



HCC/SEC/ 2016

October 27, 2016

BSE Limited,
The Corporate Relationship Department,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Dear Sir,

Subject: Analyst / Institutional Investors Meeting

Further to our letter dated October 7, 2016 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the copy of the presentation made before the meeting of the Analyst Institutional Investors held on October 27, 2016.

You are requested to kindly take the same on your records.

Thanking you,

Yours faithfully,

for **Hindustan Construction Company Limited**

Sangameshwar Iyer
Company Secretary

Encl: As above.

Cc: National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai-400 051

Hindustan Construction Co Ltd

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HCC

Hindustan Construction Co Ltd

Investor / Analyst Presentation

Q2 FY2016-17



Presentation Flow

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

Key Financial Highlights: Q2 & H1 FY2016-17

Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

➤ **As compared to the same quarter of the previous year (YoY)**

- Income from operations is at Rs. 911.13 Cr v/s Rs. 961.79 Cr
- EBITDA margin at 21.42% V/s 19.42%
- Net Profit (Total comprehensive income) of Rs. 25.19 Cr v/s Rs. 41.35 Cr

➤ **As compared to 6 months of the previous year (YoY)**

- Income from operations is at Rs. 1,893.58 Cr v/s Rs. 1,936.86 Cr
- EBITDA margin at 19.45% V/s 18.89%
- Net Profit (Total comprehensive income) of Rs. 37.18 Cr v/s Rs. 51.46 Cr

➤ Order backlog as on 30th September 2016 at Rs. 21,309 Cr excluding L1 contracts worth Rs. 3,014 Cr

➤ Orders bagged till date Rs. 4,818 Cr

Financial Performance : Q2 FY 2016-17 (3 mth YoY)

HCC

Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

For the quarter ended	Q2 FY17 30 Sept'16	Q2 FY16 30 Sept'15	Q1 FY17 30 June'16	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
Total Income from operations	911.13	961.79	982.45	(5.3)	(7.3)
Other Income & Exchange gain/loss	60.88	48.64	58.81		
Construction Cost (incl. material) / other exp.	618.68	682.57	714.60	(9.4)	(13.4)
Employee Cost	97.32	92.43	94.71	5.3	2.8
EBITDA (excluding other income)	195.13	186.79	173.15	4.5	12.7
EBITDA Margins	21.42%	19.42%	17.62%		
Interest	189.99	176.98	179.64	7.4	5.8
Depreciation	33.36	40.28	32.76	(17.2)	1.8
Profit / (Loss) Before Tax (incl exceptional item)	32.66	63.40	19.55	(48.5)	67.1
Tax	9.58	23.05	8.67		
Profit / (Loss) After Tax	23.08	40.35	10.88	(42.8)	112.1
Other comprehensive income (after tax)	2.11	1.00	1.11		
Total Comprehensive Income (after Tax)	25.19	41.35	11.99	(39.1)	110.1

Financial Performance : H1 FY 2016-17 (6 mth YoY)

Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

For the quarter ended	H1 FY17 30 Sept'16	H1 FY16 30 Sept'15	YoY
	Rs. Cr	Rs. Cr	%
Total Income from operations	1,893.58	1,936.86	(2.2)
Other Income & Exchange gain/loss	119.69	105.58	
Construction Cost (incl. material) / other exp.	1,333.27	1,384.73	(3.7)
Employee Cost	192.03	186.34	3.1
EBITDA (excluding other income)	368.28	365.79	0.7
EBITDA Margins	19.45%	18.89%	
Interest	369.64	348.54	6.1
Depreciation	66.12	88.47	(25.3)
Profit / (Loss) Before Tax (incl exceptional item)	52.21	79.59	(34.4)
Tax	18.25	29.99	
Profit / (Loss) After Tax	33.96	49.60	(31.5)
Other comprehensive income (after tax)	3.22	1.86	
Total Comprehensive Income (after Tax)	37.18	51.46	(27.7)



HCC E&C

- Joint Lender's Forum meeting 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)'
- This will help the company to bridge the gap of "Cashflow Timing Mismatch" between claims realization (including its interest) and debt servicing
- Draft proposal as approved by the Joint Lender's Forum has been submitted to the Overseeing Committee on September 17, 2016 which is currently pending for approval

Initiatives by CCEA for revival of the construction sector **HCC**

1. Meeting was held at PMO on July 30, 2016, attended by representatives from various government departments, NHAI, MoRTH, NBCC, Niti Aayog , Infra key players and key lenders (SBI & ICICI). Pursuant to this meeting, Niti Aayog had prepared a proposal and placed it before the Cabinet Committee for approval
2. A meeting of the Cabinet Committee on Economic Affairs (CCEA) was held on August 31, 2016, which was chaired by Prime Minister, Mr. Narendra Modi
3. On 5th September 2016, NITI Aayog issued an Office Memorandum to all concerned ministries, departments, PSUs and IBA. Key points same are as follows:
 - In case of claims where the PSU/ Department has challenged the Arbitral Award already announced, 75% of the award may be paid by the PSU/ Department to the contractor/ concessionaire against Bank Guarantee without prejudice to the final order of the Court in the matter under challenge.
 - The payment may be made into a designated Escrow, amount will be used first for payment of lenders' dues & second, for completion of the project
 - In case of contracts/ concessions where the process of arbitration was initiated under the pre-amended Arbitration Act, the PSUs/ Departments may seek the consent of the contractors/ concessionaires to transfer the pending cases under the amended Arbitration Act, wherever possible
4. Current status :
 - i. Client : in the process of forming Standard Operating Process (SOP) for release of money
 - ii. Company / banks : JLF in-principally agreed to sanction special BG limits

Immediate impact for HCC:

- HCC has arbitration awards of around Rs. 3,400 Crs
- Expected cash realisation of around Rs. 2,500 Crs (75%)

FY 2016-17 : Orders Won

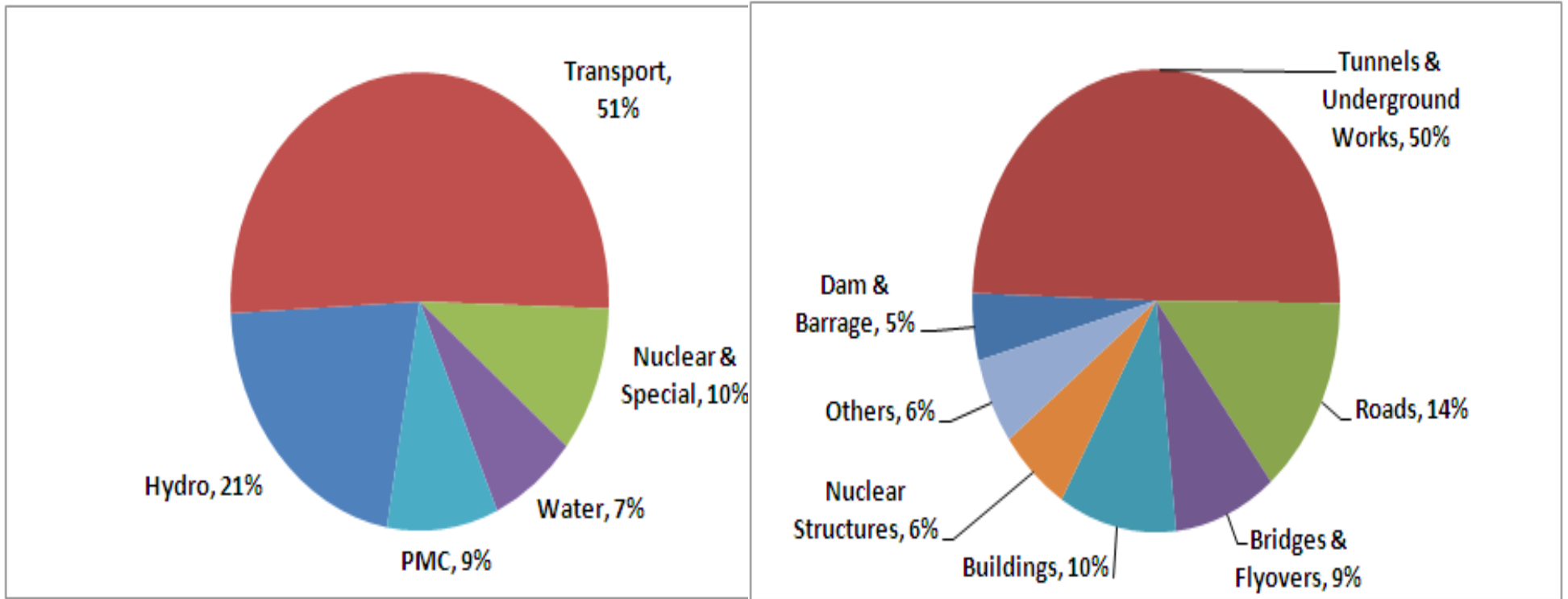
(Rs in Cr)



S. No.	Business Line	Name of Project	Client	HCC Share (Rs Cr)
Orders in Q1				
1	Buildings	Residential towers at DAE Anushaktinagar	DAE	159
Total – Orders Won in Q1				159
Orders in Q2				
1	Transportation	Mumbai Metro Line 3- UGC-02	MMRC	2,523
2	Transportation	IRCON Tunnel, T-13_2nd Call, J&K	Ircon	1,750
3	Buildings	High rise buildings at Anupuram, Tamilnadu	DAE	182
Total – Orders Won in Q2				4,455
Orders in Q3				
1	Transportation	Const of parallel safety tunnel of T-12	NF Railway	205
Total – Orders Won in Q3				205
Total Orders Won till date				4,818

In addition to order book, Current L1 orders is aggregating to Rs. 3,014 Cr

Order Backlog (as on 30-September-2016): Rs 21,309 Cr



Order book to cross Rs. 24,000 crs post conversion of L1 into orders

Balanced portfolio having geographical spread across the country



Steiner updates

Steiner AG Highlights

- 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 1,590 million (Rs.10,960 Cr) excluding contracts of CHF 350 million (Rs.2,412 Cr) yet to be signed
- Order intake during H1 FY 2016-17 CHF 678 million (Rs. 4,676 Cr)
- Cash balance is at CHF 97 million (Rs. 669 Cr)
- Key financials of Steiner AG:
 - (for P&L : exchange rate of 1 CHF = Rs 69.00 as of September 30, 2016)
 - (for BS : exchange rate of 1 CHF = Rs 68.93 as of September 30, 2016)

As per IGAAP	Q2 FY 2016-17	Q2 FY 2016-17	H1 FY 2015-16	H1 FY 2015-16
	CHF Million	Rs. Cr	CHF Million	Rs. Cr
Turnover	212.2	1,464.1	415.4	2,866.3
PAT/ (Loss)	2.00	13.8	6.9	47.3



HCC Infrastructure

Business Update

- Baharampore – Farakka – Raiganj – Dalkhola (NH-34 Packages 3, 4, 5)
 - Farakka-Raiganj (Pkg 4) COD achieved on Oct 19, 2016; Current daily revenue of Rs.40 lakhs to increase to Rs.70 lakhs at final completion
 - Pkg 3 daily revenue of Rs.39 lakhs with 15% yoy PCU growth YTD
 - Annualized revenue of ~Rs.300 cr for both Packages 3 & 4; to increase to ~Rs.510 cr at FCOD
 - Time bound arbitration process for Rs.1,250 cr claims underway (for land delays) per new Arbitration and Conciliation Act, 2015
 - Pkg 5: Revised financial closure underway for 5.5 year land delay
- Delhi-Faridabad (NH2)
 - Strategic Debt Restructuring record date established in Aug 2016
 - Rs.397 cr claims filed with NHAI for revenue loss due to diversions, including recent Supreme Court order impacting commercial vehicle traffic entry into Delhi via Environment Compensation Charge



Farakka Raiganj Highway: Toll Plaza at Km 297



Km 341 (Farakka Raiganj Highway)



Lavasa Corporation Limited



Aerial View



Aerial View of Dasve

Operations – Highlights

- Labours on ground : ~500 Nos.
- Total units ready for possession : ~1209 units
 - Apartments : ~738 Units
 - Villas : ~ 471 Units
- Possession given till date : 1006 units
- Participated in MICE Travel Mart, in Mumbai
- Participated in Global Panorama Showcase - 2016 trade fare in four cities
- Television : Lavasa properties been featured on Magic Bricks Now
- 4th Convocation of Ecole and 1st Convocation of Christ conducted
- Verizon Hospitality – Block A of retail hostel leased out to Ecole (48 rooms) & Christ University (92 rooms) leading to revenue of Rs 1.97 Cr per annum

Updates : Business Developments

- Footfall in Q2 ~1.98 lacs
- Hotels average occupancy ~ 48%
- Pan Media Café operation - term sheet signed
- New operations commenced: Anna Dosa kiosk, Souvenir shop NOW & WOW
- Digital : Associated with Commonfloor.com and 7Vachan for leads & promotion as wedding destination
- Associated with MTDC to setup a tourism centre in Hinjewadi, to capture IT crowd for tourism





Thank You