



Hindustan Construction Co Ltd

Investor / Analyst Presentation FY2013-14



Presentation Flow

HCC	-	Performance Highlights & Financial Results
HCC E&C	-	Updates
Steiner AG	-	Updates
HCC Infrastructure	-	Updates
Lavasa	-	Updates



Key Financial Highlights: Q4 & 12M FY2013-14



➤ As compared to the same quarter of the previous year

- Turnover increase by 17.5% , Rs. 1,154.9 Cr v/s Rs. 982.9 Cr
- EBITDA margin at 14.80% V/s 9.06%
- Net Profit of Rs. 24.4 Cr v/s Net loss of Rs. 50.3 Cr

➤ As compared to 12 months of the previous year

- Turnover increased by 5.3% ,Rs. 4,039.5 Cr v/s Rs. 3,837.1 Cr
- EBITDA margin at 15.86% v/s 10.0%
- Net Profit of Rs. 80.6 Cr v/s Net loss of Rs. 137.6 Cr
- Order backlog is at Rs. 14,249 Cr excluding L1 contracts worth Rs. 1,291 Cr
- Order Inflow during FY 2013-14 Rs. 3,218 Cr

➤ Group Financials (consolidated) compared to 12 months of the previous year

- Turnover Rs. 9,668.3 Cr v/s Rs. 8,510.0 Cr , up by 13.6%
- Net Loss Rs. 277.4 Cr V/s Rs. 482.5 Cr



Key Financial Highlights

- Overall operational efficiency and reduction in fixed cost resulted in savings and thus improved EBITDA
- Effective operational control resulted in improved working capital cycle during FY 2013-14
- Focus is on claim realization / monetisation to deleverage Balance sheet
- Inflow of recently orders will help to improve turnover in coming year



Financial Performance : Q4 FY 2013-14 (3 mth YoY & QoQ)

	Q4 FY14 31 March'14	Q4 FY13 31 March'13	Q3 FY14 31 Dec.'13	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
Turnover (net of JV)	1,154.9	982.9	852.0	17.5	35.5
Other Income & JV Profit/loss	51.6	12.3	28.0		
Construction Cost (incl. material)	890.9	786.7	582.2	13.2	53.0
Employee Cost / other expenses	93.0	107.3	94.5	(13.2)	(1.6)
EBITDA (excluding other income)	170.9	89.0	175.3	92.0	(2.2)
EBITDA Margins	14.80%	9.06%	20.57%		
Interest	150.2	135.4	156.6	11.0	(4.0)
Depreciation	33.5	38.7	36.5	(13.4)	(8.2)
Exceptional Item	-	-	-	-	-
Profit / (Loss) Before Tax **	38.7	(72.7)	10.2	-	282.8
Tax	14.3	(22.5)	4.8	-	204.8
Profit / (Loss) After Tax	24.4	(50.3)	5.4	-	352.7

** including Other Income and JV profit



Financial Performance : 12M FY 2013-14 (YoY)

	12M FY14 31 March'14	12M FY13 31 March'13	YoY
	Rs. Cr	Rs. Cr	%
Turnover (net of JV)	4,039.5	3,837.1	5.3
Other Income & JV Profit/loss	202.8	115.0	
Construction Cost (incl. material)	3,010.3	3,051.7	(1.4)
Employee Cost / other expenses	388.5	402.0	(3.4)
EBITDA (excluding other income)	640.7	383.4	67.1
EBITDA Margins	15.86%	9.99%	
Interest	607.9	544.1	11.7
Depreciation	144.6	163.4	(11.5)
Exceptional Item	-	15.6	-
Profit / (Loss) Before Tax **	90.9	(193.6)	-
Tax	10.3	(55.9)	-
Profit / (Loss) After Tax	80.6	(137.6)	-

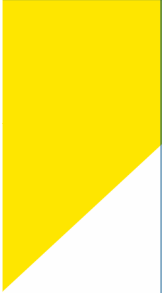
** including Other Income and JV profit



Balance Sheet Highlights

Rs. Crore	As at 31 st March 2014	As at 31 st March 2013
Net worth	1,263	1,163
Total Debt (includes working capital limits & FITL)	4,817	4,628
Other current/non current liabilities	2,516	2,738
TOTAL LIABILITIES	8,596	8,529
Non current assets	3,909	3,504
Current assets	4,687	5,025
TOTAL ASSETS	8,596	8,529





HCC E&C

Significant Events



Projects

- Pir Panjal tunnel project in J&K receives the CIDC Vishwakarma Award 2014 as “Best Project” and the Construction Week Award as the “High Impact Infrastructure Project of the year 2013”
- Nimoo Bazgo Hydroelectric project receives the Dun & Bradstreet Award for ‘Social Impact Project’ of the year 2013
- HCC receives the Civic Award for ‘Social Development’ by the Bombay Chamber of Commerce and Industry
- Pir panjal Railway Tunnel : India’s longest transportation tunnel commissioned by Honorable Prime Minister Dr. Mahmoan Singh
- Kishanganga HEP: TBM completed 10.5 km of tunneling 110 days ahead of the contractual completion schedule

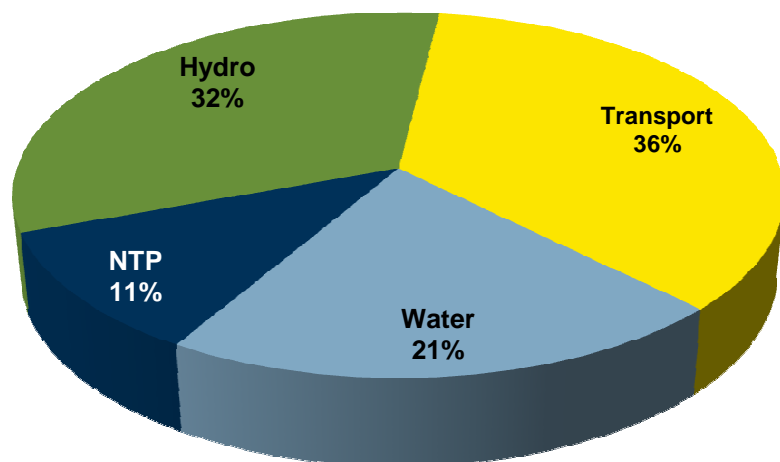
Financials

- After 2 years of losses, the Company improved its financial performance quarter by quarter to post a Net Profit this year
- Fixed cost has been controlled and brought down which has helped to improve operating margins
- Large number of claims (around Rs. 400 Crs) have been moved to next level. Value of claims in court which have favourable arbitration award is over Rs. 1,000 crs as on date

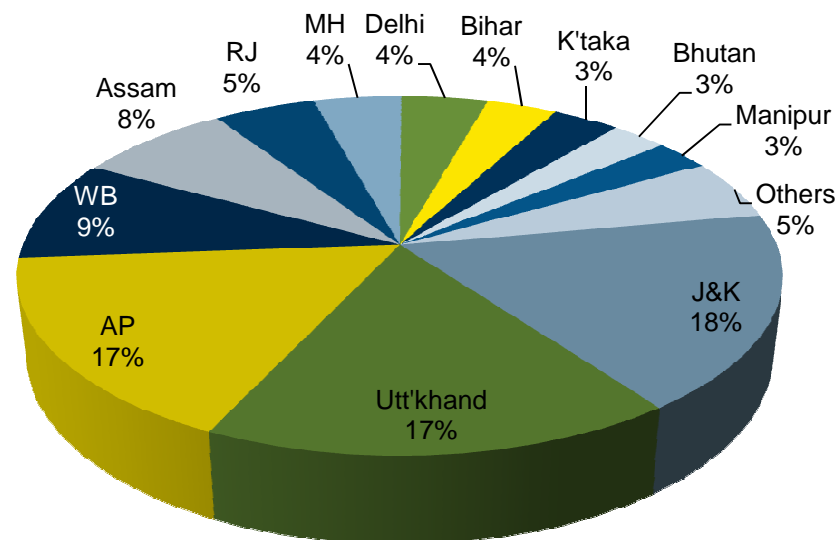


Order Backlog (as on 1-Apr-2014): Rs 14,249 Cr

Business Line Wise



Geographical Spread



Balanced portfolio having geographical spread across the country



FY 13-14 - Order's Won Rs 3,218 Crs

S. No	Business Line	Name of Project	Client	State	Contract Value	HCC Share
1	Hydro	Vishnugad Pipalkoti HEP	THDC	Utt'khand	1,597	1,597
2	Transportation	Tunnel Pkg T49 A	IRCON	J&K	443	443
3	Transportation	4 Lane Bridge over Sone river	BRPNL	Bihar	433	433
4	Water	Yettinahole Pipeline Pkg IV	KNNL	Karnataka	904	452
5	Transportation/NTP	other projects (5 nos.)			295	295
	Total				3,672	3,218

In addition to orderbook, L1 orders aggregating Rs. 1,291 Cr

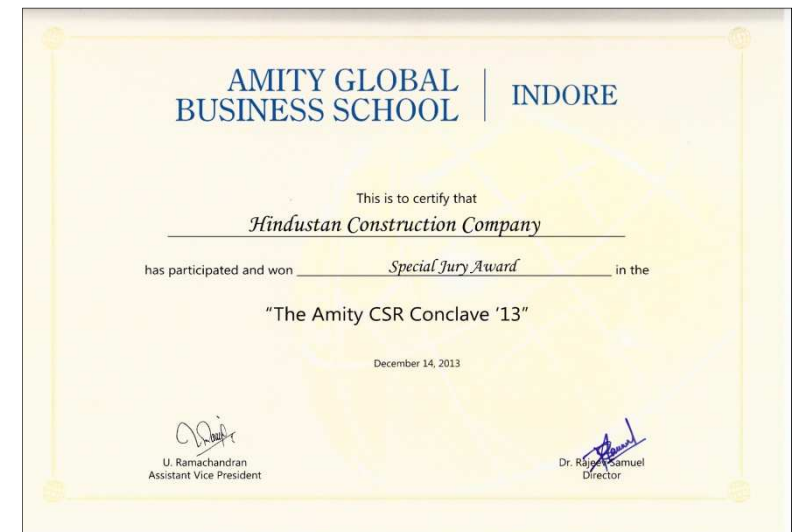


Corporate Social Responsibility

HCC

‘Global Sustainability Leadership Award’ “Best Community Action” February 2014: HCC won the ‘Global Sustainability Leadership Award’ under the category “Best Community Action” for its community development project – “Ujjivana” on February 18, 2014 by World CSR Congress.

Special Jury Award for CSR, December 2013: HCC was conferred special jury award at the Amity CSR Conclave’2013 organized by the Amity Global Business School, Indore in December 2013 .



Corporate Social Responsibility

HCC Sustainability Report 'Responsible Infrastructure 2013

In its fourth subsequent year, HCC's sustainability report received highest accreditation A+ by the Global Reporting Initiative (GRI).





Steiner updates

Steiner AG Highlights

- Steiner AG balance 34% stake acquired by HCC Mauritius Investment Ltd (wholly owned subsidiary of HCC)
- Post acquisition, HCC holds 100% stake in Steiner AG through its Mauritius Subsidiaries
- Closing order backlog at CHF 1.18 billion (Rs. 7956 Cr) excluding contracts of CHF 300 million (Rs. 2023 Cr) yet to be signed
- Order inflow during FY 2013-14 CHF 758 million (Rs. 5107 Cr)
- Steady financial performance with strong liquidity position having CHF 144 million (Rs. 974 Cr) of closing cash balance
- Key financials of Steiner AG:

(for P&L : exchange rate of 1 CHF = Rs 66.38 as of March 31, 2014)
 (for BS : exchange rate of 1 CHF = Rs 67.48 as of March 31, 2014)

As per IGAAP	FY 2013-14 (12 year)	FY 2013-14 (12 mths)
	CHF Million	Rs. Cr
Turnover	797.6	5,294.7
PAT / (Loss)#	8.2	54.1

- Steiner India (100% subsidiary of Steiner AG), executing Lavasa Projects and also having residential building projects in Pune & Mumbai





HCC Infrastructure

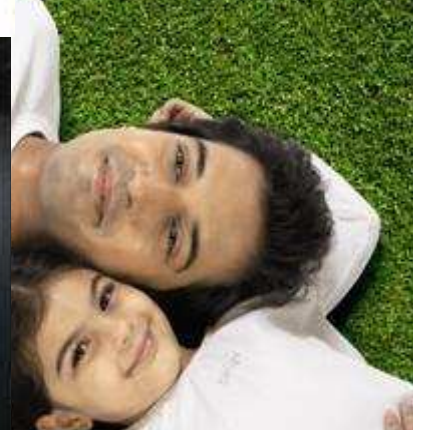
Business Update

- West Bengal Projects (NH34)
 - Commercial operation & toll collection for Baharampore -Farakka (Pkg 3) to start in May 2014; Farakka-Raiganj (Pkg 4) expected to start tolling by second quarter
 - 85% & 76% financial progress achieved for Pkg 3 and Pkg 4, respectively; equity fully invested
 - Big push by West Bengal Government recently, complemented by Project Monitoring Group (Cabinet Committee on Investment, GOI)
- Dhule Palesner Highway (NH3)
 - Toll rates revised from Sep 2013; collection averaging ~Rs.36 lacs daily in the last quarter
 - Entire Project Highway tolled; 13 Km Section to be handed over for operations in last quarter of FY15 and to add ~Rs.2-3 lacs daily
- HCC O&M Ltd to provide complete operations & maintenance services to portfolio





Lavasa Corporation Limited



Aerial View



Aerial View of Dasve



Operations – Highlights

Labour strength : 5,000 Nos. on ground approx.

Handed Over :

- 500 units (212 villas and 288 apt) handed over to customers in FY 2013-14

Mugaon : ~ 10 Lakh Sqft. of residential under development

Dasve : ~ 8 lakh Sqft. of residential, commercial & social under development i.e. villas, Club view, lake view, Delfino, Brook view etc.

Institutional Sales

- Shail Group : Mugaon for International School
- Crest wood for a corporate guest house.
- Retail space lease to Bata, Baskin & Robbins, Venky's Xpress etc.

Tourist : witnessed 8 lakh tourists' footfalls during last year, making it one of the most preferred tourist destinations

Students : ~ 2000 Students visited from different parts of the country



Other – Highlights

Awards : Lavasa awarded ‘Emerging Destination in India “ at ITB Berlin by Taleb Rifai, Secretary General, United Nations World Tourism Organization (UNWTO)

Rutgers University : MOU for international certification for skill development, 1st program successfully finished on 27th April’14

UKIBC (United kingdoms international Business Council) : MOU for skill development

Eco Mantra & Amadeus : MoU for sag way tours.

Doon School (Delhi): Term sheet signed for K12 School.

Christ University : 1st batch to commence from June 2014



Other – Highlights

- Guinness Book of world Record : Lavasa Women's Drive for
 - 30 lac votes from 100 countries
 - 934 women participated with 467 cars
- Preferred destination for Movies like "Jai Ho"
- Capture Lavasa : Digital photography contest generated 2198 entries





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.