Approval, UDD, GoM Executive Approval by Collector Pune
2002	NOC from Grampanchayat NOC from MPCB NOC from Forest Dept
2002	Permission to purchase land, Industries Dept.
2003	NOC from MKVDC Permission to Construct Dams and Store Water
2004	Environment Clearance from Govt. of Maharashtra
2005	Consent to Operate from MPCB
2006	Layout permission from Collector, Pune

Statutory Approvals

(2 of 2)

Year	Key Approvals
2008	In-principle approval from MoEF: Diversion of Forest Land for 110 KV transmission line
2008	Appointment of LCL as Special Planning Authority
2009	Final approval from MoEF: Diversion of Forest Land for laying of 110 KV transmission line
2010	In-principle approval from MoEF: Diversion of Forest Land for Tunnel
	Other Approvals
1	Quarrying permission, Collector, Pune
2	Tree cutting permission, Forest Dept
3	Fire NOC, Fire Advisor
4	Consents from MPCB for Crusher, batching plant, Laundry
5	Design approval of dams from Central Design Organization, Nashik

Lavasa – MoEF Matter : Current Status

Date	Particulars
25.11.2010	Ministry of Environment & Forest (MoEF) issued Show Cause Notice with Status Quo Ante
28.11.2010	Lavasa replied to Show Cause Notice to MoEF
30.11.2010	Lavasa filed Writ Petition in Bombay High Court
07.12.2010	Bombay High Court directed MoEF to give hearing to Lavasa
09.12.2010	MoEF gave hearing to Lavasa
14.12.2010	MoEF passed an order to continue status quo till final order
22.12.2010	Bombay High Court admits the Writ petition regd. applicability of notification after being “satisfied with the issues raised” by Lavasa. Also directs MoEF to visit Lavasa Project
5 -7 Jan’11	Expert’s Committee of MoEF and State Officials visited Lavasa Project
17.1.2011	MoEF passed its Final Order directing Lavasa to maintain status quo, and further stated that MoEF is prepared to consider the project on merits with imposition of various terms and conditions including payment of substantial penalty and upon creation of Environmental Restoration Fund and on submission of various documents stated therein

Status of MoEF Issues: ..Cont...

Date	Particulars
19.1.2011	Lavasa addressed a letter to MoEF for submitting the required documents without prejudice to all rights and contentions, and further requesting MoEF to withdraw the status quo direction
24.1.2011	Meetings with Jairam Ramesh & Lavasa Representatives (Morning at 900 Hours & 1800 hours same day)
24.1.2011	Lavasa filed new Writ Petition in Bombay High Court being No. 811 of 2011 challenging the aforesaid Impugned Order dated 17.1.2011 passed by MoEF
25.1.2011	Lavasa addressed a letter to MoEF for finding an amicable solution and offered without prejudice suggestions for MoEF consideration, to put an end to the controversy
27.1.2011	In compliance of the directions issued by MoEF pursuant to order dated 17.1.2011 Lavasa Submitted various documents to MoEF for its consideration

Status of MoEF Issues: ..Cont...

Date	Particulars
27.1.2011	Writ Petition no. 811 of 2011 and Writ Petition no. 9448 of 2010 along with other PILs were listed before Justice A.A. Sayed. In view of the ongoing discussions with MoEF on amicable settlement, Lavasa prayed for adjourning the case for 45 days and accordingly the court was pleased to allow the same and posted all Lavasa connected matters to 10.3.2011
28.1.2011	In response to our letter dated 25.1.2011, MoEF has addressed a letter informing Lavasa that MoEF is prepared to consider the matter of giving environmental clearance to Phase I. (2000 Ha)
1.2.2011	Meeting with Jairam Ramesh & Lavasa representatives
2.2.2011	Agenda by MoEF: 97th Meeting of the Expert Appraisal Committee (EAC) scheduled to be held on 14th & 15th February, 2011 at New Delhi
7.2.2011	As per Agenda dated 2.2.2011 of MoEF, Lavasa submitted application and other documents including soft copies, to each of the committee members
14.2.2011	As per Agenda of MoEF 97th meeting, Lavasa made presentation before EAC, New Delhi
15.2.2011	Request letter by Lavasa to MoEF for removal of the status quo Order

Status of MoEF Issues: ..Cont...

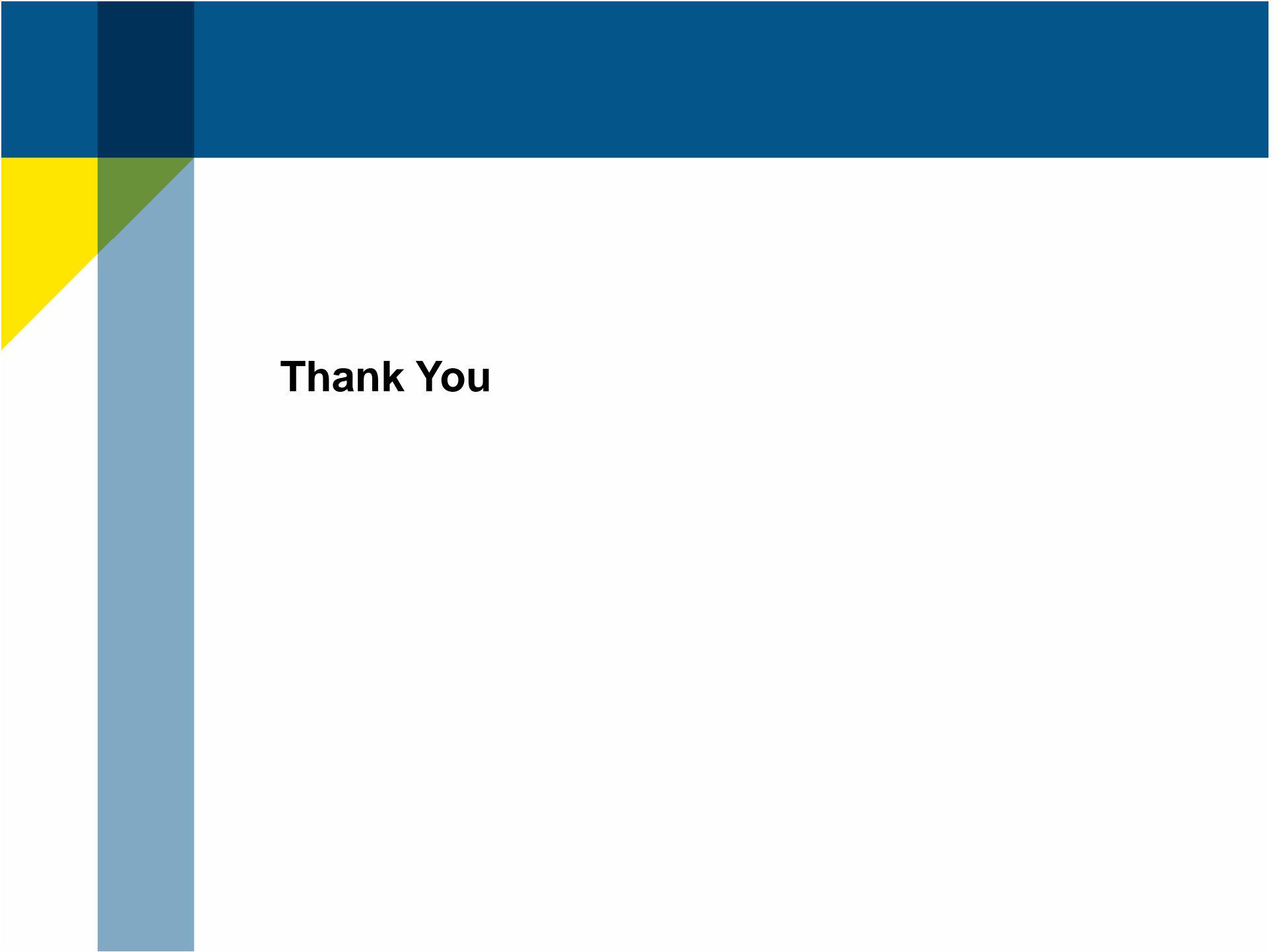
Date	Particulars
17.2.2011	Agenda by MoEF: 98th Meeting of the Expert Appraisal Committee scheduled to be held on 3th & 4th March, 2011 at Fazal Hall, New Delhi
18.2.2011	Application by Lavasa to MoEF, for Environmental Clearance for 2nd phase of 3000 ha
24.02.2011	Letter by MoEF to Lavasa, requested for furnishing additional clarification/ additional information sought by EAC pursuant to the query's raised by the members of EAC in the 97th Meeting on 14.2.2011 EAC meeting and agenda for 98th Meeting to be held on 3rd- 4th March, 2011
28.02.2011	Submission of forms 1, 1a and other documents by Lavasa to EAC members for appraisal of 2nd phase of our project spread over 3000 ha
28.02.2011	Lavasa submitted additional clarification / additional information as per the points raised by members of EAC
3.3.2011 & 4.3.2011	98th Meeting of the EAC held at New Delhi, Lavasa's presented its submissions on 4.3.2011
10.03.2011	Writ Petition no. 811 of 2011 and Writ Petition no. 9448 of 2010 along with other PILs were listed before Justice Mrs. Ranjana Desai and Justice Ketkar. All matters were adjourned to 25.03.2011

Status of MoEF Issues: ..Cont...

Date	Particulars
30.03.2011	<p>LCL and MOEF agreed to withdraw the petition, without prejudice to LCL's right and state that LCL will formally apply to MOEF for environment clearance as the legal authority</p> <p>PIL petitioner objected to the withdrawal on grounds of Environment Protection Act 1986. The court said it will add a section in the final order to avoid any quashing of their rights as litigants.</p> <p>Environment Appraisal Committee (EAC) comprising environmentalists, town planners etc. appointed by the MoEF to consider the project's merits and recommend conditional approvals</p>
Apr – June 2011	<p>LCL and EAC met over five times where substantive data (over 20000 pages) in the form of EIA reports, independent analysis - soil, air pollution data, traffic management and predictive natural resources consumption (water) pattern submitted</p>
31.05.2011	<p>EAC Committee recommended to the MoEF to grant clearance to Lavasa project, with certain pre-conditions</p>

Status of MoEF Issues: ..Cont...

Date	Particulars
15.06.2011	Additional Solicitor General told the High Court that the minutes of the EAC have been accepted by the ministry with certain conditions and that the final order would be passed within reasonable time and once the conditions set by MoEF, as recommended by the EAC, are met by LCL , MoEF will issue the Environmental Clearance to Lavasa, enabling Lavasa to proceed with developmental work
27.06.2011	MoEF issued a letter to Lavasa stating that the five conditions recommended by EAC are pre-conditions and asks Lavasa to submit all necessary documents and details to fulfill the said conditions
12.07.2011	Lavasa writes a letter to MoEF not accepting the pre-conditions. A detailed point by point stand vis-à-vis the pre-conditions mentioned in the letter. In the court hearing, Senior counsel for Lavasa pleads to the court to have it clarified whether the letter dated 27th June can be taken as MoEF order as it seemed to imply and also mentioned by senior counsel for MoEF. MoEF counsel denies that the letter was the order. The State Government Counsel refuses to comment on whether credible action was being taken by the state govt. saying the matter was subjudice. Court adjourned to 29th July 2011



Thank You

Disclaimer

This presentation contains certain forward looking statements concerning future business prospects and profitability of HCC, which are subject to a number of risks and uncertainties and actual results could materially differ from those in such forward looking statements, important developments that could affect the company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, tax laws, labor relations, litigation etc. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.