

Press Release

HCC Q1 Turnover at Rs.462.3 cr impacted by COVID 3 New Order Wins worth Rs.7,402 cr (HCC's share Rs.3,337 cr)

Mumbai: August 27, 2020: The revenue of construction companies was impacted by the nation-wide lockdown, resulting in halting of construction, non-availability of labour and disruption in supply chain. In this backdrop, Hindustan Construction Company Ltd. (HCC) recorded turnover of Rs.462.3 crore for the quarter ended June 30, 2020, registering yoy decline of 53%.

Despite lower turnover, the company has maintained its EBIDTA margins in Q1 FY21 to 24.9% compared to 19.7% in the corresponding period last year. The Company has recorded an exceptional loss of Rs.242 crore, on account of conciliating an NHAI Award for Rs.219 crore. This was done to generate immediate liquidity in operations given the difficulties presented by COVID.

The company has registered order backlog of Rs.16,558 crore at the end of Q1 FY21. Subsequently, three projects worth Rs.7,402 crores were won in joint venture in July and August; HCC's share of Rs. 3,337 crore will be reflected in the order book in the next quarter.

Financial highlights:

Un-audited Standalone results for Q1 FY21 vs. Q1 FY20

- Net Loss of Rs.217.4 crore vs. Net Loss of Rs.5.4 crore
- Turnover of Rs.462.3 crore vs. Rs.986.9 crore
- EBITDA of Rs.113.1 crore vs. Rs.193.4 crore and EBITDA Margins of 24.9% vs 19.7%
- Order book at Rs.16,558 crore as of June 30, 2020

The debt carve-out resolution plan with lenders is expected to conclude in Q3 FY21. Certain amendments to the plan in favour of the Company have received in-principle approval by lenders. These include the utilisation of ~Rs.1,250 cr of funds from monetisations/claims towards operations and working capital, and a more balanced moratorium on HCC's remaining debt to account for COVID-19. Furthermore, the Award and Claim cover to the SPV is now envisioned to be ~2.2x.

Mr. Arjun Dhawan, Director & Group Chief Executive Officer, said, "The impact of COVID on our industry and economy cannot be understated. We expect the aftershocks to be felt for many months and are altering our business plans accordingly. Our focus has remained on normalising our operations while working solutions with our Clients, including raising liquidity through conciliations of claims. On a highly positive note, we have secured three prestigious orders that have substantially improved our order book."

The new project wins included Rs.1,900 crore NHAI order to construct a 22 km highway link between Jharkhand and Bihar, Rs.4,167 crore contract for Bhadbhut barrage in Gujarat and Rs.1,335 crore Rail Vikas Nigam order to construct 8.04 km BG rail line between Rishikesh and Karanprayag in Uttarakhand.

Performance of HCC subsidiaries:

Steiner AG: Steiner AG reported revenues of CHF 155.4 million (Rs.1,217 crore) in Q1 FY21 as compared to CHF 260.2 million (Rs.1,875 crore) in the previous year quarter and a net loss of CHF 20.9 million (Rs.164 crore) as compared to a net profit of CHF 14.9 million (Rs.107 crore). The Company secured fresh orders worth CHF 108.1 million (Rs.846 crore). The order book stood at CHF 1.36 billion (Rs.10,648 crore) at the end of Q1 FY21. In addition to this, the Company has secured orders for CHF 451 million (Rs.3,531 crore), where contracts are yet to be signed.

HCC Concessions Ltd.: Baharampore Farakka Highways Ltd registered turnover of Rs. 24.3 crore in Q1 FY21 vs Rs. 34.3 crore in Q1 FY20, decline of 29.1% yoy and Farakka Raiganj Highways Ltd (FRHL) registered turnover of Rs. 29.1 crore in Q1 FY21 vs Rs. 38.3 crore in Q1 FY20, decline of 24% yoy. Decline in revenue is mainly due to complete suspension of toll on account of COVID-19 pandemic. Subsequently, post the easing of various lockdowns, traffic has recovered to pre-COVID levels. The closure of FRHL's sale to Cube is expected in Q2FY21.

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 27% of India's Hydro Power generation and 60% of India's Nuclear Power generation capacities, over 3,960 lane km of Expressways and Highways, more than 360 km of complex Tunnelling and 383 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs.9,437 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.