



Hindustan Construction Co Ltd

Investor / Analyst Presentation

FY2014-15



Presentation Flow

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

Key Financial Highlights: Q4 & 12M FY2014-15

➤ **As compared to the twelve months of the previous year**

- Turnover is at Rs. 4,126.7 Cr v/s Rs. 4,039.5 Cr
- EBITDA margin at 18.75% V/s 15.86%
- Net Profit of Rs. 81.6 Cr v/s Rs. 80.6 Cr
- Order backlog is at Rs. 14,451 Cr excluding L1 contracts worth Rs. 3,435Cr

➤ **As compared to the same quarter of the previous year**

- Turnover is at Rs. 1,117.7 Cr v/s Rs. 1,154.9 Cr
- EBITDA margin at 17.20% V/s 14.80%
- Net Profit of Rs. 20.7 Cr v/s Rs. 24.4 Cr

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

- Turnover Rs. 10,353.0 Cr v/s Rs. 9,668.3 Cr , up by 7.1%



1. Fund raising through equity issuance (QIP) :
 - On 8th April 2015 company successfully closed a Qualified Institutional Placement of Rs. 400 Cr through the fresh issue of shares to qualified institutional buyers (QIBs) at a price of Rs 30 per share
 - Networth of the Company post QIP is around Rs. 1787 Cr having Debt Equity Ratio 2.8:1 (debt as on 31st March'15)
 - The net proceeds utilised towards payment to lenders and working capital requirement
2. Arbitration awards received in favour of the company during the year Rs. 777 Cr. The amount collected during the year Rs. 200 Cr. Both the numbers are highest in the history of the company
3. Overall operational efficiency, reduction in fixed cost and claims awards resulted in improved EBITDA
4. HCC Concessions (Stepdown subsidiary of HCC) signed definitive documents to sell entire 60% economic stake to Sadbhav for Rs.204 Cr



Financial Performance : 12M FY 2014-15

For 12 months	12M FY15 31 March 2015	12M FY14 31 March'14	YoY
	Rs. Cr	Rs. Cr	%
Turnover (net of JV)	4,126.7	4,039.5	2.2
Other Income & JV Profit/loss	155.1	202.8	
Construction Cost (incl. material)) / other exp.	2,991.9	3,010.3	(0.6)
Employee Cost	361.1	388.5	(7.0)
EBITDA (excluding other income)	773.7	640.7	20.8
EBITDA Margins	18.75%	15.86%	
Interest	651.1	607.9	7.1
Depreciation	150.3	144.6	3.9
Exceptional Item	-	-	
Profit / (Loss) Before Tax **	127.3	90.9	40.0
Tax	45.7	10.3	
Profit / (Loss) After Tax	81.6	80.6	1.3

** including Other Income and JV profit

Financial Performance : Q4 FY 2014-15 (3 mth YoY & QoQ)

For the quarter ended	Q4 FY15 31 Mar'15	Q4 FY14 31 Mar'14	Q3 FY15 31 Dec'14	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
Turnover (net of JV)	1,117.7	1,154.9	1,093.4	(3.2)	2.2
Other Income & JV Profit/loss	50.2	51.6	36.5		
Construction Cost (incl. material) / other exp.	833.9	890.9	800.9	(6.4)	4.1
Employee Cost	91.6	93.0	86.9	(1.5)	5.5
EBITDA (excluding other income)	192.2	170.9	205.7	12.5	(6.5)
EBITDA Margins	17.20%	14.80%	18.81%		
Interest	167.7	150.2	166.1	11.6	0.9
Depreciation	38.7	33.5	35.5	15.5	9.0
Exceptional Item	-	-	-	-	
Profit / (Loss) Before Tax **	36.0	38.7	40.5	(7.0)	(11.2)
Tax	15.3	14.3	13.4		
Profit / (Loss) After Tax	20.7	24.4	27.1	(15.4)	(23.9)

** including Other Income and JV profit

Balance Sheet Highlights

Rs. Cr	As at 31 st March 2015	As at 31 st March 2014
Net worth	1,387	1,263
Total Debt (includes working capital limits & FITL)	5,011	4,817
Other current/non current liabilities	3,240	2,854
TOTAL LIABILITIES	9,639	8,935
Non current assets	4,226	3,962
Current assets	5,413	4,973
TOTAL ASSETS	9,639	8,935

Consolidated Financial Highlights

Profit & Loss Account

Rs. Cr	FY 2014-15	FY 2013-14
Total Income from Operations	10,353	9,668
Profit / (Loss) before Tax	(305)	(372)
Profit / (Loss) After Tax	(159)	(277)

Balance Sheet

Rs. Cr	As at 31 st March 2015	As at 31 st March 2014
Net worth (with Minority interest)	744	754
Total Debt (includes working capital limits & FITL)	11,898	11,150
Other current/non current liabilities	6,399	5,918
TOTAL LIABILITIES	19,041	17,822
Non current assets	9,992	8,786
Current assets	9,049	9,036
TOTAL ASSETS	19,041	17,822



HCC E&C

Major milestones

- First successful tunnel boring machine (TBM) operation in Himalayan region for Kishanganga hydroelectric power project
- A rare double TBM breakthrough in Delhi Metro
- Setting a world record in long distance concrete pumping at Sainj hydroelectric power project
- Commissioning of Dagachhu hydroelectric power project and NH34 package III road project.
- The Prime Minister Shri Narendra Modi inaugurated three hydroelectric power projects built by HCC in Jammu & Kashmir - Chutak, Nimoo Bazgo and URI stage III

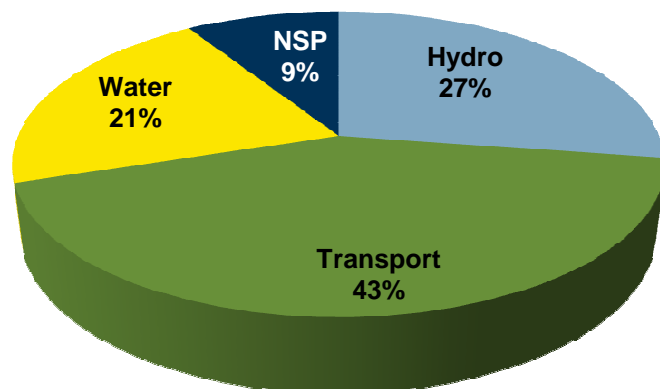
Enhanced brand value by achieving many important milestones during FY2014-15



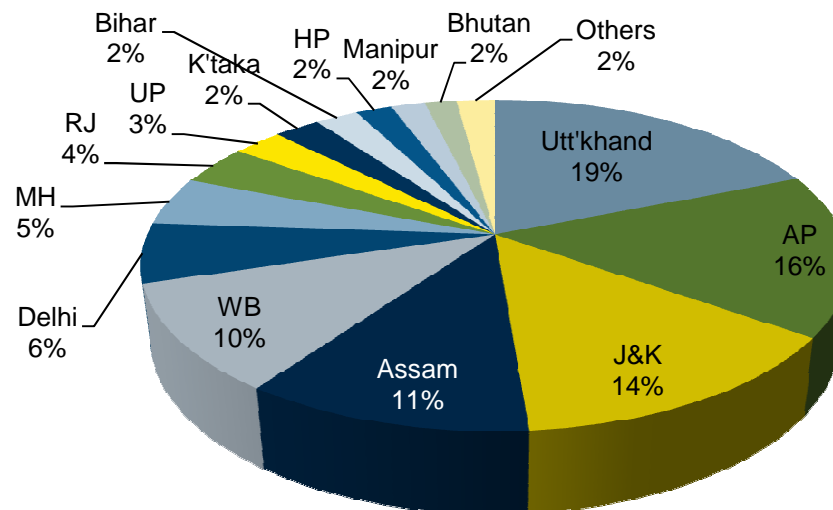
- **Global Sustainability Leadership Award**
 - “Best Community Action” – HCC’s Community Development Project - ‘Ujjivana’
- **Construction Week Awards 2014**
 - “Road & Highways Project of the Year” – Mughal Road
 - “Water Project of the Year” – Maroshi Ruparel Water Tunnel
 - Runners-up award for “Road Contractor of the Year”
- **Zee Business India’s Best Market Analyst award**
 - Infrastructure Project of the Year – Pir Panjal Railway Tunnel
- **EPC World Awards**
 - “Outstanding Contribution in Urban Infrastructure” - Maroshi Ruparel Water Tunnel
 - “Outstanding Contribution in Railway Project” – Pir Panjal Railway Tunnel
- **CIDC Vishwakarma Achievement Award 2015**
 - “Best Construction Project” under Highways Category - Mughal Road Project

Order Backlog (as on 1-Apr-2015): Rs 14,451 Cr

Business Line Wise



Geographical Spread



Balanced portfolio having geographical spread across the country

FY 2014-15 : Orders Won

S. No.	Business Line	Name of Project	Client	State	HCC Share (Rs Cr)
1	Transportation	DMRC CC-66 U/G Metro Tunnel	DMRC	Delhi	300
2	Transportation	Elevated Park Circus to EM Bypass- Bal. works	KMDA	West Bengal	257
3	NSP	Civil Work in C2 Complex, J3 Project, Jamnagar	Reliance Ind.	Gujarat	88
4	Water	Bhandup Pipeline	MCGM	Maharashtra	120
5	Transportation	Indo Nepal Border to Rudhauri Sec of NH-233, UP	MoRTH	UP	393
6	Transportation	Four laning of Numaligarh to Jorhat Section	MoRTH	Assam	455
7	Hydro	Balance Work of HRT for Sawra Kuddu HEP	HPPCL	HP	180
8	Transportation	PWD Munirka Flyover	PWD, Delhi	Delhi	278
9	Transportation	4-Laning of Jamugurihat -Biswanath Chariali bypass	MORTH	Assam	392
	Total				2,463

In addition to orderbook, L1 orders aggregating Rs. 3,435 Cr

Bid Slate as on 31st March 2015

(Rs in Crores)

HCC

		Hydro	Transport	Water	Sp. Proj (NTP)	Total
A	Price Bids under evaluation	1,975	4,171	1,880	940	8,966
		3	6	4	1	14
B	Direct Bids/ Bids To Submit where HCC	1,675	17,186	4,538	1,092	24,491
		3	26	8	3	40
C	Bids where HCC has Pre-Qualified and awaiting	775	0	400	0	1,175
		1	0	1	0	2
D	PQs bid under evaluation	5,623	5,223	98	2,116	13,060
		6	9	1	7	23
E	PQ to submit	0	3,465	0	0	3,465
		0	2	0	0	2
F	Bids in Planning Stage	7,200	1,835	3,000	1,880	13,915
		4	2	6	6	18

Claims Status as on 31 March 2015

❑ Claims details :

- ❖ Claims awarded in arbitration / court in favour of the company – **Rs. 2,220 crs**
 - Challenged further by client in court Rs. 1759 crs
 - Awarded in arbitration but yet not challenged in court Rs. 461 crs
- ❖ Claims under negation / arbitration – **Rs. 2,777 crs** (claims submitted Rs. 8055 crs)



Steiner updates

- Steiner AG, Headquartered in Zurich, is a leading Real Estate Developer and Total Services Contractor in the Swiss real estate market .Specializes in turnkey development of new buildings and renovation of existing properties
- Closing order backlog at CHF 1,121 million (Rs.7,195 Cr) excluding contracts of CHF 192 million (Rs.1,232 Cr) yet to be signed
- Order intake during Q4 FY 2014-15 CHF 298 million (Rs. 1912 Cr) and for the full year CHF 796 million (Rs. 5106 Cr)

(for P&L : exchange rate of 1 CHF = Rs 65.63 as of March 31, 2015)

(for BS : exchange rate of 1 CHF = Rs 64.18 as of March 31, 2015)

- Key financials of Steiner AG:

As per IGAAP	12M FY 2014-15	12M FY 2014-15
	CHF Million	Rs. Cr
Turnover	853.9	5604.2
PAT	1.7	11.2

- Steiner India (100% subsidiary of Steiner AG), executing Lavasa project and implementing third-party projects in Mumbai, Pune, Delhi and Bangalore areas



HCC Infrastructure

Business Update

- West Bengal Projects (NH34)
 - Baharampore-Farakka (Pkg 3): Toll collection averaged ~Rs.33 lacs daily in last quarter
 - Farakka-Raiganj (Pkg 4) expected to start tolling by year end
- Dhule Palesner Highway (NH3)
 - HCC Concessions signed definitive documents to sell entire 60% economic stake to Sadbhav for Rs.204 crore
 - Additional amount of Rs.24 crore estimated to be realised as HCC Concessions' share, from expected claims made to NHAI
 - Closing expected in this quarter after completion of conditions precedent, including clearances
 - Toll collection averaged ~Rs.39 lacs daily in last quarter
- Nirmal Annuity Project
 - HCC Concessions signed definitive documents for sale of Nirmal BOT Ltd in December 2014 for Rs.64 crore
 - Closing expected in this quarter after receipt of clearances
- HCC O&M Ltd providing comprehensive O&M services to Nirmal BOT and Baharampore-Farakka



Package 3 Toll Plaza at Km 206



Four-laned section on Package 3 at Km 252



Lavasa Corporation Limited



Aerial View



Aerial View of Dasve

Operations – Highlights

Labour strength : ~ 2500 Nos. on ground

Units Handed Over :

- 801 units handed over to CMS
- 677 units handed over to customers
- 116 units balance with CMS for handover

Dasve :

~ 1.5 million Sqft. of residential, commercial & social under development i.e. villas, Club view, lake view, Delfino, Brook view, Valley View etc.

Mugaon :

~1 million Sqft of residential under development

Tourist :

- ~Footfall of FY'15 has rose to 26% from 753,688 in FY 14 to 952,852 in FY 14
- Lavasa is now a popular destination for Film Shoot & Ad shoot

Highlights : Institutional sales & updates

Institutional Sales:

- J Vora Hospitality : 32 key Pure-Veg Hotel in Dasve
- SOSFIPL : Bakery of 20000 sft in Bhoini
- Reatils operations : Few more brands added
 - Fun Square
 - Mapro
 - Miniplex Cinema
 - Venkys Express
- Hindustan Times : Training center over 6 acres of land.
- Hazel Hotels : 40,000 sft. of land for hotel

Activities Started in FY15 :

- Virtual and Mini golf
- Fun Square Miniplex cinema
- Fun Excel Adventure activity
- Segway Tours
- Jetovator water Craft

Awards & Events

Awards and Recognitions :

- “India’s Smart City in Tourism” @ ITB-PATWA, “Best Eco-Tourism” & “Best Convention Centre Western India”.
- “The Best Tourist Attraction” Destination in West India .

Events Held at Lavasa in FY15 :

- Radio Mirchi Queen Bee : Renowned Beauty Pageant Contest
- Fun Art Music & Entertainment, (FAME 2014) : A three day wine & food festival inaugurated by Director and General Manager of MTDC
- GLADRAGS MRS INDIA 2015 : A fine mix of fun, adventure and rejuvenation with participants. The reality series is scheduled to be broadcasted on Channel V
- World Fest 2014 : International blend of art, culture, food and handicraft amid opportunity to interact with natives from numerous participating countries
- Freedom 2014 : A three day event of music, dance & entertainment enjoyed by more than 50000 visitors
- New Year Eve : Celebration with an inflow of 650 pax



Thank You

Disclaimer

Lavasa Corporation Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a draft red herring prospectus, ("DRHP") with the Securities and Exchange Board of India, ("SEBI"). The DRHP is available on the SEBI website at www.sebi.gov.in as well as the respective websites of the BRLMs at www.axiscapital.co.in, <http://investmentbank.kotak.com>, www.icicisecurities.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section "Risk Factors" on page 19 of the DRHP.

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.