

## Press Release

### **HCC reports Topline of Rs.988 cr in Q2; EBITDA margin 19% Company is L1 on 2,000 MW Lower Subansiri HEP**

**Mumbai: November 14, 2019:** Hindustan Construction Company Ltd. (HCC) reported Turnover of Rs.988 crore in Q2 FY20 as against Rs.984 crore in the same quarter last year, and an EBITDA margin of 18.9% as against 19.3% last year. The Company reported a net loss of Rs.165 crore mainly on account of deferred tax asset write-off in Q2 FY20, as against a net loss of Rs.1,525 crore in the same quarter last year on account of write-offs related to Lavasa.

During the quarter, DGNP Aircraft Carrier Dry Dock in Mumbai was inaugurated by Hon'ble Defence Minister Shri Rajnath Singh, while Munirka Flyover in New Delhi was inaugurated by Hon'ble Chief Minister Shri Arvind Kejriwal.

The Company is currently L1 on NHPC's 2,000 MW Lower Subansiri Hydro Electric Power Project. HCC bid Rs.1,922 crore for construction of balance civil works of the power house complex, from head-race-tunnel intake structures to tail-race channel.

During the quarter, the Company filed a Writ Petition before the Hon'ble Supreme Court praying that dues payable under Arbitration Awards – which have the force of decrees – be released immediately. The Writ also challenges the constitutional validity of Section 87 of the Arbitration & Conciliation (Amendment) Act 2019, which has created ambiguity in the execution of certain Awards. Arguments were concluded on November 7 and Judgment has been reserved by the Hon'ble Supreme Court. Currently the Company has Rs.3,891 crore of Arbitration Awards in its favour for which monies are yet to be received from various Government Agencies.

#### **Financial highlights:**

##### **Un-audited Standalone results for Q2 FY19-20 vs. Q2 FY18-19**

- Loss of Rs.165 crore (deferred tax asset write-off) vs. Loss of Rs.1,525 crore (Lavasa)
- Turnover of Rs.988 crore vs. Rs.984 crore
- EBITDA of Rs.187 crore vs. Rs.190 crore
- Order book stands at Rs.17,009 crore

**Mr. Arjun Dhawan, Director & Group Chief Executive Officer**, said, "The Hon'ble Finance Minister, in her recent press conference, communicated her resolve to address the fallout due to delayed honouring of Arbitration Awards by Government Agencies. We are grateful for this. Honouring contract provisions and timely dispute resolution are fundamental parameters for a conducive business environment that would otherwise stall funding for India's Rs.100-lakh-crore infrastructure dream. In approaching the Hon'ble Supreme Court, HCC has prayed for the Court to restore balance to the inherently unfair practice of avoiding payment through mechanical challenges in the Courts."

### **Performance of HCC subsidiaries:**

**Steiner AG:** In Q2 FY2019-20, Steiner AG reported a profit of CHF0.01 million as compared to CHF14.9 million (Rs.104 crore) in the same quarter last year. The company reported revenues of CHF180 million (Rs.1,272 crore) in Q2 FY 2019-20, as against CHF199 million (Rs.1,392 crore) in the prior year quarter. The company secured fresh orders worth CHF115 million (Rs.813 crore) during the quarter. Order backlog stood at CHF1.25 billion (Rs.8,933 crore) as of September 30, 2019. Further, the company has secured orders for over CHF468 million (Rs.3,304 crore) for which contracts are yet to be signed.

**HCC Concessions Ltd.:** Average daily collections of Baharampore Farakka Highways Ltd. stood at Rs.34.5 lakh in Q2 FY 19-20, with traffic rising 12% y-o-y. Farakka Raiganj Highways Ltd. reported average daily revenue of Rs.32.6 lakh, with traffic declining 9% y-o-y due to the seasonal impact of protracted monsoons. The Company's sale of its Farakka Raiganj Highways Ltd. to Cube Highways and Infrastructure II Pte. Ltd. is expected to close in Q3 FY20 and has been delayed due to pending final clearances from NHAI.

### **About HCC:**

HCC is a business group of global scale developing and building responsible infrastructure through next practices. With an engineering heritage of nearly 100 years, HCC has executed a majority of India's landmark infrastructure projects, having constructed 29% of India's Hydro Power generation and 65% of India's Nuclear Power generation capacities, over 3,800 lane km of Expressways and Highways, more than 337 km of complex Tunnelling and 375 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs.10,322 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.