

HCC**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2014**

(₹ Crores)

Sr. No.	Particulars	Quarter ended 30th September (Unaudited)	Quarter ended 30th June (Unaudited)	Quarter ended 30th September (Unaudited)	Six months ended 30th September (Unaudited)	Year ended 31st March (Audited)	
		2014	2014	2013	2014	2013	2014
		(1)	(2)	(3)	(4)	(5)	(6)
	PART I						
1	INCOME FROM OPERATIONS						
	(a) Net sales / income from operations (Net of excise duty)	958.94	1,043.48	908.72	2,002.42	2,058.28	4,113.49
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations (a+b)	958.94	1,043.48	908.72	2,002.42	2,058.28	4,113.49
	Less: Company's share of Turnover in Integrated Joint Ventures	28.69	58.17	18.58	86.86	25.73	74.01
	Income from operations excluding Integrated Joint Ventures	930.25	985.31	890.14	1,915.56	2,032.55	4,039.48
2	Company's Share of Profit / (Loss) in Integrated JV's (Net)	1.34	2.75	(0.49)	4.09	0.02	3.04
3	Total (1+2)	931.59	988.06	889.65	1,919.65	2,032.57	4,042.52
4	Expenses						
	(a) Cost of materials consumed	198.54	248.05	215.55	444.59	491.45	1,028.95
	(b) Construction expenses	439.05	418.81	458.65	857.86	991.47	1,864.43
	(c) Employee benefits expenses	92.01	90.59	95.88	182.60	200.89	388.46
	(d) Depreciation and amortisation expenses	36.44	39.61	37.49	76.05	74.59	144.61
	(e) Other expenses	27.95	26.79	30.65	54.74	58.10	118.92
	(f) Total expenses 4 (a to e)	791.99	823.85	838.22	1,615.84	1,816.50	3,543.37
5	Profit / (Loss) from operations before other income, finance costs & exceptional items (3-4)	139.60	164.21	51.43	303.81	216.07	499.15
6	Other Income	31.12	31.62	115.70	62.74	142.52	213.59
7	Exchange Gain / (Loss) (Net)	0.91	0.83	(3.41)	1.54	(15.45)	(13.85)
8	Profit / (Loss) from ordinary activities before finance costs & exceptional items (5+6+7)	171.63	196.46	163.72	368.09	343.14	698.99
9	Finance costs	161.16	156.16	152.29	317.32	301.15	607.94
10	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (8-9)	10.47	40.30	11.43	50.77	41.99	90.95
11	Exceptional items	-	-	-	-	-	-
12	Profit / (Loss) from ordinary activities before tax (10+11)	10.47	40.30	11.43	50.77	41.99	90.95
13	Tax expense	3.71	13.20	(20.17)	16.91	(8.84)	10.31
14	Net Profit / (Loss) from ordinary activities after tax (12-13)	6.76	27.10	31.60	33.86	50.83	80.64
15	Extraordinary items	-	-	-	-	-	-
16	Net Profit / (Loss) for the period (14+15)	6.76	27.10	31.60	33.86	50.83	80.64
17	Paid up equity share capital (Face value of Re. 1/- each)	84.58	64.58	60.66	84.58	60.66	60.66
18	Reserve excluding Revaluation Reserves	-	-	-	-	-	1,186.73
19	Basic EPS ₹ (not annualised)	-	-	-	-	-	-
	-before and after Extraordinary items	0.10	0.43	0.52	0.53	0.84	1.33
20	Diluted EPS ₹ (not annualised)	-	-	-	-	-	-
	-before and after Extraordinary items	0.10	0.43	0.52	0.53	0.83	1.33
21	Debt Equity Ratio	-	-	-	3.65	3.87	3.85
22	Debt service coverage Ratio	-	-	-	0.98	1.29	1.25
23	Interest Service Coverage Ratio	-	-	-	1.40	1.39	1.39
	PART II						
A.	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	i) Number of shares	364,811,026	364,811,026	364,811,026	364,811,026	364,811,026	364,811,026
	ii) Percentage of shareholding	56.49%	56.49%	60.14%	58.49%	60.14%	50.14%
2	Promoters and Promoter Group Shareholding						
a)	Pledged / Encumbered						
	-- Number of shares	200,703,600	200,703,600	200,703,600	200,703,600	200,703,600	200,703,600
	-- Percentage of shares	71.42%	71.42%	83.00%	71.42%	83.00%	83.00%
	(as a % of the total shareholding of promoter and promoter group)						
	-- Percentage of shares	31.08%	31.08%	33.09%	31.08%	33.09%	33.09%
	(as a % of the total share capital of the company)						
b)	Non-encumbered						
	-- Number of shares	80,311,480	80,311,480	41,095,794	80,311,480	41,095,794	41,095,794
	-- Percentage of shares	28.58%	28.58%	17.00%	28.58%	17.00%	17.00%
	(as a % of the total shareholding of promoter and promoter group)						
	-- Percentage of shares	12.43%	12.43%	6.77%	12.43%	6.77%	6.77%
	(as a % of the total share capital of the company)						

Particulars		3 Months ended 30.09.2014	
B INVESTOR COMPLAINTS			
Pending at the beginning of the quarter		NIL	
Received during the quarter		3	
Disposed during the quarter		3	
Remaining unresolved at the end of the quarter		NIL	

Hindustan Construction Co Ltd

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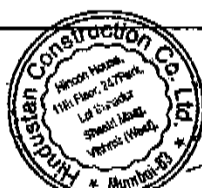
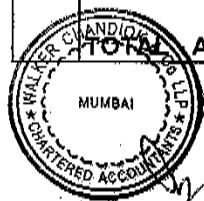


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HCC**STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

₹ Crore

Particulars		As at 30th September, 2014	As at 31st March, 2014
A	EQUITY AND LIABILITIES		
1	Shareholders' funds:		
	(a) Share capital	64.59	60.67
	(b) Reserves and surplus	1,279.91	1,186.73
	(c) Money received against Share Warrants	-	16.00
	Sub-total - Shareholders' funds	1,344.50	1,263.40
2	Non-current liabilities		
	(a) Long-term borrowings	2,789.55	3,005.18
	(b) Deferred tax liabilities (net)	39.26	23.71
	(c) Long-term trade payables	-	27.26
	(d) Other long-term liabilities	11.46	74.59
	(e) Long-term provisions	36.48	33.89
	Sub-total - Non-current liabilities	2,876.75	3,164.63
3	Current liabilities		
	(a) Short-term borrowings	1,781.18	1,537.48
	(b) Trade payables	988.94	951.16
	(c) Other current liabilities	1,927.16	1,670.75
	(d) Short-term provisions	8.30	8.45
	Sub-total - Current liabilities	4,705.58	4,167.84
	TOTAL - EQUITY AND LAIBILITIES	8,926.83	8,595.87
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	854.83	920.37
	(b) Non-current investments	597.29	689.95
	(c) Long-term loans & advances	1,240.94	1,211.76
	(d) Long-term trade receivables	1,228.84	1,087.00
	(e) Other non-current assets	0.12	0.11
	Sub-total - Non-current assets	3,922.02	3,909.19
2	Current assets		
	(a) Investments	94.10	-
	(b) Inventories	3,291.94	3,293.56
	(c) Trade receivables	687.73	527.33
	(d) Cash and Bank Balances	60.81	146.97
	(e) Short-term loans & advances	856.76	712.58
	(f) Other current assets	13.47	6.24
	Sub-total - Current assets	5,004.81	4,686.68
	TOTAL ASSETS	8,926.83	8,595.87



HCC**Notes :**

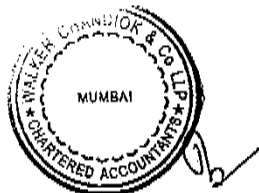
- 1 a) The Company is engaged in Engineering & Construction activities which are substantially seasonal in character. Therefore, the financial results for three months ended 30th September, 2014 are not necessarily indicative of annual results.
- b) The Company's margins in the quarterly results vary 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 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 30th September 2014 is ₹ 13,679 crore (₹ 14,249 crore as on 31st March 2014).
- 4 'Uncompleted Contracts and Value of Work Done', 'Long Term Trade Receivables' and 'Short Term Loans & Advances' aggregating to ₹ 1399 crore, outstanding as at 30th September 2014 representing various claims raised 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 the recovery of the same.
- 5 Remuneration paid to Chairman & Managing Director was in excess of the limits specified in Schedule XIII of the Companies Act, 1956 by ₹ 10.18 crore each for the years ended 31st March 2014 and 31st March 2013. The Company has made applications seeking approval from Central Government for both the years, which is pending as on date.
- 6 The Company has an investment aggregating to ₹ 474.36 crore, long term loans and advances ₹ 374.77 crore and short term loans and advances (including interest) ₹ 22.44 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 ₹ 628.22 crore and short term loans and advances (including interest) ₹ 266.68 crore in HCC Infrastructure Company Limited (HIL) as on 30th September 2014. The consolidated net-worth of HREL and HIL as on 31st March 2014 has been fully eroded. Considering the intrinsic value of the assets of the business under the fold of these subsidiaries, wherein, the potential of market appreciation over book value is substantially high, the 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 given together with the interest thereon are good and recoverable.
- 7 Consequent to the introduction of Schedule II of Companies Act, 2013, the useful life of certain assets has been revised. Accordingly depreciation for the quarter and six months ended is higher by ₹ 4.52 crore and ₹ 11 crore respectively. As per the transitional provision, depreciation of ₹ 2.72 crore (net of deferred tax) has been adjusted against retained earnings.
- 8 Previous period/year figures have been regrouped/recast wherever necessary.
- 9 The above results have been reviewed by the Statutory Auditors as per clause 41 of the listing agreement.
- 10 The above results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 30th October, 2014.



for Hindustan Construction Co. Ltd.

Ajit Gulabchand
Chairman & Managing Director

Mumbai, Dated : 30th October, 2014.



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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 September 2014 and the year to date results for the period 1 April 2014 to 30 September 2014, 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 audited 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.



Walker Chandiok & Co LLP

4. We draw attention to:

- (a) Note 4 to the Statement regarding recoverability of work-in-progress, long term trade receivables and short term loans and advances aggregating Rs. 1,399 crores, representing various claims 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. Any consequential financial impact, if any, will be known only when these matters are resolved. In opinion of management, these are fully recoverable and no provision is required. Our review report is not qualified in respect of this matter.
- (b) Note 5 to the Statement regarding managerial remuneration paid to Chairman and Managing Director which is in excess by Rs. 10.18 crores for each year in respect of financial years 2012-13 and 2013-14 for which Company has made applications to the Central Government; approvals in this regard are under consideration / pending till date. Our review report is not qualified in respect of this matter.
- (c) Note 6 to the Statement regarding the Company's investments in its two subsidiaries, namely, HCC Real Estate Limited and HCC Infrastructure Company Limited, amounting to Rs. 474.36 crores and Rs. 0.25 crores, respectively, long term loans and advances due from these subsidiaries amounting to Rs. 374.77 crores and Rs. 628.22 crores, respectively and short term loans and advances (including interest) due from these subsidiaries amounting to Rs. 22.44 crores and Rs. 266.68 crores, respectively. The net worth of these subsidiaries have been fully eroded, however, the management, based on the factors discussed in the said note, believes that the decline in the value of investments is temporary in nature and balance of long-term loans and advances and short-term loans and advances is 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.

5. The review of financial results for the quarter ended 30 September 2013 and the year to date results for the period 1 April 2013 to 30 September 2013 and audit of financial results for the year ended 31 March 2014 included in the Statement was carried out and reported by Messers K. S. Aiyar & Co., Chartered Accountants, vide their unqualified review report dated 31 October 2013 and unqualified audit report dated 2 May 2014, respectively, whose review/audit reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our review report is not qualified in respect of this matter.

**For Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No: 001076N/N500013


per Amyn Jassani

Partner

Membership No.-46447

Mumbai

30 October 2014

**Press Release****HCC Turnover up 5.5% at Rs 958.9 crore****For the sixth consecutive quarter, HCC reports positive results with profits**

Mumbai: October 30, 2014: HCC has registered Operating Profit of Rs 174.7 crore for the second quarter of FY 2014-15 compared to Rs 89.4 crore in the corresponding period last year. This is the sixth quarter in a row when company has shown positive results thereby establishing that its strategy of efficient project management, cost control and focus on claim management is yielding consistent results. The PBT (Profit Before Tax) stood at Rs 10.5 crore compared to Rs 11.4 crore last year. The turnover in Q2 stood at Rs 958.9 crore compared to Rs 908.7 crore in the previous year.

Financial highlights - HCC unaudited results**For the quarter ended September 30, 2014**

- Turnover at Rs 958.9 crore against Rs 908.7 crore on YOY basis
- Operating Profit at Rs 174.7 crore compared to Rs 89.4 crore on YOY basis
- EBIDTA margins at 18.8% compared to 10% on YOY basis
- Net Profit of Rs 6.8 crore compared to Rs 31.6 crore on YOY basis
- Current order book at Rs 13,679 crore, excluding L1 contracts worth Rs 2,372 crore

Commenting on the company's performance, **Praveen Sood, Group CFO** said, "The performance is to be viewed keeping in mind that extra ordinary flood affected operations at Jammu & Kashmir, where the company is executing major projects. However, sustained and focused efforts to improve its operational efficiency helped in maintaining the turnover growth in spite of this setback. The company is fully geared to take up new projects to be announced by the government. HCC will further aim at consolidating its financial parameters in the coming quarters."

Performance of HCC subsidiaries:

Steiner AG: The company has registered a revenue of CHF 242.2 million (Rs 1,616.7 crore) in Q2 of FY2014-15 compared to CHF 208.6 million (Rs 1,391.6 crore) in the previous year. The net profit stood at CHF 1.9 million (Rs 12.8 crore) compared to loss of CHF 5.7 million (Rs 38.2 crore). The closing cash balance of the company was CHF 105.3 million (Rs. 680 crore) reflecting company's steady financial performance with strong liquidity position. During Q2 FY2014-15, the company secured fresh orders worth CHF 48 million (Rs. 310.3 crore). The order backlog was CHF 841 million (Rs. 5,437 crore) at the end of the quarter. In addition to this, the company has secured orders for more than CHF 394 million (Rs. 2,547 crore), where the contracts are yet to be signed.

Lavasa Corporation Limited (LCL): The construction activities in Lavasa city are in full swing with over 3,000 workers on ground. In the first town, Dasve more than 8 lakh sq ft of residential, commercial and social infrastructure is under development. In the second town, Mugaon 29 residential buildings are under development. L&T Infra Finance signed an agreement with Lavasa Corporation for purchase of 20.23 hectares of land, with a development potential of 5 lakh sq ft at

Mugaon for setting up corporate and back-office requirements of L&T Financial services. As an emerging destination, Lavasa continues to attract tourists with close to 2.5 lakh tourists visiting the city in the last quarter. Venky's Xpress and Fun Square Miniplex will commence operations in Lavasa city in October 2014. In the education space, Christ University's Management course commenced operations in July 2014 and Rutgers University conducted two batches for 'International Certificate Program in Training Skills in September 2014.


HCC Infrastructure Co Limited: Construction activity is expected to pick up on NH-34 with the end of monsoons and the Farakka Raiganj Highway project (102km, Rs 1,378 crore) is expected to commence operations by end of this year. The Baharampore Farakka Highway (101 km, Rs. 1,169 crore) was commissioned in May 2014 and has been operating smoothly for more than 5 months now, daily revenue from the project is currently approximately Rs. 24 lacs daily. Further, the NH-34 SPVs have filed claims for Rs. 883 as compensation from the NHAI for delays faced by the Company, primarily due to tardy land acquisition.

Lavasa Corporation Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a draft red herring prospectus, ("DRHP") with the Securities and Exchange Board of India, ("SEBI"). The DRHP is available on the SEBI website at www.sebi.gov.in as well as the respective websites of the BRLMs at www.axiscapital.co.in, <http://investmentbank.kotak.com>, www.icicisecurities.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section "Risk Factors" on page 19 of the DRHP.

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 25% of India's Hydel Power generation and over 50% of India's Nuclear Power generation capacities, over 3,500 lane km of Expressways and Highways, more than 280 km of complex Tunneling and over 350 Bridges. HCC's landmark projects include the Bandra Worli Sea Link, Mumbai - India's first and longest open sea cable-stayed bridge; the Kolkata Metro, Farakka Barrage and India's largest nuclear power plant at Kudankulam - Tamil Nadu, to name a few. 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 9,668 crore, comprises of HCC Ltd, HCC Infrastructure Co. Ltd, HCC Real Estate Ltd, Lavasa Corporation Ltd and Steiner AG in Switzerland.

For further information:



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