HCC

HCC/SEC/2025 December 19, 2025

BSE Limited The Corporate Relationship Dept, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Scrip Codes – 500185, 974246, 974247, 974248, 974249, 974250	**National Stock Exchange of India Ltd.** Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. Scrip Code - HCC

Dear Sir / Madam,

Sub.: Intimation under Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the provisions of Regulation 30 (2) read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please take note that ICRA Limited (the Credit Rating Agency) has reaffirmed the long-term rating to [ICRA]BB(Stable) for Non-Convertible Debentures amounting to Rs. 823.90 Crore.

The letter from ICRA Limited along with Rating Rationale reaffirming the above-mentioned credit rating is enclosed herewith.

Kindly take the above on record.

Yours sincerely,
For Hindustan Construction Company Ltd.

NITESH KUMAR JHA

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Date: 2025.12.19 11:34:41 +05'30'

Nitesh Kumar Jha
Company Secretary

Encl.: As above

Hindustan Construction Co Ltd
Hincon House,
LBS Marg, Vikhroli (West),
Mumbai - 400 083, India
Tel : +91 22 2575 1000 Fax : +91 22 2577 7568
CIN : L45200MH1926PLC001228

www.hccindia.com

ICRA/Hindustan Construction Company Limited/18122025/1

Date: December 18, 2025

Mr. Rahul Shukla
Chief Financial Officer
Hindustan Construction Company Limited
Hincon House, LBS Marg,
Vikhroli (West),
Mumbai - 400 083

Dear Sir,

Re: ICRA's Credit Rating for below mentioned instruments of Hindustan Construction Company Limited

As per the Rating Agreement executed with ICRA Limited, ICRA's Rating Committee has taken the following rating actions for the mentioned instruments of your company.

Instrument	Rated Amount (Rs. crore)	Rating Action[1]
Non-convertible debenture (NCD)	823.90	[ICRA]BB(Stable); Reaffirmed
Total	**823.90**	

Once the instrument is issued, the rating is valid throughout the life of the captioned programme until withdrawn. However, ICRA reserves the right to review and/or, revise the above rating(s) at any time based on new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the rating(s). Therefore, request the lenders and investors to visit ICRA website at www.icra.in for latest rating(s) of the company.

The rating(s) are specific to the terms and conditions of the instruments as indicated to us by you, and any change in the terms or size of the same would require a review of the rating(s) by us. In case there is any change in the terms and conditions or the size of the rated instrument, the same must be brought to our notice before the instrument is used by you. In the event such changes occur after the rating(s) have been assigned by us and their use has been confirmed by you, the rating(s) would be subject to our review, following which there could be a change in the rating(s) previously assigned. Notwithstanding the foregoing, any change in the over-all limit of the instrument from that specified in this letter, would constitute an enhancement that would not be covered by or under the said Rating Agreement.

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated [Instrument] availed/issued by your company.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

[1] Complete definitions of the ratings assigned are available at www.icra.in.

In line with SEBI Circular No. SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/160 dated November 18, 2024, issuers are encouraged to utilize the penny-drop verification service as provided by banks. This measure is intended to prevent payment failures when disbursing principal and/or interest to respective investors or debenture holders.

Penny-drop verification serves as an efficient method for confirming the bank account details of persons designated to receive payments. Once an account has been verified through this facility, it can be used for subsequent transactions related to interest and principal payments, thereby ensuring successful remittance and avoiding failure.

We look forward to your communication and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited

SUPRIO BANERJEE

Digitally signed by SUPRIO BANERJEE
Date: 2025.12.18 12:33:44 +05'30'

Suprio Banerjee
Vice President and Co-group Head
supriob@icraindia.com

Annexure

Details of Limits Rated by ICRA (Rated on Long-Term Scale)

Instrument Name	Amount (Rs. Crore)	Rating	Rating Assigned on
Non-convertible debenture (NCD)	823.90	[ICRA]BB(Stable)	December 16, 2025
Total	**823.90**		

December 18, 2025

Hindustan Construction Company Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture (NCD)	823.9	823.9	[ICRA]BB(Stable); reaffirmed
Total	**823.9**	**823.9**	

**Instrument details are provided in Annexure I*

Rationale

The rating reaffirmation for Hindustan Construction Company Limited's (HCC) factors in the adequate order book position of Rs. 13,152 crore (order book to construction income ratio of 2.8 times) as on September 30, 2025, providing near-term revenue visibility and diversified order book across segments, geographies and clientele. The rating derives comfort from the improvement in operating margin from the core engineering, procurement and construction (EPC) business in FY2025, driven by the presence of price escalation clauses in most of the contracts, along with lower sub-contracting dependence supporting margin expansion in FY2025. ICRA expects the company to ramp-up its gross billing from the core EPC business with inflow of new orders, while maintaining adequate operating margins. ICRA has factored in the likely support to the liquidity profile from the planned fund infusion through the ongoing rights issue, which is expected to be completed by the end of December 2025. The rating favourably notes HCC's long track record of operations, nearing ten decades, supported by an experienced management and demonstrated capabilities in executing relatively complex tunnelling and hydro projects.

The rating, however, is constrained by HCC's high TOL/TNW, which stood at 3.4 times as on September 30, 2025 (FY2025: 3.5 times). The same is likely to improve over the medium term but will remain elevated in the near term. HCC's receivables and work-in-progress inventory remain elevated due to ongoing arbitration/claims pending with the clients. It has been able to manage the working capital requirements, partly by availing an extended credit period from suppliers/sub-contractors and mobilisation advances from clients. Going forward, any material deterioration in the working capital intensity from the anticipated levels can impact its liquidity position and will be a key rating sensitivity. HCC is in the process of monetising some of its non-core investments as a part of its resolution plan. HCC realised ~Rs. 120 crore and ~Rs. 185 crore from awards in FY2025 and 8M FY2026 respectively, which was utilised for debt repayment and towards working capital requirement. However, ICRA notes that the realisation from claims and awards has remained slower than the expected levels. HCC is expecting to realise Rs. 1,000 crore (gross proceeds) through the ongoing rights issue by the end of December 2025. Timely realisation of these funds remains critical for debt repayments in March 2026. Going forward, timely monetisation of non-core assets and realisation of awards remains crucial to materially improve its liquidity position. In absence of sanctioned fund-based working capital lines, the company is maintaining over Rs. 200 crore of liquidity on a sustained basis. ICRA draws comfort from the cushion available in the form of unutilised arbitration/court BGs (~Rs. 723 crore as of September 2025) that could be used to realise some of the awards pending in the higher courts, in case of funding shortfall. In 8M FY2026, the lenders have permitted HCC to utilise ~Rs. 135 crore of court BGs to avail the arbitration money, which was used to prepay the fund-based credit facilities of the respective lenders whosoever have sanctioned such BGs.

HCC has received approvals from all the lenders wherein its corporate guarantee (CG) for the debt at Prolific Resolution Private Limited (PRPL) has been reduced from 100% of the debt at carveout, to 20% of that value, limiting HCC's exposure to PRPL's debt to Rs. 571 crore on first loss basis. The condition stipulated by the lenders against this approval was that HCC had to give Rs. 400 crore to PRPL over three years. Accordingly, HCC infused Rs. 200 crore in PRPL in Q1 FY2026 from part proceeds of the QIP and the rights issue in FY2025, which was then used to prepay 7% of the debt (adjusted against the first scheduled repayment in September 2026) including interest in December 2025. Further, HCC plans to infuse the remaining Rs. 200 crore in PRPL using the proceeds from the ongoing rights issue by the end of December 2025, which then would be used towards prepayment of the remainder of the scheduled debt due in September 2026. Further, PRPL had cash and bank balance of Rs. 47.8 crore as on March 31, 2025, and the debt repayments (balance of ~Rs. 141 crore) would commence from September 2026 providing satisfactory pay-in and pay-out gap between the realisation of award proceeds and debt obligations. The rating considers the company's exposure to sizeable contingent liabilities in the form of BGs, mainly for contractual performance, mobilisation advance and security deposits. The rating is also constrained by the moderate execution risks as about 15% (adjusted for the orders received recently in the last 6-7 months) of the order book as on September 30, 2025, is in the preliminary/early stage of execution with less than 25% progress. Notwithstanding HCC's strong execution capabilities, any sizeable invocation of performance guarantees would affect the company's liquidity and financial risk profile. In this regard, ICRA, however, takes comfort from the non-invocation of BG post RP implementation (December 2022). With improved operating performance, the company is able to ramp-up execution in various ongoing projects, which has led to a reduction in the number of stuck projects, which mitigates the BG invocation risk to an extent.

The Stable outlook reflects ICRA's opinion that the company will improve its operating performance and benefit from its satisfactory order book position and strong execution capabilities.

Key rating drivers and their description

Credit strengths

Adequate and diversified order book position provides healthy near-term revenue visibility – The company had an adequate order book position of Rs. 13,152 crore (order book to construction income ratio of 2.8 times) as on September 30, 2025, providing near-term revenue visibility. Timely commencement and execution of these orders are critical to sustain revenue visibility going forward. HCC's current outstanding order book is well-diversified in terms of geography with pan-India presence, along with international operations in Bhutan, across multiple segments such as transportation, hydro power, water, and nuclear projects. The transportation segment accounted for 63% of the unexecuted order book as on September 30, 2025. The order book is fairly diversified in terms of projects and clients, with top three clients contributing to 39% and the top five orders constituting 48% of the unexecuted order book as on September 30, 2025.

Established track record and extensive experience of management team in civil construction sector – HCC has an established track record of operations, nearing ten decades, supported by the experienced management and demonstrated capabilities in executing relatively complex hydro and tunnelling projects at geographically diverse locations. It has proven its execution capabilities by constructing large value and technologically complex long-duration projects. The company has a fleet of well-maintained specialised equipment in its portfolio, a qualified and experienced senior management, and technical collaborations, boosting its project execution capabilities.

Credit challenges

High leverage; stretched liquidity position and dependence on asset monetisation – HCC has high leverage as reflected in its high TOL/TNW, which stood at 3.4 times as on September 30, 2025 (FY2025: 3.5 times). The same is expected to improve over the medium term but will remain elevated in the near term. HCC's receivables and work-in-progress inventory remain elevated due to the ongoing arbitration/claims pending with the clients. It has been able to manage the working capital requirements, partly by availing an extended credit period from suppliers/sub-contractors and mobilisation advances from clients. Going forward, any material deterioration in the working capital intensity from the anticipated levels can impact its liquidity position and will be a key rating sensitivity. HCC is in the process of monetising some of its non-core investments as a part of its resolution plan. HCC realised ~Rs. 120 crore and ~Rs. 185 crore from awards in FY2025 and 8M FY2026 respectively, which was utilised for debt repayment and towards working capital requirement. However, ICRA notes that the realisation from claims and awards has remained slower than the earlier expected levels. HCC realised ~Rs. 120 crore and ~Rs. 185 crore from awards in FY2025 and 8M FY2026 respectively, which was utilised for debt repayment and towards working capital requirement. ICRA notes that the realisation from claims and awards has remained slower than the expected levels. Going forward, timely monetisation of non-core assets, subscription of rights issue and realisation of awards remains crucial to materially improve its liquidity position. ICRA draws comfort from the cushion available in the form of unutilised arbitration/court BGs (~Rs. 723 crore as of September 2025) that could be used to realise some of the awards pending in the higher courts, in case of funding shortfall. In 8M FY2026, the lenders have permitted HCC to utilise ~Rs. 135 crore of court BGs to avail the arbitration money, which was used to prepay the fund-based credit facilities of the respective lenders whosoever have sanctioned such BGs.

Moderate execution risk; sizeable contingent liabilities and risk of BG invocation – HCC is exposed to moderate execution risks as about 15% (adjusted for the orders received recently in the last 6-7 months) of the order book as on September 30, 2025, is in the preliminary/early stage of execution with less than 25% progress. It has exposure to sizeable contingent liabilities in the form of BGs, mainly for contractual performance, mobilisation advance and security deposits. HCC has received approvals wherein its corporate guarantee (CG) for the debt at PRPL has been reduced from 100% of the debt at carveout, to 20% of that value, limiting HCC's exposure to PRPL debt to Rs. 571 crore on first loss basis. The condition stipulated by lenders against this approval was that HCC had to give Rs. 400 crore to PRPL over three years. Accordingly, HCC infused Rs. 200 crore in PRPL after FY2025 from part proceeds of the QIP and the rights issue in FY2025, which was then used to repay 7% of the debt (adjusted against the first scheduled repayment in September 2026) including interest in December 2025. Further, HCC plans to infuse the remaining Rs. 200 crore in PRPL using the proceeds from the ongoing rights issue by the end of December 2025, which then would be used towards prepayment of the remainder of the scheduled debt due in September 2026 during the current fiscal year itself. Further, PRPL had cash and bank balance of Rs. 47.8 crore as on March 31, 2025, and the debt repayments (~balance of Rs. 141 crore) would commence from September 2026 providing satisfactory pay-in and pay-out gap between the realisation of award proceeds and debt obligations.

Heightened competition, input costs spike could exert pressure on profitability – The domestic civil construction industry is fragmented and highly competitive, evident from the moderate bid to success ratios. Garnering adequate number of projects and ensuring their movement remains the key for optimal use of resources and ultimately profitability. The competition has increased because of the relaxation in the bidding criteria. This, coupled with the rise in input cost, could exert pressure on HCC's profitability. There is a built-in price escalation clause in most of the contracts, which protects the operating margin from raw material price fluctuation risk to some extent.

Environment and social consideration

HCC operates at multiple project sites at any point of time. Therefore, the risk of business disruptions on account of physical climate risks is low. Given that construction activity generates air pollution, entities in this sector remain exposed to the risk of temporary bans on operations in cities that are more sensitive to deteriorating air quality. Construction entities could face social risks stemming from the health and safety concerns of workers, which could invite regulatory or legal action, besides reputational harm. HCC has a track record of maintaining healthy relationships with its workers/employees, including contractual labour with no material incidents of a slowdown in execution because of workforce management issues.

Liquidity position: Stretched

In absence of sanctioned fund-based working capital lines, HCC relies on on-balance sheet liquidity and elongated credit support from its creditors to support its working capital cycle. It had unencumbered cash and bank balance of Rs. 473.2 crore as on September 30, 2025. It is expected to maintain cash and liquid investment of over Rs. 200 crore, on a sustained basis, to support its working capital and other operational requirements. Nonetheless, given the increasing scale of operations and consequent working capital requirement, along with sizeable debt repayment obligations (~Rs. 910 crore in FY2026), timely realisation of claims, asset monetisation, and fund raising will remain crucial for the company to support its liquidity profile.

The company plans to pay the debt obligations for FY2026 using the proceeds from the rights issue and arbitration/court BGs. Till 8M FY2026, HCC has used Rs. 130 crore of court BGs to repay debt for FY2026 and plans to use another Rs. 226 crore of court BGs for the same. The remainder of FY2026 debt will be paid using the proceeds of the ongoing rights issue.

Rating sensitivities

Positive factors – ICRA could upgrade the rating in case of a sustained improvement in cash flow from operations while maintaining its margins and realisation from non-core assets sale/awards resulting in material improvement in liquidity and coverage metrics.

Negative factors – Negative pressure on HCC's rating could arise if there is a slowdown in execution or sustained pressure in earnings. Moreover, delay in realisation of awards/non-core asset sale or worsening of working capital cycle, thereby materially impacting the liquidity position will be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidation; The list of companies that are considered to arrive at the ratings are shared in Annexure II.

About the company

Incorporated in 1926, HCC is the flagship company of Hindustan Construction Company Group (HCC Group) and is involved in engineering and construction of infrastructure projects such as dams, tunnels, bridges, hydro, nuclear and thermal power plants, expressways and roads, marine works, water supply, irrigation systems and industrial buildings across the country. The HCC Group's principal business areas can be classified into four broad verticals: 1) engineering and construction (E&C), 2) infrastructure development, 3) real estate and 4) urban development and management. While the E&C vertical is undertaken by HCC, the rest of the activities are carried out through separate subsidiary companies.

Key financial indicators (audited)

HCCL (Standalone)	FY2024	FY2025	H1 FY2026
Operating income	5,015.8	4,824.8	2,026.8
PAT	178.6	84.9	75.3
OPBDIT/OI	13.2%	19.8%	15.5%
PAT/OI	3.6%	1.8%	3.7%
Total outside liabilities/Tangible net worth (times)	7.2	3.5	3.4
Total debt/OPBDIT (times)	2.7	1.6	2.2
Interest coverage (times)	1.2	1.9	1.4

*Source: Company, ICRA Research; Note: All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current (FY2026)		Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount rated# (Rs. crore)**	**Dec 18, 2025**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Non-convertible debenture	Long Term	823.9	[ICRA]BB (Stable)	Dec 18, 2024	[ICRA]BB (Stable)	Dec 19, 2023	[ICRA]BB (Stable)	Dec 20, 2022	[ICRA]B (Stable)
						Aug 22, 2023	[ICRA]B (Stable)	Aug 12, 2022	Provisional [ICRA]B (Stable)
Optionally convertible debentures*	Long Term	-	-	-	-	Aug 22, 2023	Provisional [ICRA]B (Stable); withdrawn	Dec 20, 2022	Provisional [ICRA]B (Stable)
								Aug 12, 2022	Provisional [ICRA]B (Stable)
Non-convertible debenture*	Long Term	-	-	-	-	Aug 22, 2023	Provisional [ICRA]B (Stable); withdrawn	Dec 20, 2022	Provisional [ICRA]B (Stable)
								Aug 12, 2022	Provisional [ICRA]B (Stable)

**Withdrawn; #Amount outstanding as on December 18, 2025 is Rs. 654.3 crore*

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debenture	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated# (Rs. crore)	Current rating and outlook
INE549A07221	**Non-convertible debenture**	26-Sep-22	0.01%	31-Mar-29	101.3	[ICRA]BB(Stable)
INE549A07213	**Non-convertible debenture**	26-Sep-22	0.01%	30-Jun-29	267.0	[ICRA]BB(Stable)
INE549A07239	**Non-convertible debenture**	26-Sep-22	0.01%	31-Mar-26	1.7	[ICRA]BB(Stable)
INE549A08963	**Non-convertible debenture**	26-Sep-22	0.01%	31-Mar-29	248.0	[ICRA]BB(Stable)
INE549A08971	**Non-convertible debenture**	26-Sep-22	0.01%	30-Jun-31	205.9	[ICRA]BB(Stable)

Source: Company; #Amount outstanding as on December 18, 2025 is Rs. 654.3 crore

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Prolific Resolution Private Limited	49.00%	Full Consolidation; HCC has provided a corporate guarantee on first loss basis for 20% of the principal debt at PRPL

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Suprio Banerjee
+91 22 6114 3443
supriob@icraindia.com

Rohit Agarwal
+91 22 6169 3329
rohit.agarwal@icraindia.com

Mridul Rathi
+91 22 6169 3347
mridul.rathi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

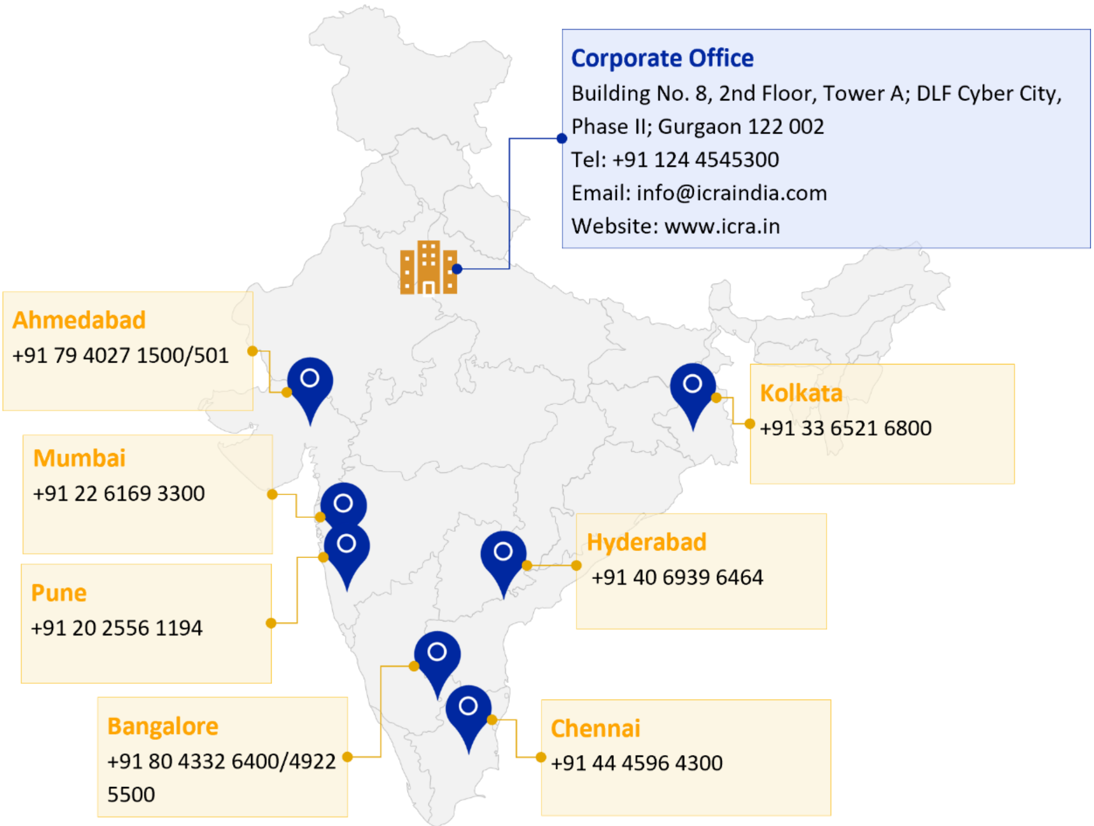
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.