



HC/SEC/ 2016

January 28, 2016

BSE Limited,
The Corporate Relationship Dept,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

Dear Sir,

Sub: **Unaudited Financial Results of the Company for the third quarter ended 31st December 2015**

In compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Unaudited Financial Results for the third quarter ended 31st December 2015 together with a copy of the "Limited Review" Report for the third quarter ended 31st December 2015 carried out by the Statutory Auditors of the Company.

The Unaudited Financial Results of the Company for the third quarter ended 31st December, 2015 have been approved by the Board of Directors at its Meeting held on January 28, 2016.

A copy of Press Release is enclosed herewith.

The said results will also be posted on the website of the Company i.e. www.hccindia.com

Thanking you,

Yours faithfully,
For Hindustan Construction Co Ltd

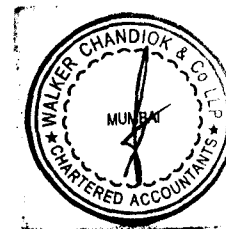
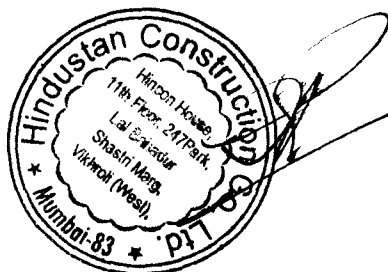
Sangameshwar Iyer
Company Secretary

Encl: as above

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015

Sr. No.	Particulars	Quarter ended 31 December (Unaudited)	Quarter ended 30 September (Unaudited)	Quarter ended 31 December (Unaudited)	Year to date figures for period ended 31 December (Unaudited)		Previous year ended 31 March (Audited)
		2015	2015	2014	2015	2014	2015
		(1)	(2)	(3)	(4)	(5)	(6)
1	Income from Operations						
	(a) Net sales / income from operations	1,058.04	961.79	1,123.60	2,994.90	3,126.02	4,301.14
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations (a+b)	1,058.04	961.79	1,123.60	2,994.90	3,126.02	4,301.14
	Less: Company's share of Turnover in Integrated Joint Ventures	21.48	26.58	30.17	117.85	117.03	174.44
	Income from operations excluding Integrated Joint Ventures	1,036.56	935.21	1,093.43	2,877.05	3,008.99	4,126.70
2	Company's Share of Profit / (Loss) in Integrated JV's (Net)	0.16	0.52	1.26	3.49	5.35	8.10
3	Total (1+2)	1,036.72	935.73	1,094.69	2,880.54	3,014.34	4,134.80
4	Expenses						
	(a) Cost of materials consumed	229.19	246.54	209.50	688.39	654.09	941.97
	(b) Construction expenses:						
	i) Subcontracting expenses	325.76	256.23	448.54	881.58	1,053.56	1,446.67
	ii) Other construction expenses	131.57	132.15	115.16	372.62	368.00	491.65
	(c) Employee benefits expenses	92.18	88.39	86.87	270.94	269.47	361.11
	(d) Depreciation and amortisation expenses	33.38	35.06	35.53	104.18	111.58	150.30
	(e) Other expenses	24.51	29.57	27.68	84.60	82.42	111.63
	(f) Total expenses [4(a+b+c+d+e)]	836.59	787.94	923.28	2,402.31	2,539.12	3,503.33
5	Profit / (Loss) from operations before other Income, exchange gain/(loss), finance costs & exceptional items (3-4)	200.13	147.79	171.41	478.23	475.22	631.47
6	Other income	44.26	44.06	31.58	137.81	94.32	134.53
7	Exchange Gain/(Loss) (Net)	2.02	(1.67)	3.70	0.53	5.24	12.45
8	Profit / (Loss) from ordinary activities before finance costs & exceptional items (5+6+7)	246.41	190.18	206.69	616.57	574.78	778.45
9	Finance costs	170.20	175.59	166.14	513.28	483.46	651.13
10	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (8-9)	76.21	14.59	40.55	103.29	91.32	127.32
11	Exceptional items (Refer note 4)	(45.50)	45.23	-	(0.27)	-	-
12	Profit / (Loss) from ordinary activities before tax (10+11)	30.71	59.82	40.55	103.02	91.32	127.32
13	Tax expense	11.33	21.38	13.41	37.19	30.32	45.67
14	Net Profit / (Loss) from ordinary activities after tax (12-13)	19.38	38.44	27.14	65.83	61.00	81.65
15	Extraordinary items	-	-	-	-	-	-
16	Net Profit / (Loss) for the period (14+15)	19.38	38.44	27.14	65.83	61.00	81.65
17	Paid up equity share capital (Face value of ₹ 1 each)	77.91	77.91	64.58	77.91	64.58	64.58
18	Reserve excluding revaluation reserves as per balance sheet of previous accounting year						1,322.86
19	(a) Basic EPS (not annualised) - before and after Extraordinary items	0.25	0.50	0.42	0.85	0.95	1.27
	(b) Diluted EPS (not annualised) - before and after Extraordinary items	0.25	0.50	0.42	0.85	0.95	1.27
	See accompanying note to the financial results						



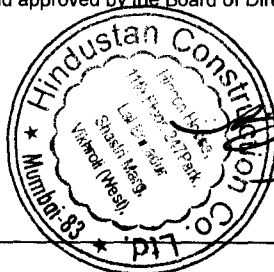
Hindustan Construction Co Ltd

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Notes :

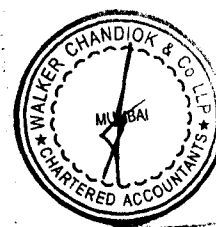
- 1 a) The Company is engaged in Engineering & Construction activities which are substantially seasonal in character. Therefore, the financial results for three months ended 31 December 2015 are not necessarily indicative of annual results.
b) The Company's margins in the quarterly results vary based 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- "Segment Reporting".
- 3 The total balance value of work on hand as on 31 December 2015 is ₹ 16,290 crore (31 March 2015: ₹ 14,451 crore).
- 4 The exceptional item for the quarter ended 31 December 2015 represent provision for foreseeable loss aggregating ₹ 45.50 crore. Figures for the nine months ended 31 December 2015 includes profit on sale of long term investment amounting to ₹ 72.16 crore and provision for doubtful trade receivables and work-in-progress aggregating ₹ 26.93 crore.
- 5 'Uncompleted Contracts and Value of Work Done', and 'Long Term Trade Receivables' includes ₹ 1,026 crore & ₹ 249 crore, respectively, outstanding as at 31 December 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 the 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 High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and 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 ₹ 443.96 crore and other current assets (including interest) ₹ 19.89 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 ₹ 958.82 crore and other current assets (including interest) ₹ 97.93 crore in HCC Infrastructure Company Limited (HIL) as on 31 December 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 In respect of year ended 31 March 2014, the Company's request for managerial remuneration in excess of the limit prescribed, to the Ministry of Corporate Affairs, to reconsider their approval of ₹ 1.92 crore against the entire remuneration paid of ₹ 10.66 crore is pending.
- 8 Previous period/year figures have been regrouped/recast wherever necessary.
- 9 The above results have been reviewed by the Statutory Auditors as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 10 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 January, 2016.

Mumbai, Dated : 28 January 2016.



for Hindustan Construction Company Limited

Ajit Gulabchand
Chairman & Managing Director



- Walker Chandio & Co LLP

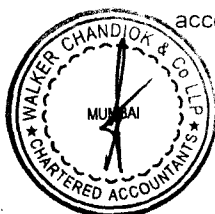
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Review Report

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 31 December 2015 and the year to date results for the period 1 April 2015 to 31 December 2015, except '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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.1,026 crore and Rs.249 crore, respectively, outstanding as at 31 December 2015, 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.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

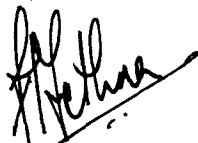
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- (b) Note 6 to the Statement regarding the Company's investments in its subsidiaries, HCC Real Estate Limited and HCC Infrastructure Company Limited, amounting to Rs.474.36 crore and Rs.0.25 crore, respectively, long-term loans and advances due from such subsidiaries amounting to Rs.443.96 crore and Rs.958.82 crore, respectively, and other current assets (including interest) due from such subsidiaries amounting to Rs.19.89 crore and Rs.97.93 crore, respectively, outstanding as at 31 December 2015. 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 of aforesaid amounts has been made in the accompanying Statement. Our review report is not qualified in respect of this matter.
- (c) Note 7 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: 28 January 2016

Press Release**HCC Net Profit at Rs 19.38 crore in Q3 FY2015-16****Order book to cross Rs. 21,000 crore post conversion of L1 into orders**

Mumbai: January 28, 2016: HCC has registered a Profit Before Tax (PBT) of Rs 76.2 crore without considering exceptional items as compared to Rs 40.5 crore in the corresponding quarter last year. However, after accounting for exceptional item for the quarter for Rs 45.6 crore, the Profit After Tax (PAT) stands at Rs 19.4 crore v/s Rs 27.1 crore in the corresponding quarter last year. The company's turnover is at Rs 1058 crore compared to Rs 1123.6 crore, in the previous year.

Financial highlights - HCC unaudited standalone results**For the quarter ended December 31, 2015**

- Net Profit of Rs 19.38 crore compared to Rs 27.14 crore
- Operating Profit at Rs 233.35 crore compared to Rs 205.68 crore
- EBITDA Margins at 22.51% compared to 18.81%
- Turnover at Rs 1058 crore against Rs 1123.6 crore last year
- Current order book at Rs 16,290 crore excluding L1 contracts worth Rs 5,978 crore

As of date, in the current financial year, HCC has won orders worth Rs 3,707 crore and is also the lowest bidder in projects worth Rs 5,978 crore where the contracts are yet to be signed. With this, the combined orders in hand and in the pipeline have crossed Rs 21,000 crore mark, which is the highest in last five years.

Commenting on the company's performance, Praveen Sood, Group CFO said, "We are seeing a revival in infrastructure sector with an enhanced capital expenditure commitment by the Government, aptly reflected in the order book of HCC. We have ensured double digit project EBIT margins over last 8 quarters through operational efficiency and cost management. Our endeavor now is to improve execution efficiency and target minimum 20% turnover enhancement in 2016-17. Along with this, we will pursue collection of arbitration claims to improve cash flow and bring down debt levels by 20% in the same year. This should bring down the interest cost (as a percentage of turnover) to around 10% and will be a major step for HCC to address its cash flow issues."

Performance of HCC subsidiaries:

Steiner AG: The positive movement in the fresh order acquisition has set a momentum in Steiner AG order book position. The company has secured orders worth CHF 1100 million (Rs 7,237 crore) in past 12 months. In addition to this, the company has secured orders for more than CHF 615 million (Rs 4,046 crore), where the contracts are yet to be signed. With this the order backlog has improved to CHF 1,354 million (Rs 8,908 crore). The consolidation strategy adopted in the initial years has impacted turnover this year as the company has registered lower revenue of CHF 140.7 million (Rs 938 crore) in Q3 of FY2015-16. The closing cash balance of CHF 111 million (Rs 730.3 crore) reflects company's strong liquidity position."

HCC Infrastructure Company Limited: HCC Concessions, the transport subsidiary of HCC Infrastructure, closed the sales of its Dhule Palesner & Nirmal SPVs to the Sadbhav & IDFC Groups, respectively. The execution of Farakka-Raiganj (Rs 1,720 crore), the largest section on NH34, is in full swing and will achieve COD by May/June of this year. Baharampore-Farakka (Rs 1,424 crore) has been operational since May 2014 and averaged a daily collection of Rs 30 lakhs in the last quarter.


The company is working with NHAI and lenders to restart work on Raiganj-Dalkhola, the 50 km last leg of NH34, which has suffered a nearly 5.5 year delay in land acquisition.

Lavasa Corporation Limited (LCL): Lavasa city continues to be a popular tourist destination. The tourist footfall has increased by 21% in Q3 FY2015-16 to 8.3 lakhs. During last 12 months, 1.1 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 1100 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. With government strategy of "Ease of Doing Business", we hope to clear many operational hurdles in Lavasa city development which will eventually create more than 90,000 jobs.

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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