HCC

HCC/ SEC/ 2017

February 3, 2017

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

Dear Sirs,

Further to our letter dated January 31, 2017 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 February 2, 2017.

Thanking you,
Yours faithfully
for **Hindustan Construction Company Limited**

Sangameshwar Iyer
Company Secretary

Hindustan Construction Co. Ltd.

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The Corporate Relationship Dept,
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Hindustan Construction Co Ltd

Investor / Analyst Presentation

Q3 FY2016-17

Presentation Flow

HCC	**-**	**S4A Status and Arbitration BG updates**
HCC	**-**	**Performance Highlights & Financial Results**
HCC E&C	**-**	**Updates**
Steiner AG	**-**	**Updates**
HCC Infrastructure	**-**	**Updates**
Lavasa	**-**	**Updates**

S4A Status

- 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)'
- Overseeing Committee (OC) thru Indian Banks Association (IBA) vide its letter dated 4th November,2016 addressing to the lead bank granted approval for implementation of the S4A scheme for HCC. The approval received as per the scheme submitted the OC.
- Shareholders approved Equity shares & OCDs issuance to lenders in the EGM held on 5th January'17.
- Lenders representing 22.91% of the Expanded Capital of the Company
- The S4A Scheme has been implemented

Rs. Crs	Pre S4A As on 31st Dec'16	Post S4A Estimated As on 8th Jan'17
Debt	4,988	2,624
OCDs	-	1,441
Total	**4,988**	**4,066**
Equity	**1,931**	**2,740**
DER (Times)	**2.58**	**1.48**
Mcap	**3,090**	**4,196**

 # Rs. 809 crs of shares issued to lenders under S4A scheme

Initiatives by CCEA for revival of the construction sector

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CCEA Initiative :

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

On 30th November 2016, Standard Operating Procedure (SOP) issued NITI Aayog giving mandate to issue BG for one year interest alongwith the Payout amount.

Letters received by HCC of Rs. 1721 crs

- Total arbitration awards in favour Rs 3,465 crs as of December 31, 2016
- Further claims worth around Rs 4,606 crs in arbitration process
- As at 31 December 2016, Company entitled to receive 75% approximately Rs. 2,599 crs
- Received letters of Rs. 1,721 crs, being 75% of awards amount including interest, from few of its clients
- Presently pending on account of completion of formalities by the Company towards obtaining approval from lenders for sanction of BGs and opening escrow accounts
- The Company is pursuing with clients for issue of sanction letters for the balance amounts

Key Financial Highlights: Q3 & 9M FY2016-17

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

- **As compared to the <u>same quarter of the previous year (YoY)</u>**
  - Income from operations is at Rs. 944.09 Cr v/s Rs. 1,058.04 Cr
  - EBITDA margin at 17.08% v/s 21.89%
  - Net Profit (Total comprehensive income) of Rs. 1.43 Cr v/s Rs. 23.12 Cr

- **As compared to <u>9 months of the previous year (YoY)</u>**
  - Income from operations is at Rs. 2,837.67 Cr v/s Rs. 2,994.90 Cr
  - EBITDA margin at 18.66% v/s 19.95%
  - Net Profit (Total comprehensive income) of Rs. 38.60 Cr v/s Rs. 74.60 Cr

- Order backlog as on 31st December 2016 at Rs. 20,936 Cr excluding L1 contracts worth Rs. 2,804 Cr
- Orders bagged till date Rs. 5,375 Cr

Financial Performance : Q3 FY 2016-17 (3 mth YoY)

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

For the quarter ended	Q3 FY17 31 Dec'16	Q2 FY16 31 Dec'15	Q2 FY17 30 Sept'16	YoY	QoQ
	Rs. Cr	Rs. Cr	Rs. Cr	%	%
Total Income from operations	**944.09**	**1,058.04**	**911.13**	**(10.8)**	**3.6**
Other Income & Exchange gain/loss	71.92	54.27	60.88		
Construction Cost (incl. material) / other exp.	689.35	731.46	618.68	(5.8)	11.4
Employee Cost	93.50	94.99	97.32	(1.6)	(3.9)
EBITDA (excluding other income)	**161.24**	**231.59**	**195.13**	**(30.4)**	**(17.4)**
EBITDA Margins	**17.08%**	**21.89%**	**21.42%**		
Interest	194.74	171.45	189.99	13.6	2.5
Depreciation	30.83	32.26	33.36	(4.4)	(7.6)
Profit / (Loss) Before Tax (incl exceptional item)	**7.59**	**36.65**	**32.66**	**(79.3)**	**(76.8)**
Tax	3.04	13.32	9.58		
Profit / (Loss) After Tax	**4.55**	**23.33**	**23.08**	**(80.5)**	**(80.3)**
Other comprehensive income (after tax)	(3.12)	(0.21)	2.11		
Total Comprehensive Income (after Tax)	**1.43**	**23.12**	**25.19**	**(93.8)**	**(94.3)**

Financial Performance : 9M FY 2016-17 (9 mth YoY)

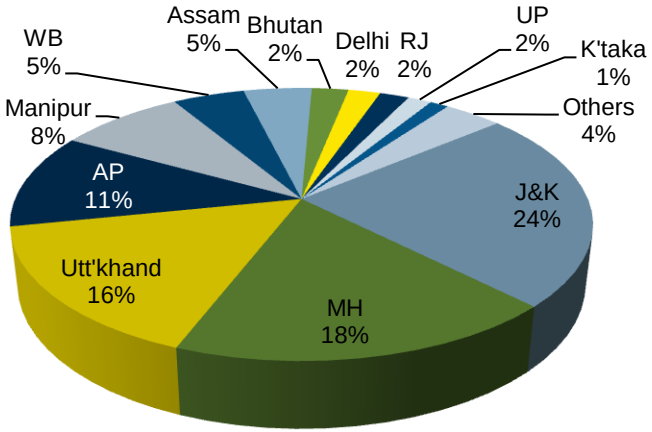
Results are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs

For the quarter ended	9M FY17 31 Dec'16	9M FY16 31 Dec'15	YoY
	Rs. Cr	Rs. Cr	%
Total Income from operations	**2,837.67**	**2,994.90**	**(5.2)**
Other Income & Exchange gain/loss	**191.61**	**159.88**	
Construction Cost (incl. material) / other exp.	**2,022.62**	**2,116.21**	(4.4)
Employee Cost	**285.53**	**281.33**	1.5
EBITDA (excluding other income)	**529.52**	**597.36**	**(11.4)**
EBITDA Margins	**18.66%**	**19.95%**	
Interest	**564.39**	**520.00**	8.5
Depreciation	**96.95**	**120.73**	(19.7)
Profit / (Loss) Before Tax (incl exceptional item)	**59.79**	**116.24**	**(48.6)**
Tax	**21.29**	**43.29**	
Profit / (Loss) After Tax	**38.50**	**72.95**	**(47.2)**
Other comprehensive income (after tax)	**0.10**	**1.65**	
Total Comprehensive Income (after Tax)	**38.60**	**74.60**	**(48.3)**

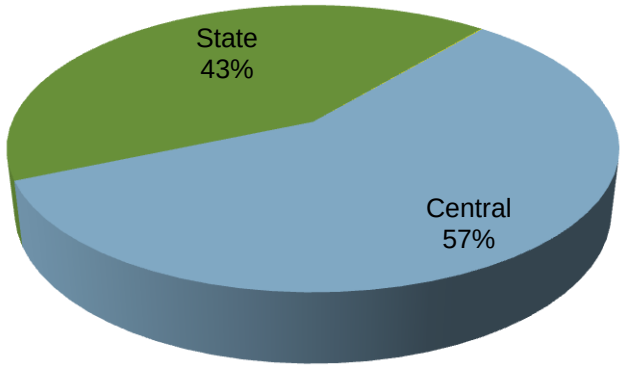
HCC E&C

Orderbook : Rs 20,936 Cr (YoY increase of 28.5%)

Geographical Spread



Clientele



Order book to cross Rs. 23,000 crs post conversion of L1 into orders

Balanced portfolio having geographical spread across the country

FY 2016-17 : Orders Won

(Rs in Cr)

S. No.	Name of Project	Client	HCC Share (Rs Cr)	Award Quarter
1	Residential towers at DAE Anushaktinagar	DAE	159	Q1
2	Mumbai Metro Line 3-CBS - UGC-02	MMRC	2,523	Q2
3	IRCON Tunnel, T-13_2nd Call, J&K	Ircon	1,750	Q2
4	High rise buildings at Anupuram, TN	DAE	182	Q2
5	Parallel safety tunnel of T-12	NF Railway	202	Q3
6	Bistan LIS, MP	NVDA	191	Q3
	Projects received till Q3		**5,006**	
7	Anji Khad railway cable stayed bridge, J&K	Ircon	369	Q4
	Projects Won in FY 2016-17		**5,375**	

In addition to order book, Current L1 orders is aggregating to Rs. 2,804 Cr

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 1,525 million (Rs. 10,131 Cr) excluding contracts of CHF 460 million (Rs. 3,056 Cr) yet to be signed
- Order intake during 9 month FY 2016-17 CHF 850 million (Rs. 5,648 Cr)
- Cash balance is at CHF 145 million (Rs. 963 Cr)
- Key financials of Steiner AG:

(for P&L : exchange rate of 1 CHF = Rs 68.48 as of December 31, 2016)
(for BS : exchange rate of 1 CHF = Rs 66.44 as of September 30, 2016)

As per IGAAP	Q3 FY 2016-17	Q3 FY 2016-17	9M FY 2015-16	9M FY 2015-16
	CHF Million	Rs. Cr	CHF Million	Rs. Cr
Turnover	231.6	1,585.9	647.0	4,430.4
PAT/ (Loss)	(1.5)	(10.3)	5.3	36.3

HCC Infrastructure

Business Update

- Baharampore – Farakka – Raiganj – Dalkhola (NH-34 Packages 3, 4, 5)
  - Farakka-Raiganj (Pkg 4): COD achieved on Oct 19, 2016 with daily revenue of Rs.40 lakhs in Q3 despite demonetization impact; to increase to Rs.70 lakhs at FCOD in Q2 2017
  - Baharampore-Farakka (Pkg 3): Average daily revenue of Rs.39 lakhs till Q2; Q3 average of Rs.31 lakhs impacted by demonetization
  - Time bound arbitration process for Rs.1,250 cr claims underway (for land delays) per new Arbitration and Conciliation Act, 2015
  - Raiganj-Dalkhola (Pkg 5):
    - Lenders' feedback to NHAI for acknowledgement of revised cost for Termination payments delaying revised financial closure
    - 180 days sought by Lenders (per Concession Agreement) in response to NHAI's foreclosure notice
- Delhi-Faridabad (NH2)
  - Strategic Debt Restructuring record date established in Aug 2016; in-principle approval received from lenders
  - Arbitration for Rs.397 cr claims filed with NHAI relating to claims including ECC by Supreme Court impacting CV traffic entry into Delhi

Farakka Raiganj Highway: Toll Plaza at Km 297

Km 341 (Farakka Raiganj Highway)

Lavasa Corporation Limited

LAVASA

Aerial View

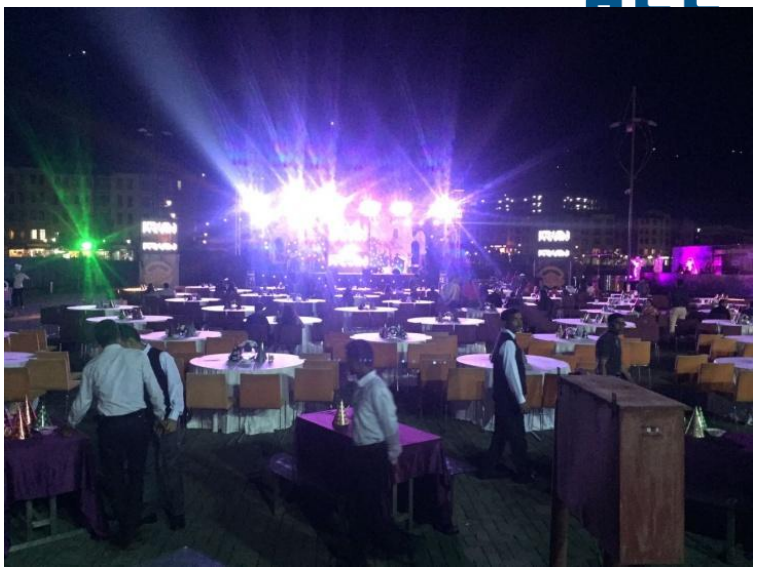
Aerial View of Dasve

Operations Highlights

- Footfall in Q3 ~1.81 lacs
- Hotels average occupancy ~ 65%
- Labors on Ground ~200
- Handover status :
  - Ready for possession : 1157 Units
  - Handed over : 1035 Units
- Term sheet signed with ad-agency to bring commercial advertisement and photo shoot
- New operations commenced:
  - Anna Dosa kiosk - serving south Indian food
  - Now and Wow shop opened for Lavasa Souvenir items and
  - e-Rickshaw – 3 battery operated rickshaw in Dasve
- Verzon 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.
- Xthrill starting Motorized parasailing, test ride is successful and has applied for licenses
- Apollo has started an Ayurvedic SPA in tie up with Kerala based Spa within its facility

Events

- Digital : Promotion of Karvi Spa at Dasvino Club on Lavasa community Facebook page
- Associated with MTDC to setup a tourism centre in Hinjewadi, to capture IT crowd for tourism
- New year party hosted in LICC with over 700 passes sold
- Flee market organized for 10 days during Christmas and new year
- Lavasa experienced the vibrant “colours of India”, through dance, drama and music, a program organized by students of Christ university in collaboration with Lavasa



31st Event at LICC

“Colours of India” at Christ university

Thank You