

| UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2014 |   |                                     |                                      |                                     |                                 |
|---|---|-------------------------------------|--------------------------------------|-------------------------------------|---------------------------------|
| (₹ Crore)   |   |                                     |                                      |                                     |                                 |
| Sr. No.   | Particulars   | Quarter ended 30th June (Unaudited) | Quarter ended 31st March (Unaudited) | Quarter ended 30th June (Unaudited) | Year ended 31st March (Audited) |
|   |   | 2014                                | 2014                                 | 2013                                | 2014                            |
|   |   | (1)                                 | (2)                                  | (3)                                 | (4)                             |
| <b>PART I</b>   |   |                                     |                                      |                                     |                                 |
| 1   | <b>INCOME FROM OPERATIONS</b>   |                                     |                                      |                                     |                                 |
|   | (a) Net sales / income from operations (Net of excise duty)   | 1,043.48                            | 1,184.83                             | 1,149.56                            | 4,113.49                        |
|   | (b) Other operating income  | -                                   | -                                    | -                                   | -                               |
|   | <b>Total income from operations (a+b)</b>   | <b>1,043.48</b>                     | <b>1,184.83</b>                      | <b>1,149.56</b>                     | <b>4,113.49</b>                 |
|   | Less: Company's share of Turnover in Integrated Joint Ventures  | 58.17                               | 29.93                                | 7.15                                | 74.01                           |
|   | Income from operations excluding Integrated Joint Ventures  | 985.31                              | 1,154.90                             | 1,142.41                            | 4,039.48                        |
| 2   | Company's Share of Profit / (Loss) in Integrated JV's (Net)   | 2.75                                | 2.93                                 | 0.51                                | 3.04                            |
| 3   | <b>Total (1+2)</b>  | <b>988.06</b>                       | <b>1,157.83</b>                      | <b>1,142.92</b>                     | <b>4,042.52</b>                 |
| 4   | <b>Expenses</b>   |                                     |                                      |                                     |                                 |
|   | (a) Cost of materials consumed  | 248.05                              | 273.20                               | 275.90                              | 1,026.95                        |
|   | (b) Construction expenses   | 418.81                              | 583.71                               | 532.82                              | 1,864.43                        |
|   | (c) Employee benefits expenses  | 90.59                               | 93.04                                | 105.01                              | 388.46                          |
|   | (d) Depreciation and amortisation expenses  | 39.61                               | 33.51                                | 37.10                               | 144.61                          |
|   | (e) Other expenses  | 26.79                               | 34.03                                | 27.45                               | 118.92                          |
|   | (f) Total expenses 4 (a to e)   | <b>823.85</b>                       | <b>1,017.49</b>                      | <b>978.28</b>                       | <b>3,543.37</b>                 |
| 5   | <b>Profit / (Loss) from operations before other income, finance costs &amp; exceptional items (3-4)</b> | <b>164.21</b>                       | <b>140.34</b>                        | <b>164.64</b>                       | <b>499.15</b>                   |
| 6   | Other income  | 31.62                               | 45.78                                | 26.82                               | 213.59                          |
| 7   | Exchange Gain / (Loss) (Net)  | 0.63                                | 2.85                                 | (12.04)                             | (13.85)                         |
| 8   | <b>Profit / (Loss) from ordinary activities before finance costs &amp; exceptional items (5+6+7)</b>    | <b>196.46</b>                       | <b>188.97</b>                        | <b>179.42</b>                       | <b>698.89</b>                   |
| 9   | Finance costs   | 156.16                              | 150.24                               | 148.86                              | 607.94                          |
| 10  | <b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (8-9)</b>  | <b>40.30</b>                        | <b>38.73</b>                         | <b>30.56</b>                        | <b>90.95</b>                    |
| 11  | Exceptional items   | -                                   | -                                    | -                                   | -                               |
| 12  | <b>Profit / (Loss) from ordinary activities before tax (10+11)</b>                                      | <b>40.30</b>                        | <b>38.73</b>                         | <b>30.56</b>                        | <b>90.95</b>                    |
| 13  | Tax expense   | 13.20                               | 14.33                                | 11.33                               | 10.31                           |
| 14  | <b>Net Profit / (Loss) from ordinary activities after tax (12-13)</b>                                   | <b>27.10</b>                        | <b>24.40</b>                         | <b>19.23</b>                        | <b>80.64</b>                    |
| 15  | Extraordinary items   | -                                   | -                                    | -                                   | -                               |
| 16  | <b>Net Profit / (Loss) for the period (14+15)</b>   | <b>27.10</b>                        | <b>24.40</b>                         | <b>19.23</b>                        | <b>80.64</b>                    |
| 17  | Paid up equity share capital (Face value of Re. 1/- each)   | 64.59                               | 60.66                                | 60.66                               | 60.66                           |
| 18  | Reserve excluding Revaluation Reserves  | -                                   | -                                    | -                                   | 1,186.73                        |
| 19  | Basic EPS ₹   |                                     |                                      |                                     |                                 |
|   | -before and after Extraordinary items   | 0.43                                | 0.40                                 | 0.32                                | 1.33                            |
| 20  | Diluted EPS ₹   |                                     |                                      |                                     |                                 |
|   | -before and after Extraordinary items   | 0.43                                | 0.40                                 | 0.31                                | 1.33                            |
| 21  | Debt Equity Ratio   | -                                   | -                                    | -                                   | 3.86                            |
| 22  | Debt service coverage Ratio   | -                                   | -                                    | -                                   | 1.25                            |
| 23  | Interest Service Coverage Ratio   | -                                   | -                                    | -                                   | 1.39                            |
| <b>PART II</b>  |   |                                     |                                      |                                     |                                 |
| <b>A. PARTICULARS OF SHAREHOLDING</b>                                       |   |                                     |                                      |                                     |                                 |
| 1   | Public shareholding   |                                     |                                      |                                     |                                 |
|   | i) Number of shares   | 364811026                           | 364811026                            | 364811026                           | 364811026                       |
|   | ii) Percentage of shareholding  | 56.49%                              | 60.14%                               | 60.14%                              | 60.14%                          |
| 2   | Promoters and Promoter Group Shareholding   |                                     |                                      |                                     |                                 |
|   | a) Pledged / Encumbered   |                                     |                                      |                                     |                                 |
|   | -- Number of shares   | 200703600                           | 200703600                            | 200703600                           | 200703600                       |
|   | -- Percentage of shares   | 71.42%                              | 83.00%                               | 83.00%                              | 83.00%                          |
|   | (as a % of the total shareholding of promoter and promoter group)                                       |                                     |                                      |                                     |                                 |
|   | -- Percentage of shares   | 31.08%                              | 33.09%                               | 33.09%                              | 33.09%                          |
|   | (as a % of the total share capital of the company)  |                                     |                                      |                                     |                                 |
|   | b) Non-encumbered   |                                     |                                      |                                     |                                 |
|   | -- Number of shares   | 80311480                            | 41095794                             | 41095794                            | 41095794                        |
|   | -- Percentage of shares   | 28.58%                              | 17.00%                               | 17.00%                              | 17.00%                          |
|   | (as a % of the total shareholding of promoter and promoter group)                                       |                                     |                                      |                                     |                                 |
|   | -- Percentage of shares   | 12.43%                              | 6.77%                                | 6.77%                               | 6.77%                           |
|   | (as a % of the total share capital of the company)  |                                     |                                      |                                     |                                 |
| <b>B</b>  |   | <b>3 Months ended 30.06.2014</b>    |                                      |                                     |                                 |
| <b>INVESTOR COMPLAINTS</b>  |   |                                     |                                      |                                     |                                 |
| 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 30th June, 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 June 2014 is ₹ 13,897 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 ₹ 1421 crore, outstanding as at 30th June 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 and loans and advances aggregating to ₹ 394.47 crore in HCC Real Estate Limited (HREL) which is holding 68% share in Lavasa Corporation Limited and has an investment aggregating ₹ 0.25 crore and loans and advances amounts to ₹ 863.57 crore in HCC Infrastructure Company Limited (HIL) as on 30th June 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 The share warrants of face value of ₹ 1 each at a share premium of ₹ 15.32 per warrant, aggregating to Rs. 64 crore, to promoter group companies issued earlier has been converted into equity shares during the quarter.
- 8 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 is higher by ₹ 6.48 crore. As per the transitional provision, depreciation of ₹ 2.72 crore (net of deferred tax) has been adjusted against retained earnings.
- 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 its meeting held on 31st July, 2014.

for Hindustan Construction Co. Ltd.



Ajit Gulabchand

Chairman & Managing Director

Mumbai, Dated : 31st July, 2014.

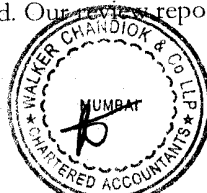
# Walker Chandlok & Co LLP

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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 30 June 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.
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. 1,421 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.



Chartered Accountants

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

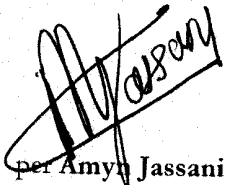
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- (b) Note 5 to the Statement regarding managerial remuneration paid to Chairman and Managing Director, which is in excess by Rs. 10.18 crores for each year in respect of financial years 2012-13 and 2013-14, for which Company has made applications 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 Limited, amounting to Rs. 474.36 crores and Rs. 0.25 crores, respectively, and long term loans and advances due from these subsidiaries amounting to Rs. 394.47 crores and Rs. 863.57 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 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 three months period ended 30 June 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 2 August 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.

*Walker, Chandiook & Co LLP*

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



per Amyn Jassani  
Partner  
Membership No. F-46447

Place: Mumbai  
Date: 31 July 2014

**Press Release****HCC Net Profit up 41% at Rs 27.1 crore**  
**For the fifth consecutive quarter, HCC reports positive results**

**Mumbai: July 31, 2014:** HCC has registered a Net Profit of Rs 27.1 crore for the first quarter of FY 2014-15 compared to Rs 19.2 crore in the corresponding period last year. The turnover in Q1 stood at Rs 1,043.5 crore compared to Rs 1,149.6 crore in the previous year.

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

- HCC Board of Directors approve fund raising through QIP issue of securities
- Turnover at Rs 1,043.5 crore against Rs 1,149.6 crore on YOY basis
- Operating Profit at Rs 201.1 crore compared to Rs 201.2 crore on YOY basis
- EBIDTA margins at 20.4% compared to 17.6% on YOY basis
- Net Profit of Rs 27.1 crore compared to Rs 19.2 crore on YOY basis
- Current order book at Rs 13,897 crore, excluding L1 contracts worth Rs 753 crore

This is the fifth 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 results consistently. The process of monetization of assets / equity raising has gathered momentum which would result in deleveraging balance sheet and reducing finance cost. During the Q1 of FY2014-15, the company secured two new orders worth Rs 557 crore.

Commenting on the company's performance, **Praveen Sood, Group CFO** said, "The Company is fully geared up to capture additional opportunities in infrastructure sector promised by the new government with economic revival. Meanwhile, improved investor's sentiments have opened many opportunities for the company to raise equity or equity like instruments which will not only deleverage the company but also cut finance cost substantially.

The Board of Directors of HCC have approved raising of long term funds by way of issuance of Equity Shares through Qualified Institutions Placement (QIP Issue) for an amount not exceeding Rs 750 crore.

**Performance of HCC subsidiaries:**

**Steiner AG:** The company has registered a revenue of CHF 227.4 million (Rs 1,529.9 crore) in Q1 of FY2014-15 compared to CHF 202.1 million (Rs 1,359.7 crore) in the previous year. The net profit stood at CHF 2.8 million (Rs 18.8 crore) compared to CHF 3.6 million (Rs 24.2 crore). The closing cash balance of the company was CHF 130 million (Rs. 880.8 crore) reflecting company's steady financial performance with strong liquidity position. During Q1 FY2014-15, the company secured fresh orders worth CHF 73.6 million (Rs. 497.2 crore). The order backlog was CHF 1.03 billion (Rs.6,996 crore) at the end of the quarter. In addition to this, the company has secured orders for more than CHF 450 million (Rs. 3,039.7 crore), where the contracts are yet to be signed.

**Lavasa Corporation Limited (LCL):** The Company has filed draft prospectus on July 01, 2014 with SEBI for raising up to Rs 750 crore through Initial Public Offer (IPO). The company has in-principle approval from BSE and NSE for its public issue. The proceeds of this public issue will be utilised for development of certain infrastructure facilities at Mugaon, construction of certain buildings at Dasve and Mugaon, repayment and / or prepayment of certain debt and general corporate purposes. The construction activities are in full swing with over 4,300 workers on ground. Till date, over 711 residential units have been completed and totally 2720 units were sold, including 399 units of Rental Housing.

**HCC Infrastructure Co Limited:** Baharampore Farakka Highway (101 km, Rs. 1,169 crore), a part of NH34, commenced commercial operations in May 2014. Further, the tolling for the Farakka Raiganj Highway (102km, Rs 1,378 crore) is expected to commence later this year. With a majority of the HCC Concessions' BOT having achieved maturity, the process of monetising select assets at attractive valuations is underway.

#### **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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