

HCC/ SEC/ 2020

July 10, 2020

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| BSE Limited The Corporate Relationship Dept, 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. | National Stock Exchange of India Ltd Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. |
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Dear Sir,

Sub: Analyst/Institutional Investors Meeting

Further to our letter dated July 08, 2020 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 July 09, 2020.

Thanking you,

Yours faithfully

For Hindustan Construction Company Limited

Sd/-

Vithal P Kulkarni
Company Secretary

Enclosed : As above.

Hindustan Construction Co Ltd

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HCC

Hindustan Construction Co Ltd

Investor / Analyst Presentation

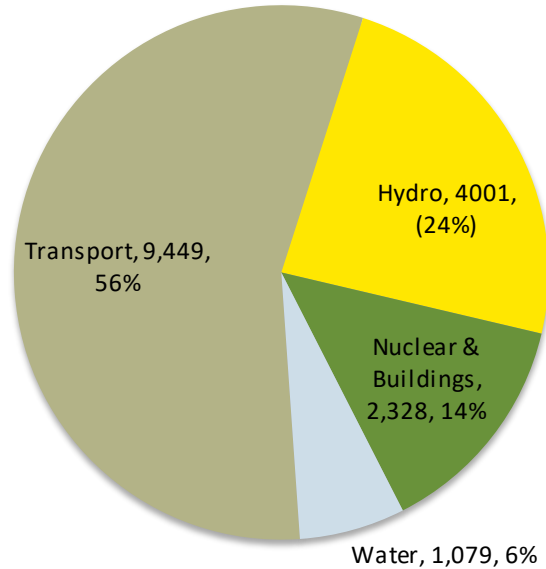
Q4 & FY 2019-20

Presentation Flow

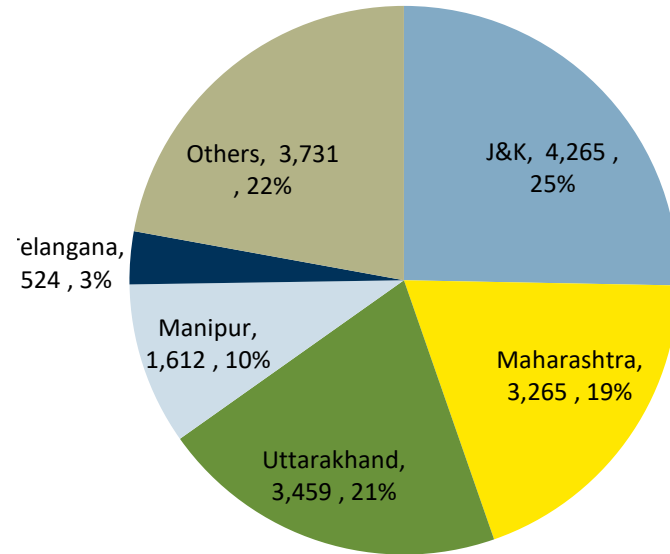
- HCC** - **Key Highlights FY20 & Financial Results Q4 & FY20**
- HCC Infrastructure** - **Updates**
- Steiner AG** - **Updates**

Order Backlog – Rs 16857 Cr

Order Backlog Business Line wise Breakup



Order Backlog - Geographic Breakup



Balanced portfolio having geographical spread across the country

1. Orders won during FY20: Delhi Metro DC06: HCC share Rs. 367 Cr
2. L1 contract worth Rs 2,042 crore - Bhadbut Barrage
3. 23 bids submitted worth Rs.17,032 Cr.

HCC continues to deliver projects of national importance



The Aircraft Carrier Dry Dock was inaugurated by Defence Minister Rajnath Singh on 28 September 2019. It has been built to accommodate the Aircraft Carrier INS Vikramaditya, the Navy's Flagship. It is the largest dry dock of the Indian Navy.



HCC is the first contractor among all packages to complete the entire length of twin tunnels using TBMs on Mumbai Metro Line 3. The first tunnel was completed on August 02, 2019 and the second one was completed on April 30, 2020.

HCC continues to deliver projects of national importance



The 4.29 km long Dwarka-Najafgarh Corridor of Delhi Metro's Grey Line was formally flagged off on October 04, 2019 by Delhi Chief Minister. The corridor consists of three stations – Dwarka (interchange with Blue Line), Nangli and Najafgarh.



The Rao Tula Ram (RTR) flyover, popularly known as Munirka flyover in Delhi was inaugurated by Delhi Chief Minister on July 16, 2019.

HCC continues to deliver projects of national importance



Reclamation work on the Coastal road progressed well. The project was stopped during the year following a High Court order relating to environmental issues. Work has resumed following relief granted by the Supreme Court.



Key Highlights: FY20

1. Turnover: Rs. 3676.1 Cr in FY20 vs. Rs. 4721.6 Cr in FY19
2. EBITDA margin (excluding Other Income) was 12.7% in FY20 vs. 12.8% in FY19
3. Net Loss of Rs 168.7 Cr compared to Loss of Rs 1925.6 Cr in FY19
4. Infusions of liquidity in FY20: Rs. 348 Cr arbitration award collections
5. Conciliations of Awards/Claims of ~Rs.5,000 Cr underway with NHAI for E&C and BOT
6. Robust performance of BOT assets
7. Senior lenders approval received for HCC Debt carve out plan to carve-out ~Rs.2,800 Cr (including all overdues) of Debt, effectively resulting in zero debt service obligations for the next 34 months and interest cost savings to the tune of Rs. 250 Cr p.a.

Key Highlights: FY20

1. **Supreme Court struck down Section 87 of Arbitration and Conciliation (Amendment) Act, 1996, on Nov 27, 2019**
 - HCC able to execute awards amounting to about Rs.1,584 Cr impacted by Sec 87
2. **CCEA amendment circular dt. Nov 20, 2019 to help accelerate realization of arbitral awards**
 - a) Govt. agency to take the opinion of Law Officer before challenging arbitral award.
 - b) 75% of such award to be paid to the contractor against a BG only for the said 75% and not for its interest component.
 - c) Where BG for interest component is already submitted, the same to be refunded.
 - d) Swifter realization of Arbitration Awards, leading to a more efficient dispute resolution in the long run.
 - e) Return process of Interest Top-up BGs initiated (Rs. 825-850 Cr).

Impact of COVID19

1. Impact on Construction industry and HCC's operations
 - a) Near term uncertainty, Supply chain disruption, Loss of migrant labor
 - b) Evolving regulations towards restarting operations and remobilization of sites
2. Work at all sites suspended during lockdown (except 2 Bhutan Projects)
3. Additional cost impact due to COVID; recoverable from clients through EoT and Force majeure clause
4. 38 sites (out of 42) resumed operations while observing prescribed norms
 - a) Normalisation of operations to be gradual (labour, supply chain, working capital, safety)
5. Advocacy by Construction Industry for Government support

Claims & Awards status as on Mar 31, 2020

Rs. Cr

| Post Arbitration Award Stage | | | |
|--------------------------------|----------------------------------|---------------------|-------|
| High Court Single Judge (S/34) | High Court Division Bench (S/37) | Supreme Court (SLP) | Total |
| 5,472 | 549 | 818 | 6,840 |

| Award Status as on Mar 31, 2020 | (Rs. Cr) |
|--|--------------|
| Total Awards as on Mar 31, 2020 | 6,840 |
| Less: Collected through Court against BG | 1,111 |
| Less: Collected through CCEA mechanism (75%) | 1,570 |
| Balance to be Collected | 4,159 |

Update on Debt Resolution Plan

Broad Contours

1. ~2800 Cr/ 50% exposure (TL + Cash Credit + Overdues) carved out to new SPV
2. SPV to be majority owned by third party investor; 49% by HCC
3. HCC recourse limited to only 20% of principal (~550 Cr)
4. Carved-out Debt restructured as 10-year NCD, payable from 6th year onwards
5. Awards and Claims to be assigned with 2.5x cover on debt transferred
6. Monetization proceeds up to Rs.750 Cr to be permitted to be utilized for operations
7. Existing NFB facilities to be re-issued; enhanced NFB facility of Rs.1550 Cr to be re-issued for Execution Petitions in the ratio of 70:30
8. Investor term sheets received for Equity and Debt

Minor modifications to plan requested; closure by Q2 FY21

Proposed Resolution Plan

| Particulars (as on 30 Sept 2020) Rs. Cr | Existing | After Carve out | |
|--|---------------|-----------------|--------------|
| | HCC | Claims Co. | HCC |
| Awards & Claims | 13,411 | 6,945 | 6,466 |
| Awards | 4,328 | 2,778 (1x) | 1,550 |
| Claims | 9,083 | 4,167 (1.5x) | 4,916 |
| Total fund based debt | 5,578 | 2,778 | 2,800 |
| Term Loan | 885 | 885 | - |
| Cash Credit | 1,450 | 1,450 | - |
| OCD (Principal) | 1,195 | - | 1,195 |
| Yield on OCD | 705 | - | 705 |
| Overdues Est. | 443 | 443 | |
| LCL with yield | 900 | - | 900 |
| Total non fund based debt | 6,850 | - | 6,850 |

Financial Performance : Q4 FY 2019-20 (y-o-y & q-o-q)

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

| | Q4 FY20 | Q4 FY19 | y-o-y | Q3 FY20 |
|---|----------------|----------------|----------------|--------------|
| | Rs. cr | Rs. cr | % | Rs. cr |
| Total Income | 787.7 | 1103.5 | (28.6) | 955.6 |
| Construction Cost (incl. material) / other exp. | 780.8 | 956.4 | | 646.1 |
| Employee Cost | 105.6 | 97.6 | | 101.0 |
| EBITDA (excluding Other Income) | (107.1) | 24.1 | (544.8) | 201.4 |
| EBITDA margins (%) (excluding Other Income) | (13.7)% | 2.2% | | 21.2% |
| Finance Cost | 218.4 | 209.0 | | 171.4 |
| Depreciation | 21.3 | 32.2 | | 27.2 |
| Exceptional Items – Gain / (Loss) | (11.5) | (389.2) | | 331.4 |
| Profit / (Loss) Before Tax | (338.4) | (191.7) | 76.5 | 9.9 |
| Profit / (Loss) Before Tax after Exceptional items | (349.8) | (580.9) | (39.8) | 341.3 |
| Tax | (138) | (148.8) | | 119.1 |
| Profit / (Loss) After Tax | (211.9) | (432.0) | (51.0) | 222.2 |
| Other comprehensive income after tax | (2.1) | (3.6) | | (0.5) |
| Total Comprehensive Income (after Tax) | (214.0) | (435.6) | (50.9) | 221.7 |

Financial Performance : FY 2019-20 (y-o-y)

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

| | FY20 | FY19 | y-o-y |
|---|----------------|-----------------|---------------|
| | Rs. cr | Rs. cr | % |
| Total Income from operations | 3,676.1 | 4721.6 | (22.1) |
| Construction Cost (incl. material) / other exp. | 2767.9 | 3620.8 | |
| Employee Cost | 413.7 | 393.7 | |
| EBITDA (excluding Other Income) | 462.1 | 589.0 | (21.5) |
| <i>EBITDA margins (excluding Other Income)</i> | 12.7% | 12.8% | |
| Finance Cost | 746.2 | 698.9 | |
| Depreciation | 109.4 | 144.5 | |
| Exceptional Items – Gain / (Loss) | 320.0 | (2400.3) | |
| Profit / (Loss) Before Tax | (360.9) | (136.3) | 164.8 |
| Profit / (Loss) Before Tax after Exceptional items | (41.0) | (2536.6) | (98.4) |
| Tax | 127.7 | (611.0) | |
| Profit / (Loss) After Tax | (168.7) | (1925.6) | (91.2) |
| Other comprehensive income (after tax) | (13.9) | (9.5) | |
| Total Comprehensive Income (after Tax) | (182.6) | (1935.1) | (90.6) |



HCC Concessions

Business Update (Q4 & FY20)

Baharampore–Farakka–Raiganj (NH-34 Packages 3 & 4)

- **Baharampore-Farakka (Pkg 3):**

- Revenue Rs. 144.71 Crs in FY20 vs Rs. 122.09 Crs in FY19; growth rate 18.5% yoy.
- Revenue Rs. 38.25 Crs in Q4 FY20 vs Rs. 24.04 Crs in Q4 FY19, growth rate 59.1% yoy

- **Farakka-Raiganj (Pkg 4):**

- Revenue Rs. 167.14 Crs in FY20 vs Rs. 106.83 Crs in FY19 growth rate 56.5% yoy.
- Revenue Rs. 53.55 Crs in Q4 FY20 vs Rs. 18.63 Crs in Q4 FY19, growth rate 187.4% yoy

- Sale of Farakka-Raiganj to Cube Highways and Infrastructure II Pte. Ltd. Expected to conclude in Q2 FY21

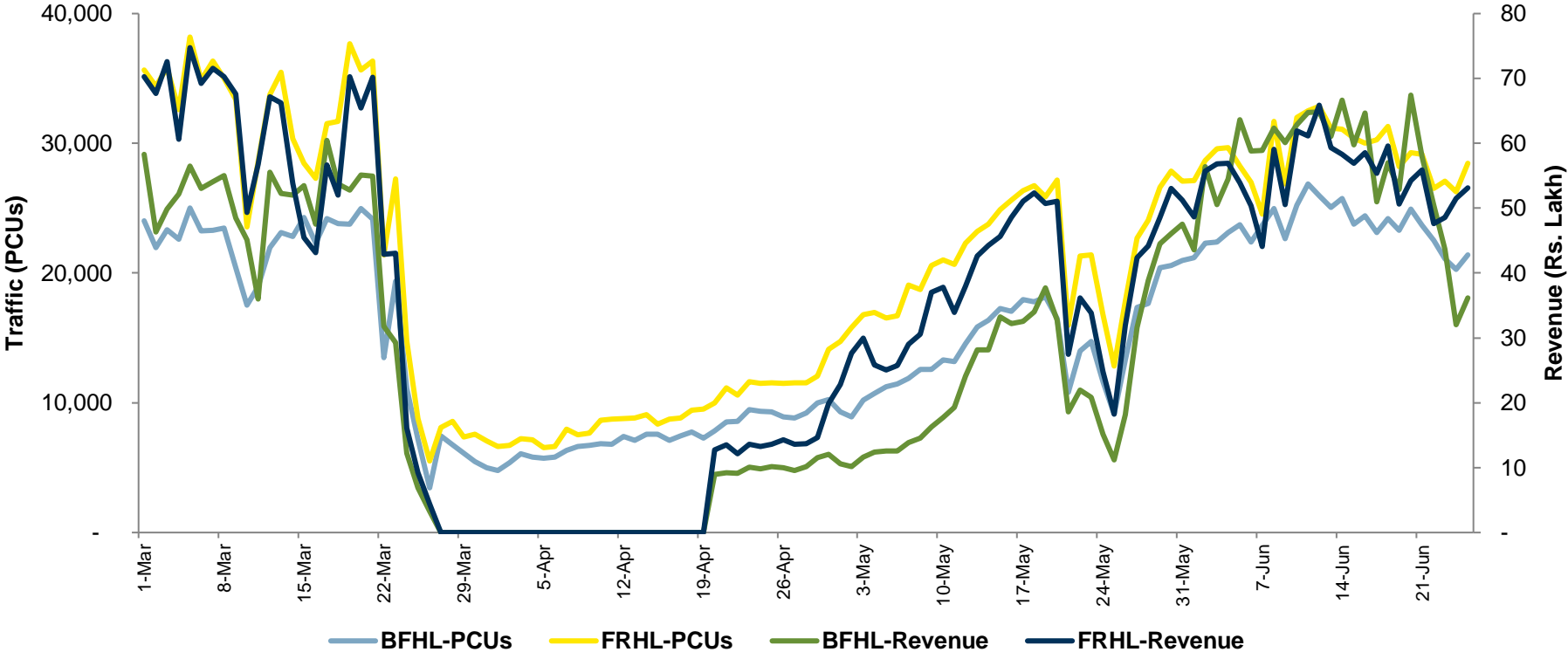


Farakka Raiganj Highway: Toll Plaza at Km 297



Km 341 (Farakka Raiganj Highway)

Baharampore–Farakka–Raiganj (NH-34 Packages 3 & 4) Traffic, Revenue – Pre and Post COVID



Notes:

1. Decline from 22nd March onwards due to lockdown by West Bengal Government and Government of India.
2. Toll collection completely suspended by NHAI from 26th March till 19th April on account of COVID-19 pandemic.
3. Cyclone Amphan impact from 21st May onwards.
4. Near 100% recovery from 1st June onwards.



Steiner AG

Steiner AG FY20 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 as of March 31, 2020: CHF 1.33 billion (Rs. 9,584 Cr)
- Order intake during FY 2019-20 was CHF 705 million (Rs. 5,080 Cr) as against CHF 830.7 million (Rs. 5,896 Cr) in the last year; company has further secured orders worth CHF 428 million (Rs. 3,084 Cr) where contracts are yet to be signed
- Consolidated profit before exceptional items stood at CHF 46.27 million (Rs. 332.13 Cr)

Key financials

| As per IGAAP | FY 2019-20 | FY 2019-20 | FY 2018-19 | FY 2018-19 |
|--------------|-------------|------------|-------------|------------|
| | CHF Million | Rs. Cr | CHF Million | Rs. Cr |
| Turnover | 802 | 5,779 | 825 | 5,855 |
| PAT/ (Loss) | 28.04 | 202 | 38.10 | 270 |

Steiner AG Highlights (FY20)



**Bureau International du Travail (BIT) -
Genevo**



Vulcano, Aréna



НСС