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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2015

(₹ Crore)

Sr. No.	Particulars	Quarter ended 30 June (Unaudited)	Quarter ended 31 March (Unaudited)	Quarter ended 30 June (Unaudited)	Year ended 31 March (Audited)
		2015	2015	2014	2015
		(1)	(2)	(3)	(4)
	PART I				
1	**INCOME FROM OPERATIONS**				
	(a) Net sales / income from operations	**975.07**	1,175.12	1,043.48	4,301.14
	(b) Other operating income	-	-	-	-
	Total income from operations (a+b)	**975.07**	1,175.12	1,043.48	4,301.14
	Less: Company's share of Turnover in Integrated Joint Ventures	**69.79**	57.41	58.17	174.44
	Income from operations excluding Integrated Joint Ventures	**905.28**	1,117.71	985.31	4,126.70
2	Company's Share of Profit / (Loss) in Integrated JV's (Net)	**2.81**	2.75	2.75	8.10
3	**Total (1+2)**	**908.09**	1,120.46	988.06	4,134.80
4	Expenses				
	(a) Cost of materials consumed	**212.65**	287.88	248.05	941.97
	(b) Construction expenses:				
	i) Subcontracting Expenses	**318.53**	346.33	274.72	1,117.93
	ii) Other Construction Expenses	**89.96**	170.43	144.09	820.38
	(c) Employee benefits expenses	**90.37**	91.64	90.59	361.12
	(d) Depreciation and amortisation expenses	**34.25**	38.72	39.61	150.30
	(e) Other expenses	**32.01**	29.21	26.79	111.63
	(f) Total expenses [4(a+b+c+d+e)]	**777.77**	964.21	823.85	3,503.33
5	**Profit / (Loss) from operations before other income, finance costs & exceptional items (3-4)**	**130.32**	156.25	164.21	631.47
6	Other income	**49.49**	40.21	31.62	134.53
7	Exchange Gain (Net)	**0.18**	7.21	0.63	12.45
8	Profit / (Loss) from ordinary activities before finance costs & exceptional Items (5+6+7)	**179.99**	203.67	196.46	778.45
9	Finance costs	**167.49**	167.67	156.16	651.13
10	Profit / (Loss) from ordinary activities after finance costs but before exceptional Items (8-9)	**12.50**	36.00	40.30	127.32
11	Exceptional items	-	-	-	-
12	**Profit / (Loss) from ordinary activities before tax (10+11)**	**12.50**	36.00	40.30	127.32
13	Tax expense	**4.48**	15.35	13.20	45.67
14	**Net Profit / (Loss) from ordinary activities after tax (12-13)**	**8.02**	20.65	27.10	81.65
15	Extraordinary items	-	-	-	-
16	**Net Profit / (Loss) for the period (14+15)**	**8.02**	20.65	27.10	81.65
17	Paid up equity share capital (Face value of Re. 1/- each)	**77.91**	64.58	64.58	64.58
18	Reserve excluding Revaluation Reserves				1,322.86
19	Basic EPS (not annualised) - before and after Extraordinary items	**0.10**	0.32	0.43	1.27
20	Diluted EPS (not annualised) - before and after Extraordinary items	**0.10**	0.32	0.43	1.27
	PART II				
A.	**PARTICULARS OF SHAREHOLDING**				
1	Public shareholding				
	i) Number of shares	**498,143,826**	364,811,026	364,811,026	364,811,026
	ii) Percentage of shareholding	**63.93%**	56.49%	56.49%	56.49%
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	-- Number of shares	**200,703,600**	200,703,600	200,703,600	200,703,600
	-- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**71.42%**	71.42%	71.42%	71.42%
	-- Percentage of shares (as a % of the total share capital of the company)	**25.76%**	31.08%	31.08%	31.08%
	b) Non-encumbered				
	-- Number of shares	**80,311,480**	80,311,480	80,311,480	80,311,480
	-- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**28.58%**	28.58%	28.58%	28.58%
	-- Percentage of shares (as a % of the total share capital of the company)	**10.31%**	12.43%	12.43%	12.43%

	Particulars	**Quarter ended 30 June 2015**
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	2
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	NIL

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Notes :

1 a) The Company is engaged in Engineering & Construction activities which are substantially seasonal in character. Therefore, the financial results for three months ended 30 June, 2015 are not necessarily indicative of annual results.

b) The Company's margins in the quarterly results vary based on the accrual of cost and recognition of income in different quarters due to nature of its business, receipt of awards/claims or events which lead to revision in Cost To Completion. Due to this reason, quarterly results may vary in different quarters and may not be indicative of annual results.

2 The Company has a single primary Segment namely "Engineering and Construction". Therefore, the Company's business does not fall under different business segments as defined by AS-17- "Segmental Reporting".

3 The total balance value of work on hand as on 30 June 2015 is ₹ 13,920 crore (31 March 2015: ₹ 14,451 crore).

4 Pursuant to the approval of the Qualified Institutional Placement Committee constituted by the Board of Directors on 10 April 2015, the Company issued 133,332,800 equity shares of ₹ 1 each, at an issue price of ₹ 30 per equity share (of which ₹ 29 per share is towards securities premium) aggregating ₹ 399.99 crore to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder.

5 'Uncompleted Contracts and Value of Work Done', and 'Long Term Trade Receivables' includes ₹ 1,149 crore & ₹ 258 crore respectively, outstanding as at 30 June 2015 representing various claims raised and recognised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ₹ 149 crore of arbitration awards received in favour of the Company, which have been subsequently set aside by District Court/ High Courts against which the Company has preferred appeals at High Courts/ Supreme Court. The Company has been legally advised that it has good case on merits in respect of these matters. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of the same.

6 The Company has an investment aggregating ₹ 474.36 crore, long term loans and advances ₹ 432.06 crore and other current assets (including interest) ₹ 9.71 crore in HCC Real Estate Limited (HREL) which is holding 68.70% share in Lavasa Corporation Limited and has an investment aggregating ₹ 0.25 crore, long term loans and advances ₹ 953.82 crore and other current assets (including interest) ₹ 32.75 crore in HCC Infrastructure Company Limited (HIL) as on 30 June 2015 which is holding 85.45% in HCC Concession Limited having various Build, Operate and Transfer (BOT) SPVs under its fold. While such entities have incurred losses during its initial years and consolidated net-worth of HREL and HIL as on 31 March 2015 has been fully eroded, the underlying projects in such entities are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. Hence net-worth of both these subsidiaries does not represent its true market value. Therefore the decline in the value of above investments is temporary in nature and the loans and advances and other current assets together with the interest thereon are good and recoverable.

7 a) The Company had paid managerial remuneration of ₹ 10.66 crore to Chairman and Managing Director (CMD) for the year ended 31 March 2014. The Company had made an application to the Ministry of Corporate Affairs (the "Ministry") seeking its approval for payment of ₹ 10.66 crore which was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. The Ministry has approved remuneration of ₹ 1.92 crore against which the Company has made a representation to the Ministry to reconsider Company's application and requested to accord approval of the entire remuneration paid.

b) The Company has provided for remuneration for CMD of ₹ 10.66 crore for the year ended 31 March 2015. The Company has made an application to the Ministry of Corporate Affairs (the "Ministry") seeking its approval for payment of ₹ 10.66 crore which is in excess of the limits specified under Schedule V to the Companies Act, 2013.

8 On 10 July 2015 the Company divested 26% equity stake in Vikhroli Corporate Park Private Limited (VCPPL) for an aggregate consideration of ₹ 90.03 crore based on an enterprise valuation of ₹ 1,047 crore. The Company has received ₹ 77.03 crore resulting in gain of ₹ 76.03 crore which will be recognised in quarter ending 30 September 2015. Balance consideration of ₹ 13 crore is realisable and will be recognised as gain on fulfillment of certain conditions. Further, the Company has received ₹ 81.57 crore on redemption of debentures at face value.

9 Previous period/year figures have been regrouped/recast wherever necessary.

10 The above results have been reviewed by the Statutory Auditors as per clause 41 of the listing agreement.

11 The above results were reviewed by Audit Committee and approved by the Board of Directors at their respective meetings held on 30 July, 2015.

for Hindustan Construction Company Limited

Ajit Gulabchand

Ajit Gulabchand
Chairman & Managing Director

Mumbai, Dated : 30 July 2015.

Hindustan Construction Co. Ltd.

Walker Chandiok & Co LLP Chartered Accountants Mumbai

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Review Report

To the Board of Directors of Hindustan Construction Company Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Hindustan Construction Company Limited** ("the Company") for the quarter ended **30 June 2015**, except for the disclosures regarding 'Public Shareholding', 'Promoter and Promoter Group Shareholding' and 'Note 3 regarding total value of work on hand' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw attention to:

   (a) Note 5 to the Statement regarding uncertainties relating to recoverability of uncompleted contracts and value of work done and long-term trade receivables aggregating Rs.1,149 crore and Rs.258 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying Statement. Our review report is not qualified in respect of this matter.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

(b) Note 6 to the Statement regarding the Company's investments in its subsidiaries, HCC Real Estate Limited and HCC Infrastructure Company Limited, amounting to Rs.474.36 crore and Rs.0.25 crore, respectively, long term loans and advances due from such subsidiaries amounting to Rs.432.06 crore and Rs.953.82 crore, respectively, and other current assets (including interest) due from such subsidiaries amounting to Rs.9.71 crore and Rs.32.75 crore, respectively. The net worth of the aforesaid subsidiaries have been fully eroded; however, based on certain estimates and the other factors as more fully described in the said note, management considers the decline in the value of investment as temporary in nature and believes that long-term loans and advances and other current assets are fully recoverable, and hence no provision in respect of aforesaid amounts has been made in the accompanying Statement. Our review report is not qualified in respect of this matter.

(c) Note 7(a) to the Statement regarding managerial remuneration of Rs.10.66 crore paid to the Chairman and Managing Director for the financial year ended 31 March 2014, which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and for which, the Company, has submitted a review application with the Central Government; however approval in this regard is pending till date. Our review report is not qualified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

per **Adi P. Sethna**
Partner
Membership No. 108840

Place: Mumbai
Date: 30 July 2015

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Press Release

HCC Net Profit at Rs 8 crore in Q1 of FY2015-16

Awarded but unpaid arbitration at Rs 2,372 crore

Mumbai: July 30, 2015: HCC has registered a Net Profit of Rs 8 crore in the Q1 of FY2015-16, compared to Rs 27.1 crore in the corresponding quarter last year. The turnover is at Rs 975.1 crore compared to Rs 1043.5 crore, in the previous year.

Financial highlights - HCC unaudited standalone results

For the quarter ended June 30, 2015

- Net Profit of Rs 8 crore compared to Rs 27.1 crore
- Operating Profit at Rs 161.8 crore compared to Rs 201.1 crore
- Turnover at Rs 975.1 crore against Rs 1,043.5 crore last year
- Current order book at Rs 13,920 crore excluding L1 contracts worth Rs 2,990 crore

HCC has successfully completed equity raising via QIP issue of Rs 400 crore on April 08, 2015. The Net worth of the Company post QIP is around Rs 1,786 crore having Debt Equity Ratio 2.7:1. The company has also concluded the sale of its entire 26% stake in 247 Corporate Park located at Vikhroli West, in Mumbai to Blackstone at an enterprise value of Rs 1047 crore, which includes assumed debt, resulting in a net cash inflow of over Rs 200 crore to HCC Group.

Till date, HCC has Rs 2,372 crore worth arbitration awards in its favour, however, due to system delays these are yet to be paid. The company is hopeful that the new government's steps for promotion of ease of doing business in general and giving a fillip to the infrastructure sector in particular will resolve the situation at the earliest.

Commenting on the company's performance, Praveen Sood, Group CFO said, "The infrastructure sector continues to face significant challenges despite considerable optimism from the new Government about de-bottlenecking the sector. Amidst such challenging environment, our strategy remains focused on improving the operational efficiency and recovery of our claims. In view of the Government's thrust on improving overall infrastructure sooner or later, we will be better positioned to create value for our shareholders.

Performance of HCC subsidiaries:

Steiner AG: In last 9 months, Steiner AG has secured orders of approx CHF 900 million (Rs 6,103 crore) improving its market share substantially. In Q1 of FY2015-16, Steiner AG has registered a revenue of CHF 170.1 million (Rs 1,142.3 crore). The closing cash balance of the company was CHF 75 million (Rs 508.6 crore) reflecting company's steady financial performance with strong liquidity position. In addition to this, the company has secured orders for more than CHF 540 million (Rs 3,661.7 crore), where the contracts are yet to be signed.

Lavasa Corporation Limited (LCL): Lavasa city continues to be a popular tourist destination. The tourist footfall has increased by 40% in Q1 FY2015-16 to 2.5 lakh. During last 12 months, 1 million tourists visited Lavasa. The company had received a major blow when the project received a "stoppage of work" order by the then Union government in 2010 forcing it to face difficult working situation including financial challenges, impacting further development of the townships. Braving the harsh situation, the company, till date, has completed over 923 residential units. In addition, work on

1.5 million sq ft of residential, commercial and social development is underway in Dasve and 1 million sq ft of residential development is underway in Mugaon.

HCC Infrastructure Co Limited: HCC Concessions, the highway concessions subsidiary of HCC Infrastructure, expects to close the transactions to sell its stake in Nirmal BOT Ltd and Dhule Palesner Tollway Ltd shortly. In the last quarter, Dhule Palesner Tollway Ltd registered a revenue of Rs 36 crore averaging Rs 39 lakh daily. The execution of Farakka-Raiganj highway, the middle and largest section of NH34, is underway and the company estimates it to be operational by the fiscal end. The average daily toll collection of Baharampore-Farakka highway, the first leg of NH34, has been Rs 33 lakh in the last quarter.

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 28% of India's Hydel Power generation and over 65% of India's Nuclear Power generation capacities, over 3,600 lane km of Expressways and Highways, more than 300 km of complex Tunneling and over 350 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. HCC is also developing Lavasa City, a planned hill city and one of India's largest urban development and management initiatives. The HCC Group, with a group turnover of Rs 10,353 crore, comprises of HCC Ltd, HCC Infrastructure Co. Ltd, Lavasa Corporation Ltd and Steiner AG in Switzerland.

For further information:

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