



Contents

CHAIRMAN'S LETTER	4
COMPANY INFORMATION	6
MANAGEMENT DISCUSSION AND ANALYSIS	13
CORPORATE GOVERNANCE	23
SHAREHOLDER INFORMATION	31
BOARD'S REPORT	41
DIVIDEND DISTRIBUTION POLICY	87
BUSINESS RESPONSIBILITY REPORT	88
STANDALONE AUDITORS' REPORT	95
STANDALONE FINANCIAL STATEMENTS	104
CONSOLIDATED AUDITORS' REPORT	169
CONSOLIDATED FINANCIAL STATEMENTS	176

Highlights 2016-17

- HCC E&C business order book grows by 12.5% to ₹ 20,390 crore, excluding L1 bids worth ₹ 2,804 crore.
- The Company registered turnover of ₹ 4,195.9 crore and net profit of ₹ 59.4 crore.
- Pursuant to the recent Cabinet order on arbitration awards, HCC to receive ₹ 2,599 crores as 75% of the arbitration award in its favour. Of these, ₹ 380 crore has already been received.
- HCC Concessions has achieved commercial operations of its ₹ 1,720 crore Farakka Raiganj toll road (NH-34) in October 2016.
- Steiner AG revenue at CHF 820.6 million (₹ 5,580 crore) and net profit at CHF 3.2 million (₹ 21.7 crore).
- Steiner AG secured fresh orders worth CHF 927 million (₹ 5,977 crore). The order backlog is CHF 1.43 billion (₹ 9,200 crore), excluding orders for over CHF 700 million (₹ 4,515 crore), where contracts are yet to be signed.
- Lavasa city continues to be a popular tourist destination. The tourist footfall in FY 2016-17 was 890,000.

HCC's Major Projects

ANDHRA PRADESH

- Cavern for Crude Oil Storage, Vishakhapatnam
- Chimney at Vijayawada
- Godavari Barrage at Rajahmundry
- Godavari Railway Bridge
- Papavinasam Dam
- Polavaram Project Right Main Canal
- Pula Subbaiah Veligonda Tunnel
- Tata Memorial Centre, Hospital
- Vizag Monolith, West Wall Protection

ARUNACHAL PRADESH

- Pare Hydro Power Project

ASSAM

- Bogibeel Rail-cum-Road Bridge
- Brahmaputra Bridge
- IOCL Refinery at Guwahati
- NH-37 - Numaligarh to Jorhat Highway
- NH-54 - Maibang to Nimbanglo Highway

BIHAR

- Barauni Thermal Power Plant
- Ganga Bridge at Mokameh
- Munger Rail-cum-Road Bridge
- Muzaffarpur Thermal Power Plant
- Sone Barrage
- Sone Bridge

CHATTISGARH

- Bailadila Project
- Bhilai Steel Plant

DELHI

- Delhi Faridabad Elevated Expressway
- DMRC - Airport Metro Express Line
- DMRC - Dwarka to Najafgarh
- DMRC - Janakpuri West to Palam Station
- DMRC - Netaji Subhash Place to Shalimar Bagh
- DMRC - Vishwa Vidyalaya to ISBT
- Flyover linking existing Munirka flyover to Army RR Hospital
- Water & Sewage Treatment Plants at Okhla, Tihar Jail, Wazirabad

GOA

- Goa Barge Berth at Marmugoa

GUJARAT

- Gandhinagar Cooling Towers
- Kachchh Branch Canal
- Kakrapar Atomic Power Project
- Kalol Mehsana Gas Pipeline
- Mehsana to Palanpur Highway
- Pumped Water Supply Scheme from Kesaria to Sonari
- Reliance J3 Refinery at Jamnagar
- Saurashtra Branch Canal
- Swarnim Gujarat Kutch Water Grid
- Tapi Road Bridge

HARYANA

- Hathnikund Barrage
- Panipat Chimney
- Road Bridge at Palwai

HIMACHAL PRADESH

- Chamera Hydro Power Project, Stage I
- Chamera Hydro Power Project, Stage III
- Kashang Hydro Power Project
- Nathpa Jhakri Hydro Power Project
- Sainj Hydro Power Project
- Tunnels for Sawra Kuddu Hydro Power Project

JAMMU & KASHMIR

- Access Road Tunnel to Sawalkote Hydro Power Project
- AnjiKhad railway cable stayed bridge
- Chutak Hydro Power Project
- IRCON Tunnel T13 Project
- Kishanganga Hydro Power Project
- Mughal Road
- Nimoo Bazgo Hydro Power Project
- Pir Panjal Tunnel
- Ramban Banihal Highway
- Salal Hydro Power Project
- T 48 Tunnel - Dharam-Qazigund
- T 49 Tunnel - Dharam-Qazigund
- Uri-II Hydro Power Project

JHARKHAND

- Chandil Dam
- Grand Trunk Road Improvement Project

KARNATAKA

- Cavern for Crude Oil Storage, Padur
- Kadra Dam
- Karnataka State Highways Project
- Sharavati Hydro Power Project
- Yettinahole Project

KERALA

- Brahmapuram Diesel Power Plant
- Dam across Idamalayar
- Dam across Moozhiyar and Veluthodu
- Lower Periyar Hydro Power Project
- Sebarigiri Dam
- Tanker Terminal and Fertiliser Berth, Cochin
- Wellington Bridge, Cochin

MADHYA PRADESH

- Bistan Lift Irrigation Scheme
- Road Bridge over River Indravati
- Satpura Thermal Power Station
- Tons Hydro Power Project

MAHARASHTRA

- Aerated Lagoons, Mumbai
- Ambernath/Ulhasnagar STP
- Bandra Effluent and Influent Disposal, Mumbai
- Bandra-Worli Sea Link
- BARC - Integrated Nuclear Recycle Plant, Tarapur
- BARC - Reactor, Lab & Spent Fuel Building
- Bhama Askhed Pipeline
- Bhandup Pipeline
- Bhandup Water Treatment Complex
- Bhorghat Tunnel
- DGNP Dry-Dock and Wharves
- Factory Civil Works for Premier Automobiles Limited
- Ghatkopar High Level Water Tunnel
- Koyna Hydro Power Project Stage I to IV
- Middle Vaitarna Water Pipeline
- Mumbai Metro Line 3: UGC-02
- Mumbai Metro One
- Mumbai-Pune Expressway
- NH-3 MP/Maharashtra Border - Dhule Highway

- NH-4 - Satara Kolhapur Highway
- Nhava Sheva WTP Works, Raigadh
- Pune Paud BOT Road
- ▲ Residential towers at Anushakti Nagar
- Surveillance Facility Project at Tarapur
- Trombay Chimney Works
- Vaitarna Dam
- Water Supply Tunnel from Bhandup to Charkop, Mumbai
- Water Treatment Plant, Pune
- Water Tunnel between E Moses Road and Ruparel College, Mumbai
- Water Tunnel between Sewri and Futka
- Water Tunnel from Maroshi to Ruparel College, Mumbai

MANIPUR

- Imphal Kangchup Tamenglong Road
- ▲ Parallel safety tunnel of T-12
- Railway Tunnel No.1 between Jiribam and Tupul
- Railway Tunnel No. 3 between Jiribam and Tupul
- Railway Tunnel No. 10 between Jiribam and Tupul
- Railway Tunnel No. 12 between Jiribam and Tupul
- Railway Tunnel No. 12 between Tupul and Imphal

ORISSA

- Aditya Aluminium Project
- Dam at Upper Kolab
- Naraj Barrage, New Cuttack
- Paradip Port Road
- Road Bridge across Mahanadi

PUNJAB

- 140 m High Chimney at Ropar
- Rail Coach Factory at Kapurthala

RAJASTHAN

- Chambal Bridge at Dholpur
- East-West Corridor Project
- Rajasthan Atomic Power Project, Units 1 & 2
- Rajasthan Atomic Power Project, Units 3 & 4

- Rajasthan Atomic Power Project, Units 5 & 6
- Rajasthan Atomic Power Project, Units 7 & 8

TAMIL NADU

- Chennai Bypass
- Chennai Ore Berth, Jetty, Wharf
- Ennore Port-Rock Quarrying & Breakwater
- ▲ High rise buildings at DAE Anupuram
- IGCAR's Fast Reactor Fuel Cycle Facility at Kalpakkam
- Kadamparai Pumped Storage Project
- Kudankulam Nuclear Power Project, Units 1 & 2
- Lower Mettur Hydro Power Project
- Navamalai Irrigation Tunnel
- Tirupur Water Supply Project
- Upper Ninar Irrigation Tunnel

TELANGANA

- JCR Devadula Lift Irrigation Scheme Phase I
- JCR Devadula Lift Irrigation Scheme Phase II
- JCR Devadula Lift Irrigation Scheme Phase III
- North-South Corridor NHDP Phase II Package AP-8
- Pranahita Chevella Lift Irrigation Scheme
- Rajiv Dummugudem Lift Irrigation Scheme
- Ramagundam Thermal Power Project

UTTAR PRADESH

- Allahabad Bypass
- Gomti Aqueduct
- Maneri Bhali Hydroelectric Power Project
- Naini Cable Stayed Bridge
- Narora Atomic Power Project
- NH - 233 - Indo Nepal Border to Rudhali Highway
- NH - 28 - Lucknow Muzaffarpur Highway
- Rihand Dam
- Rihand STPP

- Sai Aqueduct
- Sharda and Ghogra Barrages
- Varanasi Bridge
- Yamuna Hydro Power Project

UTTARAKHAND

- Tapovan Vishnugad Hydro Power Project
- Dhauliganga Hydro Power Project
- Tehri Pumped Storage Project
- Vishnugad Pipalkoti Hydroelectric Power Project

WEST BENGAL

- Elevated Road from Park Circus to E.M. Bypass, Kolkata
- Farakka Barrage
- Golden Quadrilateral Road Project - Kolaghat to Kharagpur
- Haldia Docks Project
- Kalyani Bridge
- Kolkata Metro
- Mahananda Barrage
- ★ NH-34 - Bahrapore - Farakka Highway
- ★ NH-34 - Farakka - Raiganj Highway
- ★ NH-34 - Raiganj - Dalkhola Highway
- Purulia Pumped Storage Project
- Teesta Barrage
- Teesta Low Dam Hydro Power Project Stage IV

BHUTAN

- Dagachhu Hydro Power Project
- Kurichhu Hydro Power Project
- Nikachhu Hydro Power Project
- Punatsangchhu Hydro Power Project
- Tala Hydro Power Project

- Major projects completed in past
- Projects completed in the year
- Projects in progress
- ▲ New projects
- ★ BOT projects

Chairman's Letter

Dear Shareholder,

In more ways than one, 2016-17 has been a significant year for your Company. Let me share several reasons why this is so.

As I have been writing in my last few letters to you, for the last four years of the UPA-2 government the major problem that faced all construction companies was the legacy of stalled infrastructure projects. The size was immense. As an example, on February 01, 2016, there were 304 stalled projects involving investments of ₹ 12,75,877 crore.

Such stalled projects completely destroyed the financial viability of private infrastructure developers and construction companies. These enterprises had used sizeable working capital to mobilise labour and deploy expensive plant and machinery at various project sites. With the stalling and inordinate delays of these projects, the obvious consequences were massive cost over-runs and huge financial strains. Matters significantly worsened with government and quasi-government execution agencies holding back payments against contractor claims. Even when independent arbitrators in dispute resolution favoured construction companies, the executing agencies invariably delayed the payment process by appealing to a higher judiciary.

Thus, all construction majors in the infrastructure sector faced a terrible situation of burgeoning receivables on their balance sheets, inadequate cash inflows and huge interest payment on large working capital exposures. For a sample of listed construction companies, interest cost as a percentage of total income soared from 6% in 2008-09 to above 13% in 2015-16 — when the debt-equity ratio had bloated to over 8. Simply put, for even the better construction majors such as your Company, the business was not financially sustainable.

Thankfully, the NDA government under Prime Minister Narendra Modi has intervened to correct this glaring problem.

First, the Government of India (GoI) has managed to break the choke-hold of stalled projects, by giving faster clearances and closely monitoring these at the highest levels. Only 24 projects that were under implementation remained stalled during the quarter ended March 2017 — the lowest in any quarter since December 2008. Moreover, the number of abandoned projects is the lowest in any quarter over the past eight years; and the value of such projects is just a tenth of the average value that we have witnessed over the past eight years.



Second, to revive the construction sector, the Cabinet Committee on Economic Affairs has approved a series of initiatives which ought to help in improving liquidity and introduce much needed reforms in the business of contracting. Some of these include:

- The Arbitration and Conciliation (Amendment) Act, 2015, which facilitates faster and time bound decision making in the arbitration process.
- Where public sector undertakings (PSUs) or government departments have challenged the arbitration award, 75% of the award amount is to be paid to the contractor or concessionaire against a margin-free bank guarantee.
- All PSUs or departments issuing public contracts are being encouraged to set up Conciliation Committees or Councils comprising independent subject experts to ensure expeditious disposal of pending or new cases.
- Item-rate contracts can now be substituted by EPC or turnkey contracts. If this is done, the PSUs or departments are expected to adopt the model EPC contract for construction works.

These initiatives ought to create a sound process of dispute resolution and, by doing so, infuse badly needed liquidity in the construction sector.

Your Company has secured favourable arbitration awards which will yield a cash inflow of ₹ 2,599 crore as 75% of the awarded amount. As on date, ₹ 380 crores were received of the above amount.

Third, the Reserve Bank of India (RBI) has stepped in to regulate unsustainable levels of corporate debt. The new Strategic Debt Restructuring (SDR) and the Scheme for Sustainable Restructuring of Stressed Assets (or S4A) introduced in 2016 should give relief to the construction majors and create the liquidity needed to bid for new projects. More on this a bit later.

Fourth, the Gol has clearly focused on pushing for significant infrastructure development. In the Union Budget of 2016-17 the outlay on infrastructure was substantially stepped up. The Union Budget 2017-18 boosted it further by 10% to ₹ 3,96,135 crore, with roads, bridges and railways seeing higher allocations. Thus, we are at last beginning to see a concerted attention to, and greater funding of, infrastructure.

Fifth, let me now share with you what your Company has done regarding the S4A scheme. We became the first company in India to adopt S4A. The scheme involves: (i) carving out a certain part of your Company's debt which is converted into a combination of equity and Optionally Convertible Debentures (OCDs) in the hands of the lending banks, with (ii) balance debt to be serviced as per the existing terms. For HCC:

- The entire funded exposure of ₹ 5,107 crore was divided into two debt classifications: sustainable debt of ₹ 2,681 crore and unsustainable debt of ₹ 2,426 crore.
- A portion of the unsustainable debt was converted into equity share capital so as to allow lenders to jointly own around 23.6% of the expanded share capital of your Company.
- OCDs have a repayment period over 10 years and will carry a coupon of 0.01% p.a with yield to maturity of 11.5%.

HCC secured approval of the scheme from shareholders at an Extraordinary General Meeting held on January 05, 2017. Thereafter, the S4A scheme has been implemented which has substantially reduced interest outgo and repayment obligations. The scheme provides your Company much needed breathing space for its cash management.

Sixth, we are starting to get good orders. During 2016-17, your Company secured ₹ 5,375 crore worth of new orders. The order backlog grew by over 12.5% from ₹ 18,123 crore at the end of 2015-16 to ₹ 20,390 crore on March 31, 2017. I need to emphasise that we will only pursue financially sound orders, so that we grow with the right type of construction projects while simultaneously keeping a tight control on preserving cash flows.

Seventh, given the stress that your Company has gone through, the standalone financial results for 2016-17 are quite creditable. Under the new IND-AS accounting standard, out of total operational income of ₹ 4,196 crore, PBT was ₹ 97 crore and PAT was ₹ 59 crore. No doubt, the results can be better, as I hope it shall be in 2017-18 and thereafter.

Eighth, Arjun Dhawan, who has been associated with your Company for nearly a decade, has taken over as the Group CEO from April 01, 2017. I wish him well in his new job.

India is back to growth. The dark clouds seem to have dissipated. But not entirely. Bureaucrats are still not taking timely decisions for fear of being charged with corruption. For the same reason some do not act expeditiously on even orders coming from the Union Cabinet. The administration of contracts by government agencies is still tardy, suffering from excessive dissecting to find reasons why not to act. And when action is forthcoming, it is often in violation of the contractual conditions. Contract administration needs reform. This needs support from the central and state governments if these are to be executed on time and with least cost overruns.

The banking sector is in a crisis of its own. The new Banking Ordinance and the latest RBI regulatory order in the wake of the ordinance are encouraging. But the confidence of bankers to make them work is still to be tested. They too are fearful of being charged with corruption even though the Ordinance and the RBI orders gives them adequate teeth to take tough decisions. They need to be left alone and operate without the fear to make commercial decisions.

It is under these circumstances that we have to move forward to deliver performance. The year 2017-18, therefore, will be a year of consolidation and laying the foundation for a growth path. The Gol's determination to remove the obstacles to economic growth is encouraging. Let us pray for a burst of consistent growth that our country needs, growth driven by the government's purposeful drive to build infrastructure — and with it, better times for HCC.

Thank you for your support.

Yours,



Ajit Gulabchand
Chairman & Managing Director

Company Information

BOARD OF DIRECTORS

Ajit Gulabchand
Chairman & Managing Director

Rajas R. Doshi

Ram P. Gandhi

Sharad M. Kulkarni

Anil C. Singhvi

Harsha Bangari

Dr. Omkar Goswami

N. R. Acharyulu
Non-Executive Director (w.e.f. May 02, 2016)

Shalaka Gulabchand Dhawan
Whole-time Director

Rajgopal Nogja
Group COO & Whole-time Director (upto May 02, 2016)

Arjun Dhawan
Group CEO & Whole-time Director (w.e.f. April 01, 2017)

COMPANY SECRETARY

Sangameshwar Iyer (upto May 08, 2017)

Venkatesan Arunachalam (w.e.f May 09, 2017)

AUDITORS

Walker Chandiook & Co., LLP Chartered Accountants

ADVOCATES & SOLICITORS

Agarwal Law Associates

Cyril Amarchand Mangaldas

BANKERS/FINANCIAL INSTITUTIONS

ICICI Bank Ltd.

Punjab National Bank

State Bank of India

IDBI Bank Ltd

Indian Bank

Oriental Bank of Commerce

The Jammu & Kashmir Bank

Canara Bank

State Bank of Patiala

Union Bank of India

Bank of Baroda

Vijaya Bank

DBS Bank Ltd

The Federal Bank Ltd

Standard Chartered Bank

Exim Bank of India

Export Import Bank of the United States (EXIM US)

LIC of India

Central Bank of India

Axis Bank Ltd

Bank of Maharashtra

State Bank of Travancore

Syndicate Bank

State Bank of Mysore

United Bank of India

IFCI Ltd

Indian Overseas Bank

State Bank of Hyderabad

NABARD

SREI Equipment Finance Limited

REGISTRAR & SHARE TRANSFER AGENTS

TSR Darashaw Ltd.

6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai - 400 011.

REGISTERED OFFICE

Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai - 400 083.



Sainj Hydro Power Project, Himachal Pradesh

The 100 MW Sainj Hydro Power project is constructed by HCC for Himachal Pradesh Power Corporation (HPPCL). The project is designed to generate 399.57 GWh in a 90% dependable year and 436.90 GWh in a 50% mean year pattern of flow. The project has commenced trial operations and the first turbine spinning was achieved on April 25, 2017. The commercial operation of the project is expected to begin by June 2017.



Delhi Metro Rail Project - Pkg CC34

The Delhi Metro team has started trial-runs on the 10 km stretch between Janakpuri West and IGI Airport Terminal 1 stations on the Magenta Line on December 21, 2016. The total length of the Magenta line is 38.23 km which starts from Janakpuri West and terminates at the Botanical Garden station. HCC was awarded CC34 package on Magenta Line which includes construction of 4.4 km twin tunnels and 3 underground stations – Janakpuri West, Dabri Mor and Dashrath Puri. With this, HCC is nearing completion of the CC34 package.



Bogibeel Rail-cum-Road Bridge, Assam

Bogibeel Rail-cum-Road Bridge being built by HCC in Assam stretching across Brahmaputra River is fast approaching completion. This double deck bridge built by fully welded steel trusses, each weighting a mammoth 1700 MT, are pulled over the pillars in 4 launching segments of 10 spans each. The last segment is currently been pulled over the pillars. The first segment has already reached North bank and is lowered on permanent bearings. The deck slab construction for road has also commenced.



Dagachhu Hydro Power Project

HCC achieved full load capacity at the 126 MW Dagachhu Hydroelectric Power Project in Bhutan on June 07, 2016. This is the first cross-border clean development mechanism project for Bhutan and HCC has constructed the project on EPC basis. After commissioning of the project a technical snag was developed which was rectified in a record 82 days against client allotted 92 days to attain full load capacity.



Farakka Raiganj Highway starts commercial operation

HCC Concessions Ltd commenced commercial operations of its ₹ 1,720 crore Farakka Raiganj Highways Ltd (FRHL) in Bengal on October 19, 2016. FRHL covers the busiest section of NH-34 over 100 km and passes through major towns such as Farakka, Kaliachawk, Malda, and Gajol, besides being the only link over the river Ganges in the region. The project, which has a concession period of 30 years, forms an integral part of HCC's ₹ 4,300 crore development of NH-34 across three contiguous stretches over 256 km between Baharampore and Dalkhola.



Parama Flyover – East bound arm opens for traffic

The East bound arm of the Parama Island flyover in Kolkata connecting the AJC Bose flyover was opened for traffic on August 04, 2016. This new ramp that flies over the Circus Avenue and the seven point crossing is the first of the two arms designed to connect with AJC Bose Flyover. The main trunk of the flyover between Parama Island and Park Circus was commissioned in October 2015. The work on the second arm is expected to start soon after the finalisation of its design.



Brienzersee Resort, Oberried

Steiner AG has commissioned the Brienzersee Resort project near Interlaken after conveyance of the land was successfully completed in September 2016. The project encompasses a tourist complex with 17 buildings accommodating hotel rooms, retail space, a reception and a restaurant. An indoor swimming pool, boat moorings and two indoor parking lots are also planned. The entire project will be constructed in three phases and construction work will extend over four years.



Baloise Park, Basel

Steiner AG is constructing a 90 m high tower, Baloise Park, close to Basel's main train station as total contractor. The new-build Baloise Park complex will accommodate offices for around 1300 workplaces, a 264-room luxury hotel with a conference centre, restaurants and a ballroom. Baloise insurance group will be renting out the top seven floors as office spaces. The project is to be completed by 2020.



Care Centre II, Baar

The Care Centre II consists of a cubical four-storey building and provides space for 60 employees working in long-term patient care. The new annex accommodates a total of 80 single-bed rooms spread over 4 floors. Treatment rooms, offices, workspaces and a general purpose hall with an integrated chapel all located on the ground floor creates visionary ways to meet patients' needs. A light-soaked 200 m² interior courtyard will help increase the mobility of severe dementia sufferers and ensures rapid access in emergencies.



Lavasa

Lavasa city continues to be a popular tourist destination. The tourist footfall in FY 2016-17 was 890,000. Since the stoppage of work order by the then Union government in 2010 and a prolonged slowdown in the sector, Lavasa has been working with its lenders to recapitalize the project for long term success.



Awards and recognitions in the FY 2016-17

During FY 2016-17, HCC won four industry awards including

- CIDC Vishwakarma Award 2017 for Teesta Low Dam IV Hydro Power project
- Construction Week India Awards 2016 for Teesta Low Dam IV Hydro Power project
- Construction Times Award for Pir Panjal Rail Tunnel project
- Infosec Maestros Award 2017 for IT Security Solutions implemented at the Tendering department of HCC

HCC's step down subsidiary, Charosa Wineries also won some of the prestigious awards for its wines including

- Ambrosia Awards 2017 for Pleasures Sauvignon Blanc
- Indian Wine Consumer's Choice Awards 2017 for Pleasures Cabernet Shiraz NV, Reserve Tempranillo 2014, Selections Sauvignon Blanc 2016, Reserve Cabernet Sauvignon 2014 and Charosa Selections Viognier 2016
- 1st Asian Wine & Spirit Awards for Selections Viognier and Selections Sauvignon Blanc
- Belt & Road Wine and Spirits Challenge 2016 awards for Selection Sauvignon Blanc 2015 and Selection Viognier 2015

Management Discussion and Analysis

Introduction

With a rich heritage spanning nine decades since its inception in 1926, Hindustan Construction Company ('HCC' or 'the Company') is one of India's premier engineering and construction companies. Over the years, it has created a strong reputation for executing large projects involving high levels of technical expertise. In fact, as of date, it has built over 25% of India's installed hydro-power projects, 65% of the country's nuclear power generation capacity, more than 3,800 km of roads, 320 km of complex tunnelling works and completed 365 bridges. With such expertise and capability, HCC is well positioned as a major partner in India's efforts to develop world class infrastructure.

It is widely accepted that for India to sustain real economic growth of over 7% per annum, considerable efforts are needed in developing the requisite physical infrastructure backbone. While the need for widespread infrastructure development in India is firmly established, the progress on the ground, especially over the last five to six years, has been regrettably unsatisfactory. Project execution continues to be hampered by several issues such as land acquisition, environment protection and socio-political considerations.

Thus, while several projects came on-stream in the recent past, a large number remain stalled or considerably delayed, which has contributed to construction companies making unproductive capital outlays and facing a severe liquidity crunch. From developers to construction majors and sub-contractors, most players across the value chain are grappling with the malaise of timing mismatch in cash flows. In this environment, efforts to sustain operations have resulted in most companies having to deal with large debt burdens and over-leveraged balance sheets. Being an industry leader, HCC was no exception. In this milieu, HCC is currently focused on striking a fine balance between growing and executing new projects while overcoming the burden of legacy issues.

Macroeconomic Review

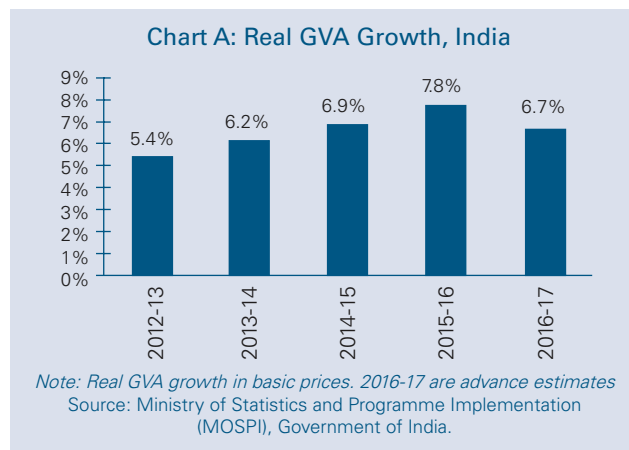
In a backdrop of global uncertainty and slowing economic growth, India was a bright spot in 2016-2017 with robust macroeconomic fundamentals.

The year was marked by two major domestic policy developments: passage of the Constitutional amendment which paved way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the ₹ 500 and ₹ 1,000 bank notes in the country.

The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth. It is also a bold new experiment in the governance of India's cooperative federalism. The bill to implement GST has been passed in the Parliament and the country is poised to move to a GST regime from the second quarter of 2017-2018.

Demonetisation had short-term costs. Contemporary evidence tended to suggest significant disruption for the first six to eight weeks due to unprecedented cash constraints throughout the economy. However, the national income data published by the Central Statistics Office (CSO) does not suggest any significant reduction in growth in the third quarter of 2016-2017, which coincided with demonetisation. The third quarter tends to be muted. In 2015-2016, the growth rate of real gross value added (GVA) in Q2 was 8.4%; while in Q3 it was 7%, or a sequential drop of 1.4 percentage points. In 2016-2017, GVA growth in Q2 was 6.7%, and in Q3 it was 6.6%. Thus, despite the effects of demonetisation for much of Q3 financial year 2017, the negative effect — as reported by the CSO — has been only 10 basis points. What the data so far suggests is that the demonetisation effect was more moderate than what the critics claimed it would be. And it looks as if its effects have been transitory.

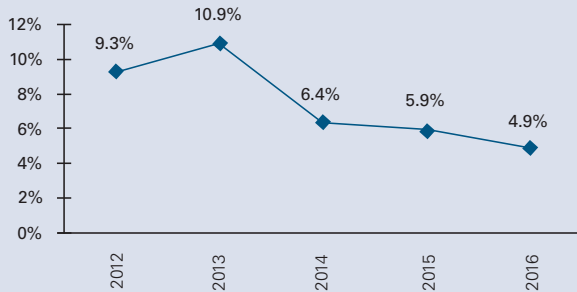
Although growth in 2016-2017 is expected to be less than what it was a year earlier (see Chart A), it needs to be stated that 6.7% GVA will be the highest among developed and large emerging markets of the world.



Unless there are some serious unforeseen crises, India is now well placed to clock 7.3% to 7.5% growth in 2017-2018. Moreover, reforms such as overhauling the bankruptcy laws and giving banks more teeth to deal with their non-performing assets (NPAs), sustained increase in public infrastructure spending and continuing tight supervision of monetary policy suggests that India is again well placed for a period of sustained growth in excess of 7% per annum.

Other major macroeconomic parameters like inflation, fiscal deficit and current account balance have also exhibited distinct signs of improvement in 2016-2017. Inflation measured by the Consumer Price Index (CPI), which averaged 4.9% during April-December 2016 (see Chart B), has displayed a downward trend since July, 2016 when it became apparent that the kharif agricultural production would be bountiful and reached 3.65% by February 2017. Core inflation has also been quite stable, hovering around 4.5% to 5% for most of 2016-2017.

Chart B: Inflation (Consumer Price Index)



Source: MOSPI, Government of India; 2016 data is April-Dec

There was also some improvement in Government's fiscal condition. Revised estimates suggest that with gross tax revenues increasing from 10.6% in 2015-2016 to 11.3% in 2016-2017, the fiscal deficit has reduced from 3.9% of GDP in 2015-2016 to 3.5% in 2016-2017.

On the external economic front, the trade deficit declined by 23.5% in April-December 2016 over the corresponding period of 2015-2016. This was driven by a contraction in imports, which was far steeper than the fall in exports. Thereafter, during October to December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5%.

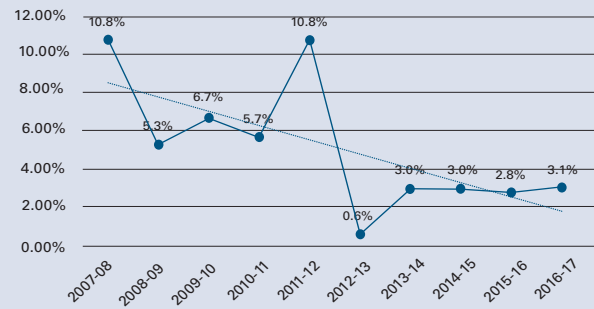
In 2016-2017, therefore, not only has India established itself as the world's fastest growing major economy, underpinned by a stable macro-economy with declining inflation and improving fiscal and external balances, but it has also emerged as one of the few economies enacting major structural reforms that have strong longer term implications.

India's Construction Sector

The infrastructure sector is at the heart of growth of India. Estimates suggest that the country needs close to ₹ 31,000 billion (US\$455 billion) to be spent on infrastructure development over the next five years, with 70% of funds needed for power, roads and urban infrastructure segments. Despite this need, India's rank on infrastructure development in the Global Competitive Index was at 68 in 2016-2017 — an improvement of only 19 places compared to 2014-2015. Notwithstanding an enormous demand for physical infrastructure, the sector is facing significant challenges, as the developers, the financial community and the government grapple with stalled projects, non-performing loans and widening gap between performance and targets.

Consequently, India's construction growth in GDP terms has tapered off substantially since 2011-12. Chart C shows that after an impressive 10.8% growth in 2011-12, the sector has seen much lower activity since and grew by only 3.1% in 2016-2017. The worrying factor is that growth in overall Gross Fixed Capital Formation (GFCF) has also reduced significantly from 6.1% in 2015-2016 to 0.6% in 2016-2017.

Chart C: Construction Growth (Real GVA)



Note: Data pre-2012-13 is in GDP terms and post is in GVA terms.
Source: CSO, Government of India

The slowdown in construction activities has adversely affected Engineering, Procurement and Construction (EPC) companies across India. Several unforeseen issues impacted projects at various stages of their lifecycle from planning to operations, which have made several of them unviable. The sector is plagued with significant cost overruns, regulatory bottlenecks and aggressive bidding positions taken by a few market players resulting in financial losses. Another important element is the massive build-up of claims that are receivable from various government entities. These are on account of several factors, such as change of scope of work (quantity variation or extra items), idling of resources like manpower and overheads, compensation beyond the original stipulated contract period, change in statute and loss of opportunity. The entire claims resolution mechanism has been substantially delayed and, consequently, blocked up large amounts of cash severely affecting liquidity across the value chain.

The Government of India has two very different challenges. First, it has to deal with and resolve several of these legacy issues that plague the infrastructure and construction sector. Second, it has to provide a new round of growth impetus to the sector. On both these fronts, the government has made some headway in 2016-2017. However, these are initial steps and much of the developments on the ground are expected in the next few year.

In an important development, the central government has finally managed to break the choke-hold of stalled projects, by giving faster clearances and closely monitoring these at the highest levels. According to data released by the Centre for Monitoring of the Indian Economy, only 24 projects that were under some stage of implementation were stalled during the quarter ended March, 2017. This is the lowest number of stalled projects under implementation in any quarter since December 2008. Investment in such stalled projects has reduced from ₹ 92,000 crore in the quarter ended March, 2016 to ₹ 25,700 crore in the quarter ended March, 2017. According to this data, projects worth only ₹ 4,400 crore were abandoned during the March, 2017 quarter. This was the lowest number of abandoned projects in a given quarter over the past eight years. Their total value is just a tenth of the average value of abandoned witnessed over the past eight years.

In the present business environment, owing to the existing high levels of debt, the construction companies are left with limited opportunity to raise further capital to fuel growth. To revive the construction sector, the Cabinet Committee on Economic Affairs has approved a series of initiatives, which are expected to help in improving liquidity in the short run and reform the contracting regime in the long run. These include:

- PSUs/departments may seek the consent of the contractors/ concessionaires to transfer the arbitration cases initiated under the pre-amended Arbitration Act to the amended Arbitration Act, wherever possible.
- In case of claims where the PSU/departments has challenged the Arbitration Award, 75% of the award amount may be paid by the PSU to the contractor/ concessionaire against margin-free bank guarantee.
- All PSUs/departments issuing public contracts may consider setting up Conciliation Committees/Councils comprising independent subject experts in order to ensure speedy disposal of pending or new cases.
- Item-rate contracts, may be substituted by EPC (turnkey) contracts, and PSUs/ Departments may adopt the model EPC contracts for construction works.
- Department of Financial Services, in consultation with the Reserve Bank of India (RBI), is formulating a one-time package for the construction sector which is expected to be announced shortly.

These initiatives are expected to infuse appropriate liquidity into the construction sector and other infrastructure projects, which have been stranded and support the entire process of dispute resolution in relation to construction and real estate.

The RBI, too, has stepped in to regulate the unsustainable levels of debt. The new Bankruptcy code and the SDR/ S4A guidelines from the RBI are expected to revitalize several key projects. New financial options and sources are now available for infrastructure projects, and the RBI has also taken various steps to facilitate more investment in the sector, through new investment structures as well as through changes in the existing project lending and external commercial borrowing (ECB) guidelines.

While dealing with legacy issues, the central government has also laid emphasis on pushing a new round of infrastructure development. This includes a slew of measures related to award of contracts, regulatory approvals, funding and exit mechanism for developers.

As a result, the infrastructure sector has been showing incipient signs of recovery, which is likely to further acquire momentum in the medium term with the positive proposals in the Union Budget 2017-2018. Total outlay for the sector is up by 10% to ₹ 3,96,135 crore in 2017-2018 over 2016-2017, with roads, bridges and railways seeing higher allocations of 7%-8% each.

HCC: Strategic Developments

In this business environment, HCC adopted a two-pronged strategic approach. On the one hand, it looked inwards to create a more competitive and resilient enterprise with clear focus on developing processes, people and a strong performance driven organisation culture. On the other, it leveraged the best mix of revised policy and regulatory measures to streamline cash flows and create a suitable platform for continuing business operations efficiently and servicing market opportunities.

On enhancing internal efficiencies, HCC has adopted a management ethos that focuses on achieving a clear set of objectives. The goals include:

- Further enhancing efficiencies in operations across all lines of business including related group companies.
- Addressing the cash flow situation in the core engineering and construction business and also charting a clear strategic and financial blueprint for key investments like Lavasa and HCC Infrastructure.
- Translating strategic intent to on-ground commitment of delivering high quality products for all customers.
- Growing the order book with a well distributed portfolio across various segments of the infrastructure industry.
- Emphasising effective deployment of resources for greater productivity and cost optimisation.

By adopting these broad management goals, HCC expects to leverage the collective spirit of its people to chart the Company's turnaround over the next few years. While the turnaround process will be necessarily gradual, it will also involve substantial structural changes, instead of relying only on incremental improvements. With a new executive leadership in place, the platform to embark on this journey was laid out in 2016-2017.

HCC continued with its efforts at securing new orders and maintain a healthy order book. However, pressures on working capital did affect execution. Consequently revenues remained flat in 2016-2017. Even so, considerable efforts have been made on increasing productivity and cost optimisation across projects at the sites. These have borne positive results, and are now engrained as a part of its continuous improvement mechanism.

In parallel to the efforts on strengthening its internal capabilities, HCC laid major emphasis on financially restructuring the Company and release as much cash as possible to sustain and grow operations.

In 2012, the banks had sanctioned HCC a complete restructuring package under the aegis of the 'Corporate Debt Restructuring (CDR)' scheme. However, the financial state of the Company remained under stress due to a further slowdown in the industry and the slow pace of dues recovery from customers. Recognising the need for a more definitive solution, the joint lender's forum in its meeting held on July 12, 2016 passed to resolve the HCC account under the recent Reserve Bank of India

(RBI) guidelines of 'Scheme for Sustainable Structuring of Stressed Assets (S4A)'. In fact, HCC became the first company in India to adopt S4A.

This scheme allows a mix of reliefs like postponement of certain debt obligations by calling it unsustainable, a part of which is converted to equity. For HCC, the salient features of the S4A scheme are:

- The entire funded exposure of ₹ 5,107 crore was divided into two debt classifications: sustainable debt of ₹ 2,681 crore and unsustainable debt of ₹ 2,426 crore.
- A portion of the unsustainable debt was converted into equity share capital so as to allow lenders to jointly own around 23.6 % of the expanded share capital of your Company.
- OCDs have a repayment period over 10 years and will carry a coupon of 0.01 % p.a with yield to maturity of 11.5%.

HCC secured approval of the scheme from shareholders at an Extraordinary General Meeting held on January 5, 2017. Thereafter, the S4A scheme has been implemented which has substantially reduced interest outgo and repayment obligations. The scheme provides your Company much needed breathing space for its cash management.

In addition, as discussed in the section on the Indian construction industry, on September 5, 2016, the Cabinet Committee for Economic Affairs (CCEA) announced a slew of initiatives through the Niti Ayog to deal with claims of players in the construction industry vis-a-vis major government bodies and public sector undertakings. The key aspect of the measures for construction companies was the directive to release 75% of arbitration award amount against a margin free bank guarantee.

HCC has already secured favourable arbitration awards which will yield a cash inflow of ₹ 2,599 crore as 75% of the awarded amount. As on date, ₹ 380 crores were received of the above amount. Additionally, there will be further cash inflow once awards for pending claims are settled. The Company is aggressively working on completing formalities with both Clients and with Vendors towards sanction of bank guarantees and opening of escrow accounts, the end result being the payment of these much needed dues.

To summarise, 2016-2017 saw certain concrete steps being taken to provide interim cash flow relief, and free up the Company to pursue and promote its existing operations and turnaround the business. Subsequent sections provide some more insights into developments during 2016-2017 in HCC's core engineering and construction (E&C) business and the strategic investments in infrastructure, real estate and overseas businesses.

HCC – Operations Review

Engineering and Construction Division

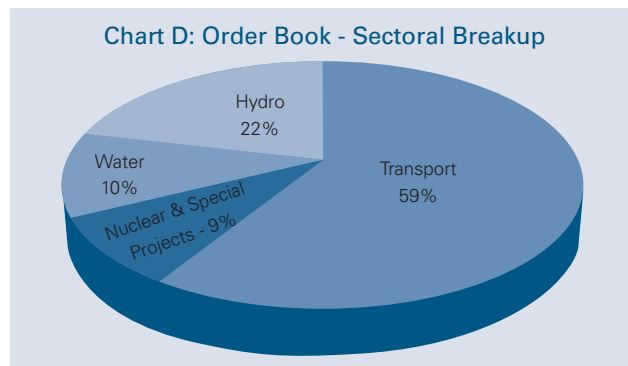
The Company's core business is providing Engineering and Construction (E&C) services for large projects across

sectors like Power (Hydro, Nuclear, Thermal), Transportation (Roads, Bridges, Metros, Ports), Water (Irrigation and Water Supply) and Industrial projects.

While applying an element of caution with focus on optimising the preservation of cash, HCC continued to leverage its core strengths to push for new orders. This was essential for a company of HCC's size, because it is only through a sizeable order backlog that it can be assured of the revenues and returns needed to service its debt while creating greater corporate value.

- During 2016-2017, HCC secured ₹ 5,375 crore worth of new orders and the order backlog grew by 12.5% from ₹ 18,123 crore at the end of 2015-2016 to ₹ 20,390 crore by the end of 2016-2017.
- As of March 31, 2017, HCC was also L1 in orders worth ₹ 2,804 crore, much of which will translate into new orders in the near future.

Infrastructure development in India during 2016-2017 centred on new projects primarily in the transportation sector including roads, railways and airports. There has also been increased activity in the power sector primarily in alternative energy and transmission. The other area where there has been increased activity is urban infrastructure. Chart D gives the sectoral distribution of HCC's order backlog, which is in line with market dynamics that has a large emphasis on the transportation sector.



Projects Update

Transportation

Transportation again dominated the order booking during 2016-2017. HCC secured three prestigious contracts. These were:

1. Mumbai Metro Line 3, Package 2, for design and construction of underground stations namely Chhatrapati Shivaji Terminus (CST), Kalbadevi, Girgaon, Grant Road and Twin Tunnel by tunnel boring machines (TBM) of 4.06 km each between CST and Mumbai Central. This ₹ 2,523 crore contract will be executed as a joint venture with Mosmetrostroy of Russia. The project is to be completed in 54 months.
2. Construction of Tunnel T-13 on Katra Banihal section of Udhampur-Srinagar-Baramulla Railway Line Project. The contract value is ₹ 1,750 crore with a duration of 30 months.

- Cable stayed bridge across River Anji Khad between Tunnel T2 and T3 on Katra Banihal section of Udhampur-Srinagar-Baramulla Railway line Project. The contract period is 36 months.

Progress on projects under execution has also been good. Some of the notable achievements of projects in the transportation sector are:

- The east bound arm of flyover of the Elevated Road Corridor from Park Circus to the EM Bypass at Kolkata was opened to traffic.
- Trial run was successfully completed in underground Metro rail line from Janakpuri to Airport Terminal 1 at the Delhi MRTS Phase III.
- Second drive of the TBM was completed at the contract package on Dwarka-Najafgarh section of the Delhi MRTS Phase III.
- Foundation works were completed for the bridge over River Sone in Bihar and superstructure works are progressing at a brisk pace.

Power

Hydro Power

New projects secured in the previous year in the Hydro Power sector have entered the resource mobilisation phase in 2016-2017. These will pick up speed in the next year. Preparations are on for tunnelling using TBMs at two of the projects.

The turnkey contract for Kishanganga Hydro Electric Power Project (HEP) is at an advanced stage. Despite the challenges due to political unrest in Kashmir, the critical activity of reservoir filling was completed on time. The project is slated in for completion in the next year.

Other projects such as the Punatsangchu HEP, the Tehri Pumped Storage Project and the Pare HEP have continued to make good progress.

Nuclear Power

Work on Integrated Nuclear Recycle Plant for the Bhabha Atomic Research Centre at Tarapur near Mumbai has progressed well.

Water Supply and Irrigation

The Company secured a ₹ 375 crore contract for the Bistan Lift Irrigation Scheme for Narmada Valley Development Authority in Madhya Pradesh. The project will be executed in joint venture with Laxmi Civil Engineering Services Pvt. Ltd.

Work progress on Package 10 of Pranahita Chevella Lift Irrigation Scheme, (now renamed Kaleshwaram Project) has been commendable.

Marine Works

Work on the reconstruction of Dry Dock and Wharves in Mumbai for Director General Naval Project continues to progress well. The project is targeted for completion next year.

Management Systems

HCC continues to focus on efficiencies in project execution in terms of lower costs, optimized overheads, on time schedule and higher turnover per person, while maintaining a strong focus on managing working capital in a tight cash environment.

It has an Integrated Management System (IMS) based on standards stipulated by ISO 9001:2008 for Quality; ISO 14001:2004 for Environment, and BS OHSAS 18001:2007 for Occupational Health and Safety at the heart of its business practices. The Company has initiated a process of transition to comply with requirements of the latest ISO 9001:2015 and ISO 14001:2015 standard. Certifications under these upgraded standards are expected in 2017-2018.

HCC strongly believes in delivering quality products to its customers. The Company has established SAP-QM (quality management) module at all sites for monitoring quality of raw materials and that of delivered product.

The IMS at HCC strives to foster a culture that works on reducing the risk of accidents driven by the goal of 'Zero Reportable Injuries'. The safety initiatives have yielded a continual improvement in the Frequency Rate (FR) and Frequency severity Index (FSI) over the past few years. Thirteen of the Company's projects have clocked more than five million safe man hours of working with one of them crossing the 25 million mark.

Environment protection is also paramount to HCC's business ethos. The Company has put in place an effective monitoring process to fulfil its commitment to significantly reduce impact on the environment during project execution.

Customers' feedback is sought every quarter on the company's performance on various parameters of project delivery. This focus on taking note of the voice of the customer and promoting internal improvements has played a major role in enhancing customer satisfaction – customer satisfaction index was the highest in 2016-2017 compared to the last 4 years.

Branding

The brand encapsulates the sum total of how an organisation is perceived across all stakeholders. There is a historical perspective to HCC's brand identity, which is characterised by a rich legacy, years of invaluable experience, knowledge, and passion that drives every activity. Today, the brand is focused on enhancing its heritage with an emphasis on fostering innovation across all activities. Sustained efforts are made at HCC through brand inductions to orient and refresh project brand champions towards standardisation of brand practices that upholds a core set of the Company's values.

Information on the Company's accomplishments is key to enhancing brand image. At HCC, employees, clients and major stakeholders are regularly informed, engaged and oriented towards key organisational milestones and project completions and progress through the periodic in-house news magazine and e-newsletters.

The Company website is regularly updated sharing knowledge and enterprise information with different target audiences. HCC's presence on the social media platform has been enhanced by adding Facebook to the existing Youtube channel. Two new animation films — developed on the Bogibeel Rail-cum-Road project and Munirka flyover project along with photographs and films — were uploaded on Facebook and have evoked good response. Over last 12 months, the HCC Facebook page has had over 2,800 followers, 53,400 likes and 33,700 video views purely on an organic basis.

All key Company events such as project commissioning, foundation stone laying ceremony, conferences and expos are treated with consistent branding, maintaining the image of a professional enterprise.

In 2016-2017, HCC achieved many important milestones including:

- Commissioning and toll commencement of the Farakka Raiganj Highway (NH 34), which is a part of the HCC Concessions BOT portfolio.
- Foundation stone laying of BARC Anushaktinagar project.
- Foundation stone laying of Mumbai Metro III project.
- Foundation stone laying of Nikachhu HEP project.
- Daylighting of the tunnel between Dwarka and Najafgarh metro corridors under CC-66 package of Delhi Metro Phase III development.
- Trial runs on the 10 km stretch in New Delhi between Janakpuri West and the IGI Airport Terminal 1 station involving HCC's CC-34 package.

A structured communication programme highlighting these achievements has helped create necessary connect between HCC and the nation's critical infrastructure projects — centred on the core philosophy of 'Responsible Infrastructure'. The Company's participation in important business and industry events and expositions in India and abroad has provided excellent opportunities for higher visibility of HCC's brand identity among relevant stakeholders.

Awards and recognitions to HCC in 2016-2017

- **CIDC Vishwakarma Award 2017:** for Best Construction Project under Power category to HCC's Teesta Low Dam, Stage IV Project.
- **Construction Times Award:** winner under the category 'Best Executed Rail Tunnel Project of the Year' to HCC's Pir Panjal Railway Tunnel Project.
- **Construction Week Award:** runners-up trophy under the category 'Water Project of the Year Award' to HCC's Teesta Low Dam IV HEP Project

Strategic Investments

To leverage market opportunities and create value across the different elements of the service chain in the construction and infrastructure development, HCC

made certain strategic investments that are managed and developed by subsidiaries where the Company holds majority stake. The businesses invested include infrastructure development, integrated township, commercial real estate, winery and total service contracting with a major overseas presence.

Infrastructure Development

HCC Concessions Limited (or HCON) is involved in the development of large public infrastructure assets through Public Private Partnership with a focus on the transportation sector. HCON developed a portfolio of six road assets under the Government of India's National Highway Development Program, being executed under National Highways Authority of India (NHAI). Of the portfolio of six assets, HCON has divested its stake in two road projects in 2015-16 and is currently managing four assets with a combined project cost of ₹ 4,900 crore.

During 2016-17, HCON channelized its resources towards executing the existing assets. Other areas of focus include efforts to expedite past recoveries through claims management and raising capital through securitisation or stake sale of assets under management.

With a strategic intent emphasising limited outlay of capital, given the large and long term investment requirements in scaling a road portfolio, HCON has adopted the partnership route while selectively bidding for more projects in its next level of growth in the portfolio. Consequently, the Company has continued evaluating partnerships, both strategic and financial, to bid for new projects in the transport space, where it has developed a level of expertise.

The current portfolio of HCON includes three contiguous four-laning projects of 250 km in West Bengal (NH-34), of which two are operational. The fourth asset is the operational six-lane elevated highway in the capital city of New Delhi on NH-2, connecting Delhi and Faridabad. A major achievement on execution was the successful commissioning and toll commencement of its largest project, the Farakka-Raiganj Highway (₹ 1,720 crore) on October 19, 2016.

The details of the projects under execution are as follows:

- **Baharampore Farakka Highways Ltd:** The project witnessed traffic growth of 6.2% in 2016-17 with a 21% increase in turnover to ₹ 136 crore in 2016-17. The balance length of 7.3 km was completed and is expected to start tolling by July 2017. The construction of the Baharampore bypass has been restricted due to encumbrances on the 'Right of Way'. On final completion (FCOD), there will be an increase in free cash flow.
- **Farakka Raiganj Highways Ltd:** This project commenced commercial operations from October 19, 2016. The average daily toll collection has been ₹ 47 lakh, which is substantially higher than projections and the project is generating free cash flow well in advance of final completion (FCOD).

On final completion (FCOD), there will be a further increase in free cash flow.

- **Raiganj Dalkhola Highways Ltd:** The land acquisition delay of about six years in this project led to substantial increase of project cost. The inability of the lenders consortium to fund the cost overrun in the absence of extended benefits in the event of termination from NHAI has unfortunately led to the issuance of termination notice by NHAI on March 31, 2017. The delays faced are solely on account of the material defaults of NHAI and the company is evaluating all options either to revive the project or to recover its investment amicably from NHAI.
- **Badarpur-Faridabad Tollway Ltd:** Lenders of this project invoked Strategic Debt Restructuring (SDR) in view of the financial distress of the SPV, which was aggravated by an Environmental Compensation Charge levied by the Supreme Court to deter the entry of commercial vehicles in Delhi. The company has issued a Notice of Intention to terminate the project in view of the prolonged force majeure event.

Integrated Township: Lavasa

Much of 2016-2017 was about consolidating the position of this enterprise while overcoming challenges of cash flow constraints.

In 2016-2017, Lavasa gave possession to over 1250 residential units which includes villas and apartments near city centre and are strategically located near hotels, educational institutes and healthcare facilities in Dasve with amenities such as clubhouse, outdoor sports facilities and retail on the ground floor. Construction work continues to progress at Dasve with optimal utilisation of scarce capital. Select villas offering panoramic views of Dasve Lake and the Warasgaon Lake line were also opened for sale with enhanced amenities. Work on infrastructure and utilities for the second town of Mugaon are on hold. Work on 37 buildings at Mugaon is presently on hold.

Popular food outlet of Jubilant Food brand “Dominos” has shown interest to open Shop in Lavasa and is in advance stage of negotiation. Lavasa Souvenir shop already opened.

In the hospitality space, the Accor group is successfully running its operation with two of its brands – Mercure Lavasa and the 1500 plenary capacity Lavasa International Convention Centre (LICC). Novotel, one of Accor group’s brands & Holiday Inn Express, a budget hotel are expected to be operational next year. Ekaant is in process of finalizing the concept for the development of a boutique hotel with 40 rooms in 2018. Projects with renowned hospitality players like IBIS, Langham Eaton amongst others are slated to follow within the next 3 years.

Christel House Lavasa (now renamed as Dasve Public School), EHL and Christ College are fully operational. Knowledge Vistas Limited (KVL), a K-12 school, is actively looking for JV partner to commence operation. Abhinav Shiksha Sansthan, New Delhi bought 1,25,000 sq.ft of land in Mugaon and is expected to build a 62,500 sq.ft school

for academic year 2019-20. Symbiosis Institute (Pune) will start construction of their school in 2017-2018.

Lavasa had 10,574 acres of land including 455 acres of land on lease by the end of last financial year i.e. March 31, 2016. This is reduced to 10,515 acres because 59 acres of land in Mugaon was restored to tribals by SDO, Maval during the year.

The Environment Management Plan is being implemented regularly. Regular monitoring of environmental aspects such as air & noise quality, water quality, soil & sediment quality, DG stack & noise quality and ecological monitoring of Dasve, Mugaon and Gadle Bandhara is being carried out by MoEF approved and NABL accredited laboratory. All reports were found to be within the consent / prescribed limits of Maharashtra Pollution Control Board (MPCB).

As per the environment clearance requirement, the Environmental Compliance Report is being submitted to MoEF once in six months. A yearly environment statement, a requirement as per the consent document of Maharashtra Pollution Control Board (MPCB), is being submitted every year.

Development Status: Dasve and Mugaon

Lavasa first town, Dasve, is ready with all basic infrastructures such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services. Till date 1250 properties have been handed over to the City Management Services department for handing over to customers. The Park Plaza, Thicket Park, Games Arcade, Nature Trail, Kids Play area, neighbourhood parks, Sahayadri Park and the Adventure and Amateur Trail are completed and are opened for tourists. Facilities like rappelling and rock climbing are operational at X Thrill—The Adventure Sports & Academy. The hostel block at Tower A is operational. The restoration works on major landslide affected area is in progress. Work on infrastructure & buildings for the second town of Mugaon are on hold due to cash flow constraint. The improvement to the existing Mugaon-Tamhini Zilla Major District road (excluding the stretch crossing through forest land) is complete. A part of this road will also form a section of the approach road for the proposed tunnel between Tamhini and Mugaon. Work on the 6 km inter-village road from Mugaon to Dhamanohar has also been completed. Rehabilitation work on new gaothans has commenced.

Steiner

HCC acquired Karl Steiner AG (or ‘Steiner’), the total services contractor which operates out of Switzerland in real estate development. While consolidating its position in the Swiss domestic market, the entity has made inroads into the Indian market through Steiner India.

At year-end, the company’s order backlog was CHF (Swiss Franc) 1,426 million (₹ 9,200 crore) with an order intake of CHF 927 million (₹ 5,977 crore) during the year. Consolidated revenue increased by over 25% to CHF 820.6 million (₹ 5,580 crore). The consolidated PAT of the

continued operation was CHF 3.2 million (₹ 21.7 crore) in 2016-17. The Steiner Group continues to maintain a strong balance sheet and its cash position was CHF 95.6 million (₹ 617 crore) as at March 31, 2017.

Steiner India has pursued the objectives of becoming a leading service provider in the premium residential and commercial buildings segment in India. It is currently executing several projects in India.

Charosa Wineries

Charosa started manufacturing and selling premium wines in Indian markets with operations commencing from October 2013. Today, it has wide presence in western and southern India. In September, 2016, Charosa entered the Delhi market and is in the process of strengthening its presence across India. Charosa Selections Viognier was awarded as the best white wine of Asia in Asia Wine Review held at Hong Kong. Apart from that, various brands of Charosa have been awarded in domestic as well as international award functions.

Human Resources (HR)

With a new strategic imperative, quality of human resources will play a very important role in the future of HCC. The Company is actively working on developing a culture driven by the collective spirit of experience and company-wide ownership. Assignment, empowerment and accountability will be the cornerstone of the people led processes.

In 2016-2017, with HCC growing its order book, resource mobilisation for new projects became a key HR imperative. With the growing number of projects, hiring was also done at the leadership levels in the areas of operations, engineering and design to strengthen the quality of project execution. New talent was also inducted at the middle and junior levels. While adequate number of people were hired for effective execution, there were strong budget controls imposed to effectively balance the twin objectives of growth and cost control. As of March 31, 2017, the number of engineers and officers employed by the Company was 1,721.

New employee induction and training for the existing employees continued to remain focused on functional, technical and behavioural areas. Safety related training also remained an important area of intervention. With new projects getting awarded and many project managers being new to the HCC system, an exhaustive induction program covering all functions and processes was developed and implemented. Preparing for implementing ISO 9000: 2015 also remained as one of the priorities of human resources function.

Financial Review

Table 1 gives the Abridged Profit and Loss Account for HCC, as a Standalone Company, while **Table 2** lists the Key Financial Ratios.

Table 1: Abridged Profit and Loss account of HCC

(₹ Crore)

	2016-17	2015-16
Total Income from Operations	4196	4191
Operating Expenses	3443	3381
EBITDA	753	810
Depreciation	125	152
Other Income	250	215
Foreign Exchange Gain/(Loss)	12	(2)
EBIT	890	871
Interest	772	702
Exceptional Items	21	28
PBT	97	141
Tax	38	46
PAT	59	95

Table 2: Key Financial Ratios

	2016-17	2015-16
EBITDA/Total Income from Operations*	17.9%	19.3%
EBIT/Total Income from Operations	21.2%	20.8%
PBT/Total Income from Operations	2.3%	3.3%
PAT/Total Income from Operations	1.4%	2.3%
ROCE=EBIT/Capital Employed (Total Assets-Current Liabilities)	12.5%	12.7%
RONW=PAT/NetWorth	3.0%	4.8%

* before Exceptional Items

Internal Controls and their Adequacy

HCC has an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure sector, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

Corporate Social Responsibility (CSR): Responsible Infrastructure

Infrastructure

At HCC, CSR has evolved from being passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. Such initiatives are an integral part of business ethos and goes well beyond regulatory compulsions.

Having said so, as per section 135 of the Companies Act 2013, HCC has formalised a CSR policy keeping Schedule VII in mind.

Disaster relief and response

HCC is a founding member of the World Economic Forum's Disaster Resource Network. This initiative in India focuses on training and building capacity to respond to emergency situations and support disaster relief operations. The Company has provided timely interventions in a number of rescue and relief operations within India and internationally. In 2016, At Kolkata, after the collapse of a bridge, volunteers from HCC participated in relief work, also the equipments were sent there to help in earth moving.

Earlier, in disasters, HCC provided necessary support, such as the 2004 Indian Ocean tsunami, the 2005 Jammu and Kashmir earthquakes, the 2005 Mumbai floods, the 2007 Bangladesh cyclone, the 2010 Leh flash floods and the 2011 Sikkim earthquake. In 2013, HCC undertook rescue and relief operations for the Uttarakhand cloudburst and flash floods. It worked closely with the Indian army to clear the debris that accumulated on the roads due to landslides, and used the project site at Tehri as a base camp for the rescued refugees and the army's relief operations. The Company provided refugees with food, water, sanitation, shelter and medical facilities at its relief camp at Tehri. HCC is also a private sector advisory member of the United Nation's International Strategy for Disaster Reduction.

HIV/AIDS education and awareness

In recognition of the serious impact of HIV/AIDS on migrant workers, HCC formed an HIV/AIDS workplace policy and adopted an intervention programme that focuses on educating and raising HIV/AIDS awareness amongst migrant workers that forms the core of the workforce at the Company's projects. The Company observes World AIDS Day every year on December 1. Events are conducted with strong employee participation, and these involve rallies, pinning of red ribbons, awareness and lectures. Posters and material given by NACO/ ILO and the state-level AIDS control societies are prominently displayed.

CEO Water Mandate: UNGC's initiative

The Company is committed to monitor and conserve the amount of water used across its construction project sites. HCC, the first Indian Company to endorse United Nations Global Compact's 'The CEO Water Mandate' and an industry partner of the World Economic Forum (WEF), makes it a point to embed the principles of water resources management in all its activities. As a responsible corporate citizen, it has focused on sharing best practices of water stewardship. In doing so, it has adopted various methodologies at the sites to reduce the fresh water consumption. For example, HCC installed waste-water treatment plants at various projects such as the Padur and Visakhapatnam cavern projects and the Kishanganga hydro electric power project, which helped to reduce fresh water consumption at those sites by recycling of treated waste-water. HCC also commissioned a decentralised waste water treatment system at the Bogibeel cum road bridge project site to treat and reuse the sewage water from toilet blocks. The Company is also engaged in national and international forum, such as the World Economic Forum, The Energy and Resources Institute, the World Business Council for Sustainable Development, the Alliance for Water Stewardship, CDP (formerly the Carbon Disclosure Project) and the Federation of Indian Chambers of Commerce and Industry.

Rejuvenation of Diversion Based Irrigation System on river Mhalungi at Sinnar (District Nasik, Maharashtra), conserved the water more than the consumption of the water at HCC Sites. Thus HCC achieved status of water positive organization this year.

Some other examples of site specific CSR initiatives are given below.

- Sanitation facility constructed at Dolamara village District Karbi, Assam.
- The elderly and underprivileged children were provided the needful products to take care of their health.
- Helped Sports authority through supply of sports equipments to facilitate sports among the students and children in the community at Imphal, Manipur.
- A Sports Stadium at Gurez, Kishanganga in the state of Jammu and Kashmir is under construction, this is to promote rural sports activity for the youth in Kashmir valley. Also drinking water is being supplied to the nearby villages by HCC.
- With the help of NGO at Village -Mayapur, Pipalkoti, Dist. - Chamoli, Uttarakhand the awareness activity

was conducted to make farmers aware about better agricultural practices small scale industries animal husbandry & gardening products.

- Empowerment of Women (Widows of farmers who committed suicide due to drought in Maharashtra) – initiated by HCC Operations & Maintenance Ltd, HCC Subsidiary Company.
- Construction of Toilet blocks in a needy school, located near Company's project site at NH-34 - Swachh Bharat Abhiyan – initiated by Baharampore-Farakka Highways Ltd, HCC Subsidiary Company.

Sustainability Reporting

HCC believes in environmental transparency and disclosing the economic, environmental and social impacts of its

activities through sustainability reports. It has published six sustainability reports, each of which have been accredited by the Global Reporting Initiative guidelines with an A+ grade. From seventh Sustainability Report, Company adopted GRI's latest version G4, and is now working on the eighth report. The Company engages a third-party assurance provider to review the contents and accuracy of our sustainability reporting.

The Company is member of UN Global Compact (UNGC), TERI-World Business Council on Sustainable Development and signatory to various UNGC initiatives including 'Caring for Climate', and 'The CEO Water Mandate'. HCC is also founding member of World Resources Institute's India GHG Program and represents the infrastructure sector in the founding group.

Report on Corporate Governance

Company's Philosophy

HCC's business strategy has centered on responsible infrastructure development by adopting sustainable business practices. Consequently, with focus on long term value creation, the Company strives to continuously engage and deliver value to all its stakeholders including Members, customers, partners, employees and the society at large. This is supported by a business ethos that focuses on being a responsible corporate citizen.

The Company's corporate governance structure plays a pivotal role in realizing this long term goal. It provides the fundamental systems, processes and principles that promote objective decision making, performance based management and a corporate culture that is characterized by integrity and fairness in all dealings. Critical to this, is the high degree of transparency in disclosures across all levels of stakeholder engagement, which are periodically done while maintaining the importance of reserving competitive information from being disseminated.

In addition, the Company has a strong commitment to participation in community development. Its established systems encourage and recognize employee participation in environmental and social initiatives that contribute to organizational sustainability, conservation of energy, and promotion of safety and health.

The entire governance structure is actively supervised by the Board of Directors, who oversee management activities and ensure their effectiveness in delivering value. To implement this effectively, HCC has always promoted the functioning of an informed Board that is independent.

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) as given below:

I. Board of Directors

a) Composition of the Board

The Board of Directors has an ideal combination of Executive and Non Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (hereinafter SEBI Listing Regulations) which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

Composition of the Board as on March 31, 2017.

Category	Number of Directors
Chairman and Managing Director (Promoter Director)	1
Whole Time Directors, including a Woman Director who is a Promoter Director	1
Independent Directors	5
Non Executive Director	1
Nominee Director	1

The Chairman of the Board of Directors is an Executive Director. The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI Listing Regulations.

Pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its Meeting held on February 2, 2017, approved the appointment of Mr. Arjun Dhawan (DIN 01778379), as Group Chief Executive Officer (CEO) and Additional Director and subject to Members approval as Group CEO & Whole-time Director w.e.f. April 1, 2017.

Mr. N. R. Acharyulu (DIN: 02010249), Non Executive - Non Independent Director who retires by rotation and being eligible has offered himself for re-appointment.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

Except for Mr. Ajit Gulabchand, Ms. Shalaka Gulabchand Dhawan and Mr. Arjun Dhawan who are related inter se, the other Directors of the Company are not related to each other.

b) Number of Board Meetings

The Board of Directors met six times during the financial year 2016-17. The meetings were held on April 28, 2016, June 3, 2016, July 28, 2016, October 27, 2016, December 2, 2016 and February 2, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

c) Directors' attendance record and details of Directorships/Committee Positions held

As mandated by SEBI Listing Regulations none of the Directors on the Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/she is a Director.

Further, none of the Directors of the Company serves as an Independent Director in more than seven listed companies.

Table 1 below gives the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and board-level committee positions held by them.

Table 1: Details of the Directors as on March 31, 2017

Name of the Director	Category	Number of Board meetings held during financial year 2016-17	Number of Board meetings attended during financial year 2016-17	Whether attended last AGM	Number of Directorships of other public companies*	Committee Positions#		Whether having any pecuniary or business relation with the Company
						Chairman	Member	
Ajit Gulabchand	Promoter, Chairman and Managing Director	6	6	Yes	7	0	2	None
Rajas R. Doshi	Independent Director	6	6	Yes	6	2	5	None
Ram P. Gandhi	Independent Director	6	6	Yes	5	1	-	None
Sharad M. Kulkarni	Independent Director	6	6	Yes	4	2	3	None
Anil C. Singhvi	Independent Director	6	6	Yes	5	2	1	None
Rajgopal Nogja [^]	Group COO and Whole-time Director	6	1	Yes	-	-	-	None
Harsha Bangari	Non Executive Nominee Director	6	5	Yes	-	-	-	Nominee of Exim Bank
Shalaka Gulabchand Dhawan	Whole-time Director	6	6	Yes	5	-	2	Daughter of Mr. Ajit Gulabchand, CMD & Promoter
Dr. Omkar Goswami	Independent Director	6	5	Yes	9	1	8	None
N.R. Acharyulu	Non Executive Non Independent Director	6	5	Yes	-	-	-	None

* Excludes Private Limited Companies, Foreign Companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. companies with charitable objects).

Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in other Public Companies has been considered.

[^] Mr. Rajgopal Nogja was Group COO and Whole-time Director of the Company upto May 2, 2016 and thereafter was the Group CEO of the Company from May 3, 2016 to March 31, 2017.

d) Information to the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable. All matters requiring Board's approval including statutory matters are put up for the consideration of the Board.

A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. All the agenda items are appended with by necessary supporting information and documents (except for price sensitive information, which was circulated separately before the meeting) to enable the Board to take informed decisions.

Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies and a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Companies are placed before the Board.

e) Directors with pecuniary relationship or business transaction with the Company

The Chairman & Managing Director and the Whole time Director (s) receive salary, perquisites and allowances, while all the Non-Executive Directors receive Sitting Fees.

f) Remuneration to Directors

Remuneration was paid to Mr. Ajit Gulabchand, Chairman and Managing Director, as per the limits prescribed under Schedule V of the Companies Act, 2013, pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors and subject to the approval of the members of the Company. In respect of Ms. Shalaka Gulabchand Dhawan, Whole-time Director, remuneration was paid to her, pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and the Members of the Company.

Mr. Rajgopal Nogja was the Group COO and Whole-time Director of the Company, upto May 2, 2016 and remuneration was paid to him for the period April 1, 2016 to May 2, 2016.

The below mentioned **Table 2** gives the details of remuneration paid / payable to Directors for the year ended March 31, 2017 along with the details of outstanding Stock Options if any. The Company did not advance loans to any of its Directors during the financial year 2016-2017.

Table 2: Remuneration paid / payable to Directors during the financial year ended March 31, 2017

Name of the Director	Salaries, Perquisites & Allowances+	Commission	Sitting fees*	Total (₹)	No. of outstanding stock options
Ajit Gulabchand** (Chairman & Managing Director)	3,56,85,226	-	-	3,56,85,226	-
Rajas R. Doshi	-	-	19,00,000	19,00,000	-
Ram P. Gandhi	-	-	12,00,000	12,00,000	-
Sharad M. Kulkarni	-	-	10,00,000	10,00,000	-
Anil C. Singhvi	-	-	27,00,000	27,00,000	-
Harsha Bangari^	-	-	5,00,000	5,00,000	-
Omkar Goswami	-	-	8,00,000	8,00,000	-
Rajgopal Nogja***	49,62,100	-	-	49,62,100	-
Shalaka Gulabchand Dhawan (Whole-time Director)	1,38,38,300	-	-	1,38,38,300	-
N.R. Acharyulu	-	-	7,00,000	7,00,000	-
Total	5,44,85,626	-	88,00,000	6,32,85,626	-

** Company has paid remuneration to Mr. Ajit Gulabchand as per the limits prescribed under Schedule V of the Companies Act, 2013.

+ Perquisites include Company's contribution to Provident Fund and Superannuation Fund.

* Sitting fees comprises payment made to Non-Executive Directors for attending Board meetings and/or Board Committee meetings.

^ In case of Ms. Harsha Bangari, Nominee Director, the sitting fees for attending Board Meetings are paid by the Company to Exim Bank.

*** The remuneration indicated above is for the period from April 01, 2016 to May 02, 2016 when Mr. Rajgopal Nogja was a Whole Time Director.

Note: The service contract details and the notice period has been mentioned in the agreement entered with the Chairman and Managing Director and Whole-time Director.

g) Details of Equity Shares held by the Non- Executive Directors

There were no outstanding stock options held by Non- Executive Directors and the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2017 is given in **Table 3** below.

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2017

Name of the Director	Number of Equity Shares
Rajas R. Doshi	32,000
Ram P. Gandhi	48,000
Sharad M. Kulkarni	20,000
Anil C. Singhvi	Nil
Harsha Bangari	Nil
Omkar Goswami	Nil
N.R. Acharyulu	Nil

h) Code of Conduct

The Board of Directors has laid down two separate Codes of Conduct ('Code(s)'), one for the Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities and the other for Executive Directors and designated persons in the Senior Management. These Codes have been posted on the Company's website – www.hccindia.com. The Codes lay down the standard of conduct which is expected to be followed by the Directors and by the designated persons in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2017. A declaration to this effect signed by Mr. Ajit Gulabchand, Chairman & Managing Director is annexed to this Report.

i) Familiarisation Programme for Board Members

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

In the Business Strategy Meeting held by the Company during May 2016 which lasted for more than 2 hours, the Independent Directors were familiarised with the strategy, operations, performance and the budget process of the Company for the financial year 2016-17.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2016-17, the Independent Directors have been updated on the developments in the Company and the Company's performance. The details of the familiarisation program for Independent Directors are available on the Company's website at http://www.hccindia.com/pdf/familiarisation_program_for_independent_directors.pdf

(j) Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits laid

down by the Companies Act, 2013 read with relevant Rules thereunder. The Company pays a sitting fee of ₹ 1,00,000 to each NED for their attendance at every Board meeting or Board constituted Committee Meeting. In respect of Ms. Harsha Bangari, Nominee Director of Exim Bank the sitting fees are paid to Exim Bank.

The detailed Remuneration Policy of the Company has been provided in the Board's Report which forms part of the Annual Report.

k) Performance Evaluation and Independent Directors Meeting

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Executive Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

II) Board Committees

The Board of Directors has constituted five Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, and Risk Management Committee in line with the requirements of Companies Act, 2013 and SEBI Listing Regulations. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

a) Audit Committee

As on March 31, 2017, the Audit Committee comprises three Independent Directors. viz Mr. Sharad M. Kulkarni - (Chairman), Mr. Rajas R. Doshi and Mr. Anil C. Singhvi. All Members of the Audit Committee possess accounting and financial management knowledge.

The Senior Management team i.e. Chairman and Managing Director, Group Chief Executive Officer & Whole-time Directors, President & CEO - E&C, Group Chief Financial Officer, COO (E&C), CFO (E&C), the Chief Internal Auditor and the representative of the Statutory Auditors are invited for the meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

The Audit Committee met four times during the year, i.e. on April 28, 2016, July 28, 2016, October 27, 2016 and February 2, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in **Table 4**.

Table 4: Details of the Audit Committee:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Sharad M. Kulkarni	Independent Director	Chairman	4	4	4,00,000
Rajas R. Doshi	Independent Director	Member	4	4	4,00,000
Anil C. Singhvi	Independent Director	Member	4	4	4,00,000

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on July 14, 2016 to answer the members' queries.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism;
- Approval for appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

- Carrying out any other functions as specified in the terms of reference, as amended from time to time.
- Review of Information by Audit Committee:
Besides the above, the role of the Audit Committee includes mandatory review of the following information:
- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Statement of deviations:

Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(ii) of the SEBI Listing Regulations. Annual statement of funds utilized for purposes of the than those stated in the offer document/prospectus/ notice in terms of Regulation 32(vii) of the SEBI Listing Regulations.

b) Nomination and Remuneration Committee

As of March 31, 2017, this Committee comprised three Independent Directors viz. Mr. Anil Singhvi (Chairman), Mr. Rajas R. Doshi, Dr. Omkar Goswami and Mr. Ajit Gulabchand, Chairman and Managing Director of the Company as Members of this Committee. The Group EVP- HR is invited for the meetings. The Company Secretary is the Secretary to the Committee.

This Committee met four times during the financial year i.e. on April 28, 2016, June 3, 2016, October 27, 2016 and February 2, 2017. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in **Table 5** below;

Table 5: Details of the Nomination and Remuneration Committee

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Anil C. Singhvi	Independent Director	Chairman	4	4	4,00,000
Rajas R. Doshi	Independent Director	Member	4	4	4,00,000
Omkar Goswami	Independent Director	Member	4	3	3,00,000
Ajit Gulabchand	Chairman and Managing Director	Member	4	4	-

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.

c) Stakeholders Relationship Committee

This Committee comprises three Directors viz. Mr. Ram P. Gandhi (Chairman), Mr. Rajas R. Doshi, Independent Director and Mr. Ajit Gulabchand, Chairman and Managing Director. The Company Secretary, is the Compliance Officer of the Company.

Mr. Rajgopal Nogja was Whole-time Director of the Company upto May 2, 2016 and in view of the same ceased to be member of Stakeholders Relationship Committee with immediate effect.

During the financial year 2016-2017, the Committee met four times on April 28, 2016, July 28, 2016, October 27, 2016 and February 2, 2017. The Minutes of the Stakeholders Relationship Committee are noted by the Board.

The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in **Table 6** below:

Table 6: Details of the Stakeholders Relationship Committee

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Ram P. Gandhi	Independent Director	Chairman	4	4	4,00,000
Rajas R. Doshi	Independent Director	Member	4	4	4,00,000
Ajit Gulabchand	Chairman and Managing Director	Member	4	4	-
Rajgopal Nogja*	Group COO & Whole-time Director	Member	4	1	-

* Ceased to be a Member w.e.f. May 2, 2016.

During the financial year 2016-17, 253 queries/complaints were received by the Company from members/investors/authorities, majority of which have been redressed / resolved to date, satisfactorily as shown in **Table 7** below:

Table 7: Details of investor queries/complaints received and attended during financial year 2016-17

Nature of Queries/ Complaints	Pending as on April 1, 2016	Received during the year	Redressed during the year	Pending as on March 31, 2017
1. Transfer/Transmission/Issue of Duplicate Share Certificates	3	115	117	1*
2. Non-receipt of Dividend	0	52	50	2*
3. Dematerialisation/ Rematerialisation of Shares	0	3	3	0
4. Complaints received from:				
a. Securities and Exchange Board of India	1	0	1	0
b. Stock Exchange(s) / NSDL / CDSL	0	1	1	0
c. Registrar of Companies / Ministry of Corporate Affairs / Others	0	0	0	0
d. Advocates	0	0	0	0
e. Consumer Forum/Court Case	0	0	0	0
5. Others	0	82	82	0
Grand Total	4	253	254	3

* Received in the last week of March 2017 and since resolved.

The Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialised/rematerialised shares and all other related matters.
- Monitors expeditious redressal of investor grievance matters received from Stock Exchanges, SEBI, RoC, etc.
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares/debentures.

In accordance with Section 178(5) of the Companies Act, 2013 the Stakeholders Relationship Committee shall in addition to the above role, also consider and resolve the grievances of debenture holders.

(d) Corporate Social Responsibility (CSR) Committee:

The Committee comprises three Directors viz. Mr. Ajit Gulabchand (Chairman), Mr. Rajas R. Doshi and Mr. Ram P. Gandhi and the role of the Committee is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate

the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit from time to time.

One Meeting of the CSR Committee was held on July 28, 2016. The Minutes of the CSR Committee are noted by the Board.

(e) Risk Management Committee:

Risk Management Committee was constituted voluntarily by the Company in conformity with the provisions of Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations and it comprises 5 Members i.e. Mr. Ajit Gulabchand, Chairman and Managing Director, Mr. Rajas R. Doshi, Independent Director, Mr. Arjun Dhawan Group CEO & Whole-time Director, Mr. Arun V. Karambelkar, President and CEO – E&C and Mr. Praveen Sood, Group CFO & EVP – HCC Group.

This Committee has been delegated with the authority by the Board to review and monitor the implementation of the risk management policy of the Company.

No meetings of this Committee was held during the financial year 2016-17, however the monitoring of the implementation of Risk policy of the Company was done by the Risk Review Committee which met 4 times in the said financial year mainly during the Quarterly project reviews.

III) Management

Management Discussion and Analysis Report

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

Disclosures

(a) Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Notes to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2016-17, there were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company.

The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company at (http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf)

b) Accounting treatment in preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015. The financial statements for all periods upto and including year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended March 31, 2017 are the first financial statements prepared by the Company in accordance with Ind AS.

c) Risk Management

The Company has established a well-documented and robust risk management framework. As mentioned

earlier, the Company has also constituted a Risk Management Committee, which has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the Company has set in place various procedures for Risk Management.

d) Subsidiary Companies

In accordance with Regulation 24 of the SEBI Listing Regulations, during this financial year none of the companies fall under the category of material non-listed Indian subsidiaries.

As on March 31, 2017, Mr. Anil C. Singhvi, Independent Director of the Company is on the Board of HCC Concessions Ltd. Mr. Rajas R. Doshi, Independent Director of the Company is also on the Board of HCC Infrastructure Co. Ltd., HCC Concessions Limited and HCC Real Estate Ltd., They have continued their representation as Independent Directors of the Company in the aforesaid subsidiary companies which were reckoned as material non-listed Indian subsidiary companies in the previous year(s). The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and necessary management resources. For effective governance, the Company overviews the performance of its subsidiaries, inter alia, in the following manner:

The financial statements, in particular, the investments made by the unlisted subsidiary companies, are reviewed by the Audit Committee and the Board of Directors of the Company

The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

Policy for determining "Material Subsidiaries" is available on the website of the Company at (http://www.hccindia.com/pdf/HCC_Policy_for_determining_Material_Subsiidiaries.pdf)

(e) Code for Prevention of Insider Trading Practices & other Policies

In January, 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a revised Code for Prevention of Insider Trading.

The Codes viz “Code of Conduct for Prevention of Insider Trading” and the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company’s shares. It also prohibits the purchase or sale of Company’s securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed.

The Company Secretary of the Company, is designated as the Compliance Officer for this Code.

Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations.

The same is posted on the website of the Company www.hccindia.com

(f) CEO/CFO Certification

As required under Regulation 17 (8) of the SEBI Listing Regulations, the Chairman & Managing Director and the Group Chief Financial Officer of the Company have submitted a Compliance Certificate for the financial year ended March 31, 2017, which is annexed to this Report.

(g) Pledge of Equity Shares

In accordance with the approval of the CDR Package for the Company, Hincon Holdings Ltd (Promoter Company of HCC), had already pledged 20,07,03,600 equity shares of ₹ 1 each held in HCC in favour of Universal Trusteeship Services Ltd (formerly known as 3i Infotech Trusteeship Services Ltd), the Security Trustee for the CDR Lenders (Pledgee). During the year under review, the Company has signed S4A Framework agreement in accordance with RBI S4A Scheme (S4A Scheme) and as per the terms on pledge agreed therein, the pledge on the aforesaid shares i.e. 20,07,03,600 equity shares of ₹ 1 each held in HCC were released and recreated in favour of the same Pledgee, ie. Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders, Working Capital Lenders and on behalf of the Debenture Trustee for Optionally Convertible Debentures (OCD) Lenders. Further in terms of the said pledge requirements, on the additional 1,53,20,000 equity shares of ₹ 1 each allotted by the Company on May 2, 2014 to Hincon Holdings Ltd, towards their Promoter Contribution, fresh pledge was created during the year, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the

CDR Lenders, CLA Lenders, Working Capital Lenders and held by them on behalf of the Debenture Trustee for OCD Lenders, and hence, the entire 21,60,23,600 equity shares of Hincon Holdings Ltd representing 21.37% of the share capital of the Company, are pledged with Universal Trusteeship Services Ltd.

Further, as per the said requirements of pledge under the CDR Package which was reconfirmed for the S4A Scheme, on the additional 2,38,95,686 equity shares of ₹ 1 each allotted by the Company on May 2, 2014 to Hincon Finance Ltd (Promoter Company), towards their Promoter Contribution, fresh pledge was created during the year, in favour of Universal Trusteeship Services Ltd, the Security Trustee for the CDR Lenders, CLA Lenders and the Working Capital Lenders and held on behalf of the Debenture Trustee for OCD Lenders and hence 2,38,95,686, equity shares of Hincon Finance Ltd. representing 2.36% of the share capital of the Company, are pledged with Universal Trusteeship Services Ltd.

Thus, in aggregate, Pledge has been created on 23,99,19,286 equity shares in aggregate held by the respective Promoter Companies as above, representing 23.74% of the paid up equity share capital of the Company.

The aggregate shareholding of the Promoters and Members of the Promoter Group as on March 31, 2017, was 28,10,15,080 Equity Shares of ₹ 1 each representing 27.80% of the paid-up Equity Share Capital of the Company.

(h) Disclosure of Pending Cases/Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

(i) Disclosure of Commodity price risks and commodity hedging activities

The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

IV) Shareholder Information

a) Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations. Detailed profile of the Directors who are seeking appointment / reappointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company.

b) Means of Communication

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at www.hccindia.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time. The quarterly and annual results are published in Business Standard (English) and Sakal(Marathi), which are national and local dailies respectively and also displayed on the Company's website for the benefit of the public at large.

Presentations made to institutional investors or to analysts, are also immediately uploaded on the website of the Company.

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and / or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large. For the benefit of the members, a separate email id has been created for member correspondence viz., secretarial@hccindia.com

c) General Body Meetings

The Company generally convenes the Annual General Meeting (AGM) in the month of June/July after the end of the financial year.

Details of the AGM held in the last three years along with special resolutions passed thereat:

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2013 - 2014 (AGM)	Friday, June 20, 2014, 11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	<ol style="list-style-type: none"> 1. Special Resolution under Section 188 of the Companies Act, 2013 for revision in remuneration payable to Mr. Arjun Dhawan, President & CEO – Infrastructure Business of the Company w.e.f. November 1, 2014. 2. Special Resolution for borrowing monies in excess of the aggregate of the paid up share capital and reserves of the Company, provided that the total amount borrowed and outstanding at any point of time apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, shall not exceed ₹ 10,000 crore. 3. Special Resolution under Section 14 of the Companies Act, 2013 for amendment of Articles of Association of the Company 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ₹ 1000 crore.
2014 - 2015 (AGM)	Tuesday, July 14, 2015 at 11.00 am	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	<ol style="list-style-type: none"> 1. Special Resolution under Section 196, 197 read with Schedule V of the Companies Act, 2013 for approving the appointment of Ms. Shalaka Gulabchand Dhawan as a Whole-time Director of the Company for a period of 5 years w.e.f April 30, 2015. 2. Special Resolution under Section 14 of the Companies Act, 2013 to approve and adopt in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company. 3. Special Resolution pursuant to the provisions of the erstwhile Clause 49(V) of the Equity Listing Agreement, granting consent to sell, transfer or otherwise dispose of the whole or substantially the whole of the entire investments/shares held by HCC Concessions Ltd, a subsidiary of the Company in Nirmal BOT Ltd, Baharampore-Farakka Highways Ltd, Farakka-Raiganj Highways Ltd, Subsidiary Companies and Dhule-Palesner Tollway Ltd, a Joint Venture Company for a consideration and such other terms and conditions as agreed between the parties. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 42, 62, 71 and other provisions of the Companies Act, 2013 for an amount not exceeding ₹ 1000 crore.

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2015 - 2016 (AGM)	Thursday, July 14, 2016 at 11.00 am	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	<ol style="list-style-type: none"> 1. Special Resolution under Section 196, 197 of the Companies Act, 2013 for payment of remuneration to Mr. Ajit Gulabchand, Chairman and Managing Director of the Company. 2. Special Resolution under Section 42, 62 and 71 of the Companies Act, 2013 for issuing securities of the Company. 3. Approval for granting option to Lenders for conversion of debt into equity shares of the Company under the SDR scheme.
Extra – Ordinary General Meeting	Thursday, January 5, 2017 at 11.00 am	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	<ol style="list-style-type: none"> 1. Approval for conversion of Loan by Lenders into equity shares/ Optionally Convertible Debentures of the Company pursuant to RBI S4A scheme. 2. Approval for offer and issue of equity shares and Optionally Convertible Debentures (OCD) on preferential basis pursuant to implementation of HCC S4A scheme.

Postal Ballot:

During the year, no Special Resolutions were passed through postal ballot.

1st Quarter Results	:	August 3, 2017
2nd Quarter Results	:	November 2, 2017
3rd Quarter Results	:	January 31, 2018
4th Quarter & Annual Results	:	May 3, 2018

d) General Shareholder Information

• Forthcoming Annual General Meeting

Date	:	July 6, 2017
Day	:	Thursday
Time	:	11.00 a.m.
Venue	:	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020

Dates of Book Closure

June 30, 2017 to July 6, 2017 (both days inclusive)

Listing

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the financial year 2017-2018 to BSE Limited and National Stock Exchange of India Limited. The Company has paid annual custodial fees for the financial year 2017- 2018 to National Securities Depository Limited(NSDL) and Central Depository Services (India) Limited (CDSL), on the basis of number of beneficial accounts maintained by them as on March 31, 2017.

Last date for Receipt of Proxies

Tuesday, July 4, 2017.

Financial Year

The financial year of the Company covers the financial period from April 1 to March 31.

During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates:

1st Quarter Results	:	July 28, 2016
2nd Quarter Results	:	October 27, 2016
3rd Quarter Results	:	February 2, 2017
4th Quarter & Annual Results	:	May 4, 2017

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2018 are as follows:

Stock Codes:

ISIN (Equity Shares) in NSDL & CDSL	INE549A01026
BSE Code	500185
NSE Code	HCC

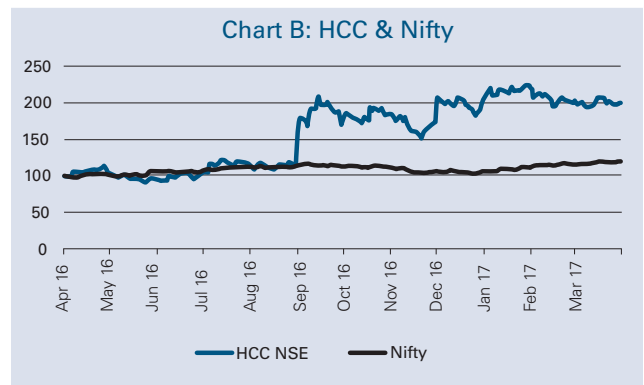
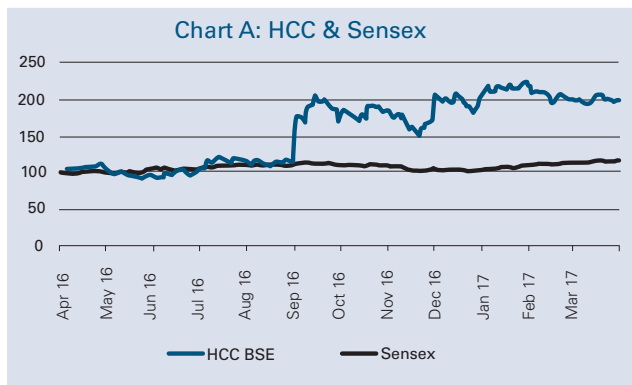
Corporate Identification Number:

Corporate Identity Number (CIN) of the Company is L45200MH1926PLC001228.

Share Price Data: High/Low and Volume during each month of 2016-2017 at BSE and NSE Month Table

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2016	22.75	19.40	16032041	22.75	19.40	84340707
May 2016	20.80	18.00	9864860	20.85	18.00	42986775
June 2016	21.40	18.45	13569916	21.35	18.45	66237094
July 2016	25.60	20.50	29185491	25.65	20.50	136973878
August 2016	27.50	21.25	24763358	27.50	21.20	122274819
September 2016	41.90	29.20	105574382	41.90	29.10	460017455
October 2016	39.60	33.35	35743536	39.65	33.30	156345196
November 2016	37.75	29.00	25026861	37.80	29.00	107377953
December 2016	43.50	35.40	60308813	43.50	35.40	250370709
January 2017	45.40	40.00	38633047	45.40	40.05	192106972
February 2017	45.20	37.80	19512874	45.25	37.85	90870769
March 2017	41.85	38.25	15707655	42.00	38.20	69014133

Chart A & B show the movement of HCC share prices compared to the principal indices - Sensex & Nifty



Note: Both Share prices and indices are indexed to 100 as on 1 April 2016 for proper comparison.

Distribution of shareholding as on March 31, 2017

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
1 to 500	2,95,62,835	2.92	1,55,927	70.67
501 to 1000	2,48,69,141	2.46	29,138	13.21
1001 to 2000	2,89,83,801	2.87	17,523	7.94
2001 to 3000	1,73,66,428	1.72	6,443	2.92
3001 to 4000	1,03,79,432	1.03	2,793	1.27
4001 to 5000	1,15,61,686	1.14	2,401	1.09
5001 to 10000	2,66,06,571	2.63	3,542	1.61
Greater than 10000	86,13,73,741	85.23	2,888	1.31
Total	1,01,07,03,635	100.00	2,20,655	100.00

Shareholding Pattern

Categories	As on March 31, 2017		As on March 31, 2016	
	No of Shares	Percentage of Shareholding	No of Shares	Percentage of Shareholding
Promoter and Promoter Group	28,10,15,080	27.80	28,10,15,080	36.07
Foreign Institutional Investors/FPIs -Corporation	10,93,22,394	10.82	8,04,39,995	10.32
Public Financial Institutions/State Financial Corporation/Insurance Companies	1,82,61,961	1.81	83,82,144	1.08
Mutual Funds (Indian) and UTI	8,81,97,447	8.73	9,20,63,349	11.82
Nationalised and other Banks	22,32,91,429	22.09	53,30,575	0.68
NRI/OCBs	85,69,948	0.85	92,16,800	1.18
GDSs	0	0	0	0.00
Directors and Relatives	1,17,000	0.01	1,17,000	0.01
Public	28,19,28,376	27.89	30,25,93,963	38.84
Total	1,01,07,03,635	100.00	77,91,58,906	100.00

List of Top 20 Shareholders of the Company as on March 31, 2017

Sr. No.	Name of the Shareholder	Category	No. of Shares	% To Total Capital
1	Hincon Holdings Ltd	Promoter	21,60,23,600	21.37
2	HDFC Trustee Company Limited	Mutual Funds	7,00,21,087	6.93
3	Hincon Finance Limited	Promoter	6,22,61,186	6.16
4	Siwa Holdings Limited	Foreign Institutional Investors - Mauritius Based	3,60,82,151	3.57
5	IDBI Bank Ltd.	Other Banks	2,54,34,620	2.52
6	Export- Import Bank of India	Other Banks	2,42,51,091	2.40
7	Punjab National Bank	Nationalized Banks	2,19,55,252	2.17
8	Canara Bank-Mumbai	Nationalized Banks	1,96,03,966	1.94
9	Axis Bank Limited	Other Banks	1,64,71,241	1.63
10	Abu Dhabi Investment Authority - Lglinv	Foreign Portfolio Investors (corporate)	1,63,64,000	1.62
11	State Bank of India	Nationalized Banks	1,51,85,691	1.50
12	ICICI Bank Ltd	Other Banks	1,46,77,601	1.45
13	United Bank of India	Nationalized Banks	1,45,69,452	1.44
14	Syndicate Bank	Nationalized Banks	96,93,580	0.96
15	Reliance Capital Trustee Co Ltd	Mutual Funds	89,69,700	0.89
16	IFCI, Mumbai	Indus. Financial Corp of India (IFCI)	7,570,839	0.75
17	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	Foreign Portfolio Investors (Corporate)	74,50,944	0.74
18	Standard Chartered Bank	Foreign Bank	68,33,654	0.68
19	Bank of Baroda	Nationalized Banks	64,65,360	0.64
20	State Bank of Patiala	Nationalized Banks	64,55,760	0.64

Dematerialization of Shares and Liquidity

As on March 31, 2017, 100,29,27,812 equity shares representing 99.23% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2017, is given below:

Particulars	No. of Equity shares	Percentage
Physical Segment	77,75,823	0.77
Demat Segment:-		
NSDL	91,11,24,346	90.15
CDSL	9,18,03,466	9.08
Total	1,01,07,03,635	100

The Promoters hold their entire equity shareholding in the Company in dematerialized form.

The Company's equity shares are regularly traded on the BSE and NSE.

Employees Stock Options (ESOPs)

- a) As on March 31, 2017, 1,20,180 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ₹ 52.03 per stock option.
- b) Each option, when exercised, as per the exercise schedule, would entitle the holder to subscribe for one equity share of the Company of face value ₹ 1 each.
- c) During the year under review, no options were vested in the employees of the Company.
- d) No options were exercised by the eligible employees during the year.

Details regarding Listing and redemption of Debt Securities

Pursuant to the directions of Securities and Exchange Board of India (SEBI), all the debt securities issued by the Company on private placement basis have been listed in the F Group - Debt Instruments of the BSE Limited (BSE).

In respect of the aforesaid debt securities, following are the details of Debenture Trustees:

Debenture Trustees details:

- 1) Axis Trustees Services Ltd
(Debenture Trustee for Axis Bank)
Axis House,
Bombay Dyeing Mill compound,
Pandurang Budhkar Marg,
Worli, Mumbai 400 025
Contact Person: Mr. Makarand Kulkarni
Tel : 022 6226 0073
- 2) IDBI Trusteeship Services Ltd
(Debenture Trustee for LIC)
Asian Building, Ground Floor, 17,
R Kamani Marg, Ballard Estate,
Mumbai 400001
Contact Person: Mr. Naresh Sachwani
Tel: 022 4080 7016

During the year under review, the Company has not issued any fresh debentures and debentures worth ₹ 3.55 crore have been redeemed.

As of March 31, 2017, an amount of ₹ 52.60 crore was outstanding as regards NCD's held by Axis Bank and an amount of ₹ 86.50 crore was outstanding for NCD's held by LIC.

The existing Non Convertible Debentures (NCD's) stand restructured in terms of tenure of repayment as per the terms of the CDR package approved for the Company on June 29, 2012. The said restructuring of the NCDs was intimated to BSE but not recorded and hence the listing of these NCD's got expired on the original maturity dates in 2014 & 2015 respectively.

Thereupon, the Company has taken up the matter with BSE to revive the listing of these NCD's which is under

due consideration. As soon as the listing of these NCD's are revived, the Company shall carry out the compliances as required under the SEBI Listing Regulations.

Share Transfer system

The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 30 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories ie. NSDL and CDSL within 21 days.

Address for members' correspondence

Members are requested to correspond with the Registrars and Share Transfer Agents at the below given address on all matters relating to transfer/ dematerialisation of shares, payment of dividend and any other query relating to Equity Shares or Debentures of the Company.

Registrars and Share Transfer Agents:

Contact Officer: Ms. Mary George,
TSR Darashaw Limited
Unit: Hindustan Construction Co. Ltd.
6-10, Haji Moosa Patrawala Ind. House,
20, Dr. E. Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai - 400 011
Telephone: +91-22-66568484 Fax: +91-22-66568494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

The Company has maintained an exclusive email id: secretarial@hccindia.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same have been displayed on the Company's website: www.hccindia.com

Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters. Members may contact the Compliance Officer and/or the Investor Relations Officer at the following address:

Compliance Officer:

Mr. Venkatesan Arunachalam
Company Secretary
Hindustan Construction Co. Ltd.
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083, India.
Tel: +91-22-2575 1000 Fax: +91-22-2577 7568
Website: www.hccindia.com
Email: secretarial@hccindia.com

Investor Relations Officer:

Mr. Santosh Kadam
Hindustan Construction Co. Ltd.
Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083, India
Tel: +91-22-2575 1000 Fax: +91-22-2577 7568
Website: www.hccindia.com
Email: secretarial@hccindia.com

Business Responsibility Report

As per Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report covering the principle wise performance of the Company on the nine principles as per National Voluntary Guidelines (NVGs) forms a part of the Annual report of the Company

Dividend Distribution Policy

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy and the same has been approved by the Board of Directors on February 2, 2017 which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders and forms a part of the Annual Report of the Company and has also been disclosed on the Company's website.

V) Compliance:

(a) (i) Details of non-compliance, if any

There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.

(ii) Compliance with mandatory requirements

The Company has complied with all the mandatory items of the SEBI Listing Regulations.

(iii) Compliance with the Discretionary Requirements under SEBI Listing Regulations

Adoption of discretionary requirements of SEBI Listing Regulations is being reviewed by the Company from time to time.

(iv) Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D, and E of Schedule V to the SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

(b) Compliance with Regulation 39(4) read with Schedule V and VI of SEBI Listing Regulations – Uniform procedure for dealing with unclaimed shares:

Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section

124 (6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of Unclaimed shares to Investor Education and Protection Fund (IEPF), the matter is under due consideration. The Company will comply with the formalities, as may be necessary, in this regard.

(c) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. The Company has not entered into any other back to back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates.

VI) Investor safeguards and other information:

Dematerialisation of shares

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

Revalidation of Dividend warrants

Members who have either not opted for NECS/ECS mandate or do not have such a facility with their bankers and who have not encashed earlier dividends paid by the Company, are requested to write to the Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF).

Under the Companies Act, 2013, dividends which remain unclaimed for a period of seven years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

Dates of declaration of dividends since financial year 2009-10 and the corresponding dates when unclaimed dividends are due to be transferred to the IEPF are given in the table below.

Financial year ended	Date of declaration of dividend	Amount remaining unclaimed / unpaid as on March 31, 2017 (₹)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
31.03.2010	11.06.2010	16,22,560.80	17.07.2017	16.08.2017
31.03.2011	10.06.2011	24,36,370.00	16.07.2018	15.08.2018

Separate letter has already been sent on February 17, 2017 to the Members who are yet to encash dividend for the financial year 2009-10 indicating that the unclaimed amount will be transferred to IEPF, if not claimed by the members before the due date of transfer to the said Fund. Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents TSR Darashaw Limited at their communication address for encashing the unclaimed dividends standing to the credit of their account. Members are further requested to note that after completion of seven years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.

Update Address / E-Mail Address / Bank Details

To receive all communications/corporate actions promptly, members holding shares in dematerialised form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

Electronic Service of Documents to Members at the Registered Email Address

As a responsible corporate citizen, your Company has been continuously supporting the "Green Initiatives" taken by the Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India (SEBI).

Accordingly, in respect of Members / Members who have registered their email addresses, the Company has been dispatching all documents vide electronic form since May 2011.

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such Member / Members whose shareholding is in dematerialized form and whose email ids are registered with the Depository Participant for communication purposes. As regards Member / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical

form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, TSR Darashaw Limited at their specified address, so as to update their registered email address from time to time.

It may be noted that the Annual Report of the Company is available on the Company's website www.hccindia.com for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the members, any time, as a member of the Company.

E- Voting Facility to members

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 91st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

Consolidate multiple folios (in respect of physical shareholding)

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/corporate benefits could then be sent to the consolidated folio.

Register Nomination(s)

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

Dealings of securities with Registered intermediaries

In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/ confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

CERTIFICATION BY CEO AND CFO UNDER REGULATION 17(8) OF SEBI LISTING REGULATIONS

The Board of Directors

of Hindustan Construction Company Ltd

We have reviewed the financial statements and the cash flow statement of Hindustan Construction Co. Ltd for the year ended March 31, 2017 and that to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee;
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

PRAVEEN SOOD

Group Chief Financial Officer

AJIT GULABCHAND

Chairman & Managing Director

Place: Mumbai

Mumbai, May 4, 2017

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V THE SEBI LISTING REGULATIONS

To,
The Members
Hindustan Construction Co Ltd

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2017.

For Hindustan Construction Co Ltd

AJIT GULABCHAND
Chairman & Managing Director

Mumbai, May 4, 2017

AUDITORS CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Hindustan Construction Company Limited

We have examined the compliance of conditions of corporate governance by Hindustan Construction Company Limited ("the Company") for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

per Adi P. Sethna
Partner
Membership No: 108840

Place: Mumbai
Date: May 4, 2017

Board's Report

To,

The Members of

Hindustan Construction Co. Ltd.

1. Report

Your Directors have presented the 91st Annual Report together with the Audited Financial Statements for the year ended March 31, 2017.

2. Financial Highlights

(As per IND AS)

Particulars	Standalone (₹ In Crore)	
	Year ended March 31, 2017	Year ended March 31, 2016
Income from Operations	4195.94	4190.89
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax	753.63	810.50
Less: Finance Costs	772.37	701.71
Depreciation	125.28	152.47
Exceptional Item	21.22	28.03
	<u>918.87</u>	<u>882.21</u>
Add: Other Income	250.44	214.24
Add/Less: Exchange Gain/(Loss)	11.76	(2.11)
Profit before Tax	96.96	140.42
Less: Tax Expense	37.55	45.66
Profit/(Loss) after Tax	59.41	94.76
Add: Other Comprehensive Income	21.51	(9.04)
Total Comprehensive income carried to Other Equity	<u>80.92</u>	<u>85.72</u>

3. Dividend

Your Company has restructured its debts under the Scheme for Sustainable Structuring of Stressed Assets ("S4A Scheme") and therefore, it is necessary to conserve and optimise use of resources to improve the health of the Company. Hence, your Directors have not recommended any dividend for the financial year ended March 31, 2017.

4. Operations

The Income from Operations of the Company in the year is ₹ 4195.94 crore as compared to ₹ 4190.89 crore in the previous year. The profit before tax is ₹ 96.96 crore as compared to ₹ 140.42 crore for the previous year.

Your Directors are pleased to inform that during the year under report, the Company has secured the following major contracts:

- Mumbai Metro Line 3, Package 2, Mumbai
Contract Value: ₹ 2523 crore,

- Railway Tunnel T-13 & Part T-14, Jammu & Kashmir
Contract Value: ₹ 1750 crore,
- Bistan Lift Irrigation Scheme, Madhya Pradesh
Contract Value: ₹ 375 crore,
- Anji Khad Cable Stayed Bridge, Jammu & Kashmir
Contract Value: ₹ 369 crore,
- Parallel Safety Tunnel of T 12, Jiribam Imphal Railway line, Manipur
Contract Value: ₹ 368 crore,
- Residential Buildings, DAE Township, Anupuram, Kalpakkam, Tamil Nadu
Contract Value: ₹ 182 crore,
- Residential Buildings, DAE Township, Anushaktinagar, Mumbai
Contract Value: ₹ 159 crore

The total balance value of works on hand as on March 31, 2017 is ₹ 20,390 crore.

Decisions are awaited from various clients for tenders submitted by the Company for 11 bids amounting to approx. ₹ 10,230 crore (HCC share ₹ 9,002 crore). Tenders for various packages for 28 projects worth ₹ 39,218 crore (HCC share ₹ 26,661 crore) are expected to be submitted in the near future. The Company has also submitted prequalification bids for 16 projects worth over ₹ 21,198 crore (HCC share ₹ 17,053 crore) which are under evaluation.

Operations of Subsidiaries

i) Lavasa Corporation Ltd. – Integrated Urban Development & Management

Lavasa has kept its rationale of developing a smart city for all and is tailoring partnerships and tie ups with global leaders. Partnerships are well in place and many of these projects are moving towards completion.

In the hospitality space, the Accor group is successfully running its operation with the two brands - Mercure Lavasa and the 1500 plenary capacity Lavasa International Convention Centre (LICC).

As for the existing hospitality projects, Ekaant - The Retreat and Waterfront Shaw Apartment Hotel continue to flourish. Fortune Select Dasve is in its ninth year of successful operations with occupancy at 63%, while Accor's Mercure is in its eighth year of successful operation with occupancy at 56%. In the tourism space, Lakeshore Water sports, Neo Spark Games Arcade and Xthrill Adventure Sports & Academy are also functioning successfully. Lavasa has tied up with former Indian cricketer and former chief of the BCCI Selection Committee, Mr. Sandeep Patil for building a Sports complex including a cricket stadium for corporate tournaments.

On the retail front, Restaurants like Smokin Joe's, Venkys Xpress, Subway, Café Coffee Day, Baskin Robbins, All American Diner, Granma's Homemade Patisserie, Chor Bizarre, Oriental Eight, Past Times Pub, Tabakh, Pizzavala, Naashta Paani, Paanchi Krunchy and Indulge have commenced operations. Many other non F&B outlets such as Mapro and Charosa Wine Boutique have successfully started operations including Lavasa's first miniplex- Fun Square Digital Cinema.

Christel House Lavasa (renamed as Dasve Public School), EHL and Christ College are fully operational.

Knowledge Vistas Limited (KVL), a K-12 school, is actively looking for JV partner to commence operation. Abhinav Shiksha Sansthan, New Delhi bought 1,25,000 sq.ft of land in Mugaon and is expected to build a 62,500 sq.ft school for academic year 2019-2020.

Women's special weekend at Lavasa saw a good participation on International Women's Day. There was a performance by mentalist Akshay Lakshmanan with his mind reading session, Mukund Seshadri with his session on financial planning, Dr. Shishir Shetty session on breast cancer awareness, Zumba sessions etc. Party night was hosted by RJ Urmin of Fever 104 FM.

Lavasa hosts glamour night for film actors, directors and producers from Marathi film industry with musical & dance performance by Ajit Parab, Pushkar Shrotri, Deepali Sayed, Manasi Naik & Nirmitti Sawant. Flea market; music & performance were organized at Dasve promenade for Christmas and New Year celebrations.

Lavasa has been an ideal location for ad & movie shoots, following are the brands which were shot at Lavasa for their TV commercial or still shoot: Skoda Rapid, Mercedes Benz, Blackberry Clothing, Brand Factory Clothing, Hero Bikes, Beat Car & Lotus Sun Cream.

Lavasa continued its focus on promoting tourism; we participated to showcase tourism at Lavasa in India International Travel & Tourism & Global Panorama Showcase. Over 1000 bikers braved the rain and travelled to Lavasa in June to celebrate World Motorcycle Day. Motoring World magazine conducted the jury round of their annual car and bike awards at Lavasa resulted in a six page story all of them featuring cars and bikes shot at Lavasa. Celebrations at Lavasa on Maharashtra Day, Independence Day weekend and initiative like the Dreamcatchers Summer camp were covered by all major publications and online portals. Launch of Jetovator, Segway and news about Lavasa bagging the PATWA Award were widely publicized.

Lavasa city now has a full-fledged operational Farmer's market known as 'Hara Bazar'; a two screen Movie theatre; it has a fully operating Post office, courier service & a Hospital with pharmacy. Lavasa has a Petrol Pump, two bank branches along with ATMs, a Public Safety Centre with Fire Engine & crew, Police

outpost, Tourist Information Center with Bus facility; Multilevel Car parking facility, Nature trail, rental housing for low income groups, simulated Golf Course facilities; Water Sports facility with latest "Jetovator", Adventure Sports facility, a modern Club with gym, Sports and Spa facilities and Public Transport system for citizens.

Infrastructure is a key to ensuring long-term livability; drinking water at Lavasa is fit for consumption without the need for additional filtration. Sewage is treated and is subsequently reused for irrigation and other non-potable uses. Lavasa's power distribution grid is reliable and the young city is already on the cutting edge of urban environmental sustainability initiatives.

Around the clock Lavasa Citizen Contact Centre has been operational since 2009 and is a one-stop information source for non emergency and emergency related services. It provides a single window resolution for all customers' needs and visitors' requests. The CMS department meets on a monthly basis with a committee of villagers throughout the project area. The Village Committee is the first of several such citizen advisory groups that will together form a key component of the Lavasa citizen and stakeholder engagement mechanisms.

Lavasa had 10,574 acres of land including 455 acres of land on lease by the end of last financial year i.e. March 31, 2016. This is reduced to 10,515 acres because 59 acres of land in Mugaon was restored to tribals by SDO, Maval during the year.

The Environment Management Plan is being implemented regularly. Regular monitoring of environmental aspects such as air & noise quality, water quality, soil & sediment quality, DG stack & noise quality and ecological monitoring of Dasve, Mugaon and Gadle Bandhara is being carried out by MoEF approved and NABL accredited laboratory. All reports were found to be within the consent / prescribed limits of Maharashtra Pollution Control Board (MPCB).

As per the environment clearance requirement, the Environmental Compliance Report is being submitted to MoEF once in six months. A yearly environment statement, a requirement as per the consent document of Maharashtra Pollution Control Board (MPCB), is being submitted every year.

Application of Geo-mat & Coir-mat with pegging of bamboo nails is being done to control soil erosion due

to heavy rainfall. Stump & shrub plantation activity has been undertaken and have planted 0.10 lakhs live stumps during the first spell of rains (June 2016).

Lavasa first town, Dasve, is ready with all basic infrastructures such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services. Till date 1250 properties are handed over to the City Management Services department for handing over to customers. The hostel block at Tower A is operational. The restoration works on major landslide affected area is in progress. Work on infrastructure & buildings for the second town of Mugaon are on hold.

Lavasa has also initiated a number of development and empowerment programs for the local community like provision of treated drinking water to 18 villages in the project area at 72 locations on a daily basis; calligraphy workshops, aptitude tests and counseling for students of Zilla Parishad (ZP) schools, crèche for labor children; starting the Apollo Lavasa Primary Health Centre at Bhoini and provision of free health check up, medicines and ambulance service to villagers; monthly health and awareness camps for HIV/ AIDS, malaria, nutrition, and water borne diseases. Employment and self employment opportunities to the locals have also been provided.

ii) HCC Infrastructure Company Ltd

HCC Infrastructure Company Ltd, a wholly owned subsidiary of your Company, is actively engaged in the development & operations of road transport through its subsidiaries, namely HCC Concessions Ltd (HCON) and HCC Operations & Maintenance Ltd (HOML), respectively. HCON is focused on developing and managing BOT road assets, primarily National Highway Projects under Public Private Partnership (PPP) and HOML operates and maintains the operational assets. Another subsidiary, HCC Power Ltd, has mandate to explore opportunities in the power sector to leverage HCC's capabilities.

HCON has developed six NHAI road assets since its inception and the current portfolio consists of four NHAI road concessions constituting an asset base of ₹ 4,900 crore. The Company has been evaluating NHAI projects under Hybrid Annuity Model (HAM), a low risk model, for future investments, besides evaluating the opportunities to engage with potential players for offering end to end services for Toll, Operate & Transfer (TOT) model.

During the last fiscal year, the management team has been meticulously working towards achieving timely commissioning of one of its road project, arranging cost overrun financing, smooth operations and maintenance of existing assets and exploring raising of capital to meet the future needs.

Current Road Portfolio

HCON's current portfolio comprises of four toll based projects, of which 3 projects together form a contiguous stretch of 250 km on NH-34 in the state of West Bengal and the 4th project is located on NH-2 in the National Capital Region of Delhi.

HCC's development of NH-34 is among the largest PPP highway undertakings in the country. NH-34 is the backbone of the transport system in Bengal, which is the fourth most populous state in India and home to 90 million citizens.

NH-34 provides north-south connectivity between the capital region / ports of Kolkata & Haldia to north Bengal & north eastern states of India. The west side of the highway borders Bihar and Jharkhand and the eastern side run parallel to the Bangladesh border, where considerable import and export of goods occur. NH-34 is the only viable route for commercial traffic over major rivers such as Bhagirathi, Ganga, Mahananda and Nagri in the region. Furthermore, it forms part of the critical route to neighbouring Bhutan, Bangladesh and Nepal.

Baharampore-Farakka Highways Ltd (BFHL)

The project road starts from north of Kolkata at Km 191.420 near Baharampore and ends at Farakka (before Farakka Barrage) at Km 294.680.

The concession period is 25 years, including a construction period of 30 months. The project is being implemented with an investment of ₹ 1,424 crore.

The project has witnessed traffic growth of 6.2% in the last fiscal year and the turnover for the year was ₹ 136 crore, an increase of 21% compared to the previous year.

As per the gazette notification for overloaded vehicles, BFHL has implemented the 10x tolling for overloaded vehicles on this project since August 2014 to mitigate additional maintenance costs required to be incurred due to plying of overloaded vehicles.

After demonetization of currency notes of ₹ 500 and ₹ 1,000, based on directive from Government

of India, the toll collection of the project stopped from November 8, till December 2, 2016. A claim for recovery of ₹ 9.35 crore on this account has been submitted to NHAI.

The final completion of the project is expected by Q2/ Q3 of financial year 2018-2019, largely due to material defaults by NHAI in providing land on a timely basis. The work on the Baharampore bypass is underway and the company is working with the authority and district administration to resolve all encumbrances along the right of way.

Farakka-Raiganj Highways Ltd (FRHL)

The Company commenced commercial operations of its ₹ 1,720 crore Farakka Raiganj Highways Ltd (FRHL) in October 2016. FRHL covers the busiest section of NH-34 and passes through major towns such as Farakka, Kaliachawk, Malda, and Gajol, besides being the only link over the river Ganges in the region. The project has a concession period of 30 years, including construction period of 30 months.

The commercial operations of this project commenced on 19th Oct 2016 for 80 Km. Post that travel time for commuters in FRHL has been reduced significantly, by approximately 5-6 hours during peak hours. The construction of FRHL has involved over 130 structures including 9 Major Bridges, 22 Minor Bridges, 5 Underpasses and 2 Toll Plazas, with material coordination alongside NHAI and numerous State agencies.

The average daily toll collection has been ₹ 47 lakh since start of toll collection.

After demonetization of currency notes of ₹ 500 and ₹ 1,000, based on directive from Government of India, the toll collection of the project stopped from 8th Nov till 2nd Dec 2016. A claim for recovery of ₹ 9.82 crore on this account has been submitted to NHAI.

The final completion of the project is expected by Q2/ Q3 of FY18. Entire land has been made available by NHAI and the work is progressing well.

Raiganj-Dalkhola Highway Ltd (RDHL)

This is the north-most section of NH-34 and connects to NH-31 at Dalkhola.

Land acquisition delay of about 6 years led to substantial increase of project cost. RDHL has filed its claims of ₹ 615 crore against NHAI. The Company made its best efforts to arrange cost overrun financing

in order to restart the project. In spite of prolonged delay in land acquisition and defaulting on crucial requirements of Concession Agreement, NHAI was not ready to acknowledge the increase in project cost for termination benefits due to which lenders consortium has expressed their inability to fund the cost overrun. NHAI took a stand of terminating the project and has issued notice on March 31, 2017. The Company is evaluating all options either to revive the project or to recover its dues from NHAI either through Arbitration or amicable settlement.

Delhi Faridabad Elevated Expressway (dfskeyway™)

The Delhi Faridabad Elevated Expressway (dfskeyway™) is a six lane 4.4 km elevated highway connecting Delhi and Haryana at Badarpur.

The Company's revenues have been falling short of its projections due to the existence of toll free local road, which is being used by the long distance commercial vehicles to escape paying toll charges and violates the spirit of the Concession Agreement.

BFTL also suffered a material impact due to a Supreme Court order for collecting Environmental Compensation Charge (ECC) from commercial vehicles entering New Delhi (thereby discouraging their entry into the capital), resulting in a substantial dip of ~40% in commercial vehicles. This has unfortunately caused a devastating impact and political event by permanently curtailing revenues.

In parallel, BFTL had discussions with its lenders to find a long term sustainable solution to the cash flow issues of the project. Consortium of Lenders invoked Strategic Debt Restructuring ("SDR") in the project. However, the SDR process could not be completed due to pending final approvals from a couple of Banks and NOC from NHAI.

After demonetization of currency notes of ₹ 500 and ₹ 1,000, based on directive from Government of India the toll collection of the project stopped from November 8, 2016 till December 2, 2016. A claim of ₹ 4.21 crore has been submitted to NHAI for the same.

To bring long lasting solution to the project, the Company, after seeking consensus from lenders, is ready for going ahead with option of either terminating the project and pursue claims through Arbitration or mutually foreclose the project in discussion with NHAI.

iii) **Steiner AG, Switzerland**

Steiner AG (Steiner), one of the leading project developers, total and general contractors (TC/GC) in Switzerland, offers comprehensive services in the fields of new constructions, refurbishment and real estate development. Since 2010, Steiner has been part of the your Company. HCC owns 100% stake in Steiner AG through HCC Mauritius Enterprises Limited and HCC Mauritius Investment Limited, Wholly Owned Subsidiaries.

Steiner, established in 1915, has completed more than 1,500 residential construction projects, and have built nearly 600 commercial properties, over 45 hotels, around 200 infrastructure facilities, among them universities, schools, hospitals, nursing homes, rehabilitation facilities, retirement homes and prisons. Steiner ranks among the market leaders in Switzerland and aims for excellence in its environmental, health and safety performance. Its client and process orientation is driven by the focus on quality and on providing cost-effective solutions. Steiner fulfils current quality management criteria and is certified as confirming to ISO 9001, ISO 14001 and OHSAS 18001. Steiner's head office is in Zurich and it has branches in Basel, Berne, Geneva, Tolochenaz, Lucerne and St. Gall.

Its subsidiary, Steiner India Ltd, markets Swiss know-how for the emerging real estate market from its base in Mumbai.

Steiner AG has registered a revenue of CHF 820.6 million (₹ 5,580 crore) compared to CHF 636.8 million (₹ 4255 crore) in the previous year and a net profit of CHF 3.2 million (₹ 21.7 crore) compared to a loss of CHF 4.9 million (₹ 33 crore) in the previous year. The Company secured fresh orders worth CHF 927 million (₹ 5,977 crore). The order backlog was CHF 1.43 billion (₹ 9,200 crore) at the end of the year. In addition to this, the company has secured orders for CHF 700.0 million (₹ 4,515.7 crore), where the contracts are yet to be signed. The closing cash balance of the company was CHF 95.6 million (₹ 617 crore) reflecting the company's steady financial performance and strong liquidity position.

Steiner India Ltd, 100% subsidiary of Steiner AG, had a revenue of ₹ 51 crore and loss of ₹ 2.9 crore in financial year 2016-2017

5. **Subsidiaries and Associate Companies**

During the year under review, the following changes have taken place with respect to Subsidiary Companies

and Associate Companies, as the case may be applicable :

- a) Kart Racers Limited, a step-down subsidiary Company, has ceased to be a wholly owned subsidiary of Lavasa Corporation Limited w.e.f. June 3, 2016 and continues to be a subsidiary of Lavasa Corporation Limited.
- b) Highbar Technologies FZ LLC, a step-down subsidiary Company, was de-registered w.e.f. July 31, 2016.
- c) Highbar Technocrat Limited (previously known as Osprey Hospitality Limited), a step-down subsidiary of the Company, has ceased to be subsidiary of Lavasa Corporation Limited with effect from August 8, 2016. It has become an Associate Company of Highbar Technologies Limited w.e.f. December 12, 2016 wherein 49% of its shareholding is held by Highbar Technologies Ltd.
- d) Warasgaon Lakeview Hotels Limited, a step-down subsidiary Company, has ceased to be an Associate Company of Lavasa Corporation Limited w.e.f. March 14, 2017 and the consequent shareholding of Lavasa Corporation Limited in the said Company has reduced to 19.2%.
- e) During the year under review SNC Valleiry Route de Bloux. wholly owned subsidiary of Steiner Leman SAS, got merged with Steiner Leman SAS, a step-down subsidiary of the Company, as part of restructuring process.

As on March 31, 2017, the list of Subsidiaries and Associate Companies of your Company is as follows:-

Subsidiary Companies

1. Western Securities Ltd
2. HCC Aviation Ltd
3. HCC Construction Ltd
4. Highbar Technologies Ltd
5. HCC Mauritius Enterprises Limited
6. HCC Mauritius Investment Limited
7. Steiner AG
8. Steiner Promotions et Participations SA
9. VM + ST AG
10. Eurohotel SA
11. Steiner (Deutschland) GmbH
12. Steiner Leman SAS
13. Steiner India Ltd
14. HCC Infrastructure Company Ltd
15. Dhule Palesner Operations & Maintenance Ltd
16. HCC Power Ltd
17. HCC Energy Ltd
18. HCC Operations & Maintenance Ltd
19. HCC Real Estate Ltd
20. HRL Township Developers Ltd
21. HRL (Thane) Real Estate Ltd
22. Nashik Township Developers Ltd
23. Maan Township Developers Ltd
24. Charosa Wineries Ltd
25. Powai Real Estate Developers Ltd
26. HCC Realty Ltd
27. *Pune-Paud Toll Road Company Ltd
28. Panchkutir Developers Ltd
29. Lavasa Corporation Ltd
30. Lavasa Hotel Ltd
31. Lakeshore Watersports Company Ltd
32. Dasve Convention Centre Ltd
33. Dasve Business Hotel Ltd
34. Dasve Hospitality Institutes Ltd
35. Lakeview Clubs Ltd
36. Dasve Retail Ltd
37. Full Spectrum Adventure Ltd
38. Lavasa Bamboocrafts Ltd
39. My City Technology Ltd
40. Reasonable Housing Ltd
41. Future City Multiservices SEZ Ltd
42. Rhapsody Commercial Space Ltd
43. Valley View Entertainment Ltd
44. Warasgaon Tourism Ltd
45. Our Home Service Apartments Ltd
46. Warasgaon Power Supply Ltd

47. Sahyadri City Management Ltd
48. Hill City Service Apartments Ltd
49. Warasgaon Infrastructure Providers Ltd
50. Nature Lovers Retail Ltd
51. Warasgaon Valley Hotels Ltd
52. Rosebay Hotels Ltd
53. Mugaon Luxury Hotels Ltd
54. Warasgaon Assets Maintenance Ltd
55. Hill View Parking Services Ltd
56. Verzon Hospitality Ltd
57. Kart Racers Limited
58. HCC Concessions Ltd
59. Narmada Bridge Tollway Ltd
60. Badarpur Faridabad Tollway Ltd
61. Baharampore - Farakka Highways Ltd
62. Farakka - Raiganj Highways Ltd
63. Raiganj - Dalkhola Highways Ltd
64. Spotless Laundry Services Ltd
65. Green Hill Residences Ltd
66. Whistling Thrush Facilities Services Ltd
67. Ecomotel Hotel Limited

Associate Companies

1. Knowledge Vistas Limited
2. Evostate AG
3. Projektentwicklungsges, Parking Kunstmuseum AG.
4. MCR Managing Corp. Real Estate AG
5. Highbar Technocrat Limited
6. Nirmal BOT Limited
7. Andromeda Hotels Limited
8. Bona Sera Hotels Limited
9. Apollo Lavasa Health Corporation Ltd
10. Starlit Resort Ltd

** A scheme of Amalgamation has been filed jointly by HCC Infrastructure Co. Ltd and Pune-Paud Toll Road Company Ltd (PPTRCL) for amalgamation of PPTRCL with HCC Infrastructure Co. Ltd, before the National Company*

Law Tribunal at Mumbai, vide Company Application on March 31, 2017 as per Section 230 to Section 232 of the Companies Act, 2013 and the same is pending for admission.

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies of the Company forms part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2017.

The Company has formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. www.hccindia.com and can be accessed at http://www.hccindia.com/pdf/HCC_Policy_for_determining_Material_Subsidiaries.pdf

6. S4A Scheme Implementation /Increase in Share Capital

The Company had availed certain financial facilities (“Facilities”) under the Reserve Bank of India Corporate Debt Restructuring (“CDR”) mechanism whereby the debt obligations of the Company were restructured on the terms and conditions set out in the Master Restructuring Agreement dated June 29, 2012 executed amongst the ICICI Bank (as the Monitoring Institution), the Lenders and the Company (“CDR MRA”).

Despite availing the restructuring of the Facilities under the CDR mechanism, the Company was facing liquidity issues and challenges in debt servicing due to inter alia slower than envisaged recovery in the economy and infrastructure sector and increased interest cost for the Company due to increase in the working capital requirement and non-realization of claims / receivables. This has resulted in a gap of cashflow timing mismatch between claims realization (including interest) and debt servicing. If such cash gap is left unaddressed, the Company will face challenges in the execution of its order book and also in servicing of its debt.

Accordingly, in order to bridge the aforementioned cashflow timing mismatch, the Lenders deliberated various solutions to address the aforementioned liquidity issues and recommended the Scheme for Sustainable Structuring of Stressed Assets (“S4A Scheme”) introduced by the Reserve Bank of India (“RBI”) pursuant to its circulars dated June 13, 2016 and as amended further on November 10, 2016 (“S4A Circulars”).

The Lenders in their Joint Lender's Forum meeting ("JLF") held on July 8, 2016 deliberated on the various options and agreed to explore the recommendation of the Monitoring Committee for implementing the S4A Scheme for the Company. Pursuant to the JLF held on July 12, 2016, the Lenders decided to adopt the S4A Scheme with the **Reference Date as July 12, 2016** and at the JLF held on September 7, 2016 they agreed to convert part of their entire debt exposure ("**Part B Debt of HCC S4A Scheme**") to Equity shares and Optionally Convertible Debentures (OCDs) ("**S4A Securities**") towards implementation of the S4A Scheme and the same was approved by Overseeing Committee constituted by RBI (OC) on November 4, 2016 ("HCC S4A Scheme/Scheme").

Pursuant to the implementation of the S4A Scheme and in accordance with and as specified in the financing documents executed by the Company with, inter alia, the Lenders (hereinafter referred to as the "**S4A Agreements/ S4A Documents**"), the shareholders at the Extraordinary General Meeting (EGM) of the Company held on January 5, 2017 approved the offer and issue of Equity Shares representing 24.44% in aggregate of the expanded share capital of the Company and Optionally Convertible Debentures (OCDs) of face value ₹ 1000 each on Preferential Basis, to the Lenders as per applicable laws and extant regulations, based on the respective Lender's subscription for the Securities of the Company.

During the year under review, for the purpose of allotment of S4A Securities and in accordance with the shareholders approval at the EGM of the Company held on January 5, 2017, the Authorised Share Capital of the Company was increased to ₹ 135,00,00,000 (Rupees One Hundred Thirty Five Crore Only) divided into 125,00,00,000 (One Hundred Twenty Five Crore) Equity Shares of ₹ 1 each (Rupee One Only) and 1,00,00,000 (One Crore) Redeemable Preference Shares of ₹ 10 each (Rupees Ten only),

As per the terms of the S4A Agreements executed between Company and the Lenders, in respect of Lenders who had completed the process of conversion of debt into Equity Shares and/or OCDs of the Company under the HCC S4A Scheme, and in accordance with the shareholders approval at the EGM of the Company held on January 5, 2017, the Company has issued and allotted **23,15,44,729 Equity shares** of ₹ 1 each, in aggregate, representing **22.91%**

of the Expanded Share Capital of the Company, at an issue price of ₹ 34.92 per Equity Share (including premium of ₹ 33.92 per Equity Share) for an amount aggregating ₹ 809 crore and **1,44,14,874** Optionally Convertible Debentures (OCDs) of face value ₹ 1000 each, in aggregate, for an amount aggregating ₹ 1441 crore to 27 Lenders under the HCC S4A Scheme, in two tranches, on January 6 and 19, 2017, in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and Section 42, 62 of the Companies Act, 2013 and the rules made thereunder.

The S4A Scheme was successfully implemented for the Company as more than 50% of lenders by number holding more than 75% by value, participated in the Scheme and thereupon Company has made the allotment of S4A securities to the respective Lenders.

Post S4A Scheme implementation, the present paid up Equity Share Capital of the Company is ₹ 101,07,03,635 which comprises 101,07,03,635 Equity shares of face value ₹ 1 each.

Out of the total 30 lenders under S4A Scheme, some of the remaining Lenders who had not participated in the S4A Scheme so far, have thereafter agreed to subscribe to the S4A securities under the Scheme and accordingly with necessary shareholders approval at the forthcoming Annual General Meeting of the Company, the Company will proceed to issue and allot the corresponding S4A securities to the respective Lenders as per extant regulations in force.

7. Public Deposits

Your Company has not accepted any deposits from the public, or its employees during the year under review.

8. Particulars of Loans, Guarantees or Investments

Particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Also, pursuant to Paragraph 2 of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, particulars of Loans/Advances given to Subsidiaries have been disclosed in the notes to the Financial Statements.

9. Employee Stock Option Scheme (ESOP)

As on March 31, 2017, 1,20,180 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ₹ 52.03 per stock option.

Each option, when exercised, as per the exercise schedule, would entitle the holder to subscribe for one equity share of the Company of face value ₹ 1 each.

During the year under review, no options got vested in the employees of the Company. 15,34,450 stock options got lapsed between April 1, 2016 and March 31, 2017.

The particulars with regard to the ESOP as on March 31, 2017 as required to be disclosed pursuant to the provisions of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014, are set out in **Annexure I** to this Report.

10. Consolidated Financial Statements

In accordance with the Companies Act, 2013 and implementation requirements of Indian Accounting Standards ('IND-AS') Rules on accounting and disclosure requirements, which is applicable from current year, and as prescribed by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), the Audited Consolidated Financial Statements are provided in this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each of the subsidiary and joint venture in the prescribed form AOC-1 is annexed to this annual report.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiaries are kept for inspection by the shareholders at the Registered Office of the Company. The said financial statements of the subsidiaries are also available on the website of the Company www.hccindia.com under the Investors Section.

11. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by Securities and Exchange Board of India (SEBI).

The report on Corporate Governance as prescribed

in Schedule V(C) of the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance alongwith a declaration signed by the Chairman and Managing Director stating that the members of the Board of Directors and Senior Management personnel have affirmed the compliance with code of conduct of the Board of Directors and Senior Management is attached to the report on Corporate Governance.

12. Directors

As per the provisions of Section 152 of the Companies Act, 2013, Mr. N. R. Acharyulu (DIN 02010249), Non Executive & Non Independent Director of the Company, is due to retire by rotation. Mr. N. R. Acharyulu, being eligible, offers himself for re-appointment.

Mr. Bhalchandra R. Sule, ex-Director passed away on January 31, 2017. The Board of Directors has expressed its deep regret and offered condolences on the sad demise of Mr. Sule.

Mr. Bhalchandra R. Sule was a Director in the Company for a long time from 1993 to 2006. The Board also placed on record the invaluable contribution of Late Mr. B. R. Sule, to the Board and the Company during his tenure of Directorship with the Company.

Mr. Rajgopal Nogja was the Group COO and Wholtime Director upto May 2, 2016 and thereafter was the Group CEO of the Company from May 3, 2016 to March 31, 2017.

The Board placed on record its appreciation for the valuable contribution of Mr. Rajgopal Nogja during his tenure with the Company.

Pursuant to the resignation of Mr. Rajgopal Nogja as the Group CEO with effect from March 31, 2017 and based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on February 2, 2017, appointed Mr. Arjun Dhawan (DIN : 1778379) as Group Chief Executive Officer (CEO) & Additional Director of the Company w.e.f. April 1, 2017 in accordance with Section 203 and Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company respectively.

Subject to Members approval, the Board also appointed Mr. Arjun Dhawan as Group CEO & Whole-time Director of the Company for a period of 5

years w.e.f. April 1, 2017, In accordance with Section 196 of the Companies Act, 2013.

Prior to this appointment, Mr. Arjun Dhawan was the President & CEO of HCC Infrastructure since November 2009.

As an Additional Director, Mr. Arjun Dhawan shall hold office upto the date of the ensuing Annual General Meeting.

The Company has received a Notice under Section 160 of the Companies Act, 2013, from a member signifying an intention to propose Mr. Arjun Dhawan, as a candidate for the office of Director at the forthcoming Annual General Meeting.

The term of appointment of the Independent Directors of the Company viz., Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni, is upto the ensuing Annual General Meeting of the Company. Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni have furnished necessary declarations to the Company under Section 149(7) of the Act, confirming that, they meet the criteria of Independence as prescribed for continuing as Independent Directors under Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations.

Based on the performance evaluation of these Directors and after reviewing the declarations submitted by Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni, the Board of Directors were of the opinion that Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni, both continue to meet with the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meet with the requirements of Regulation 16(b) of the SEBI Listing Regulations and are also independent of the management and accordingly have proposed their re-appointment as Independent Directors of the Company, for a term of three consecutive years each, upto the conclusion of the 94th Annual General meeting of the Company in the calendar year 2020, subject to the Members approval.

The Company has received a Notice under Section 160 of the Companies Act, 2013, from member(s) signifying the intention to propose Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni respectively, as candidate(s) for the office of Director at the forthcoming Annual General Meeting.

The other Independent Directors of the Company viz., Mr. Rajas R, Doshi, Mr. Anil C. Singhvi and Dr. Omkar

Goswami have furnished necessary declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria of Independence as prescribed for Independent Directors under Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations.

The Company has received Form DIR-8 from all Directors pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Brief Profile of the Directors seeking appointment/ re-appointment has been given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

13. Key Managerial Personnel

Following persons are the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder:

- i) Mr. Ajit Gulabchand, Chairman and Managing Director.
- ii) Mr. Rajgopal Nogja, resigned as Group CEO of the Company w.e.f. March 31, 2017.
- iii) Mr. Arjun Dhawan, was appointed as the Group Chief Executive Officer and Whole-time Director of the Company with effect from April 1, 2017 and therefore he is a KMP w.e.f April 1, 2017.
- iv) Mr. Arun V. Karambelkar, President & Chief Executive Officer.
- v) Mr. Praveen Sood, Chief Financial Officer of the Company designated as Group CFO & EVP – HCC Group Office.
- vi) After the end of the financial year under review, the contract of appointment of Mr. Sangameshwar Iyer, Company Secretary is getting concluded and therefore he will be a KMP upto May 8, 2017.

The Board placed on record its appreciation for the services rendered by Mr. Sangameshwar Iyer during his tenure as Company Secretary of the Company.
- vii) Mr. Venkatesan Arunachalam was appointed as Company Secretary w.e.f. May 9, 2017 in place of Mr. Sangameshwar Iyer and therefore he is a KMP with effect from the said date.

Remuneration and other details of the said Key Managerial Personnel for the financial year ended March 31, 2017 are mentioned in Form MGT-9, Extract of the Annual Return which is attached as Annexure VIII to the Board's Report.

14. Board Committees

The Board of Directors of your Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee.

In accordance with the provisions of the erstwhile Clause 49 of the Listing Agreement, the Board had voluntarily constituted the Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Section of the Annual Report.

15. Meetings

A calendar of Board Meetings, Annual General Meetings and Committee Meetings is prepared and circulated in advance to the Directors of your Company.

The Board of Directors of your Company met 6 times during 2016-2017. The meetings were held on April 28, 2016, June 3, 2016, July 28, 2016, October 27, 2016, December 2, 2016 and February 2, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

16. Familiarisation Programme of Independent Directors

In compliance with the requirements of SEBI Listing Regulations, the Company has put in place a familiarization programme for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc.

The details of the familiarization programme are

explained in the Corporate Governance Report and the same is also available on the website of the Company and can be accessed by web link http://www.hccindia.com/pdf/familiarisation_program_for_independent_directors.pdf

17. Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Executive Committee of the Board and Corporate Social Responsibility (CSR) Committee has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

18. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on March 22, 2017, inter-alia, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

19. Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel:

The Nomination and Remuneration Committee has laid down a well-defined criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by them and approved by the Board of Directors in May 2, 2014, which is attached to the Board's Report as **Annexure II**.

20. Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Employees:

The Nomination and Remuneration Committee has laid down the policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by them and approved by the Board of Directors on May 2, 2014, which is attached to the Board's Report as **Annexure II**.

21. CSR Policy:

The brief outline of the Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee of the Directors and approved by the Board of Directors of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is attached to this Report as **Annexure III** and is available on the website of the Company i.e. www.hccindia.com

22. Related Party Transactions:

All the related party transactions entered during the year were in the ordinary course of business and on an arm's length basis.

The related party transactions attracting the compliance under Section 177 of the Companies Act, 2013 and / or SEBI Listing Regulations were placed before the Audit Committee for necessary approval/ review.

The routine related party transactions was placed before the Audit Committee for their omnibus approval.

A statement of all related party transactions entered was presented before the Audit Committee on a quarterly basis, specifying the nature, value and any other related terms and conditions of the transactions.

There are no transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

Further the details of the transactions with Related parties are provided in the Company's financial statements in accordance with the Accounting Standards readwith IND AS Rules.

The Related Party Transactions Policy as approved by the Board of Directors of the Company has been

uploaded on the website of the Company at http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf

23. Directors' Responsibility Statement

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are generally operated effectively during the year.

Internal financial control over carrying cost of investment in subsidiaries and recoverability of dues from subsidiaries, is covered under internal financial control.

The management is of the view that diminution in the carrying cost of investment in subsidiaries, if any, is temporary in nature and recoverability of dues from subsidiaries are good. The view of the management is also supported by a third party expert report.

However, in view of the uncertainties involved, your Auditors have given a qualified opinion in their report in this regard, without quantifying the impact. Other than this, your Auditors have opined that the Company has in, all material respects, maintained adequate internal financial controls over financial reporting (IFCoFR) and that they were operating effectively.

This response by Directors is based on the management note given under Para 29 of this report.

24. Industrial Relations

The industrial relations continued to be generally peaceful and cordial during the year.

25. Transfer to Investor Education and Protection Fund (IEPF)

Your Company has, during the year under review, transferred a sum of ₹ 17,86,342 to Investor Education and Protection Fund, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said amount represents dividend for the year 2008-09 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

26. Particulars of Employees and other additional information.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure V to this Report.

The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the Report and the Accounts are being sent to the members excluding the said Annexure. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

27. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014, is given in Annexure VI forming part of this Report.

28. Statutory Auditors

The Members of the Company had, at the 88th Annual General Meeting ("AGM") held on June 20, 2014, approved the appointment of Walker Chandiook & Co. LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 001076N as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the 6th AGM held

thereafter (subject to ratification of the appointment by the Members at every AGM held after the abovesaid AGM).

Rule 3(7) of Companies (Audit and Auditors) Rules, 2014, states that appointment of the Auditor shall be subject to ratification by the members at every Annual General Meeting till the expiry of the term of the Auditor.

At the 90th AGM held on July 14, 2016, the shareholders had ratified the appointment of Walker Chandiook & Co. LLP, Chartered Accountants, Mumbai for the period covering their third year of appointment viz., from the conclusion of the last AGM held on July 14, 2016 until the conclusion of the Annual General Meeting to be held in the financial year 2017-2018.

The said existing appointment of Walker Chandiook & Co. LLP, Chartered Accountants, Mumbai covering their fourth year of appointment viz, from the conclusion of the ensuing AGM in financial year 2017-2018 until the conclusion of the next Annual General Meeting to be held in the financial year 2018-2019, has to be ratified by Members at the forthcoming AGM and accordingly the said proposal is being placed for members' ratification.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder, as may be applicable.

29. Statutory Auditors' Remarks

a. Statutory Auditor's Qualification :

The Statutory Auditors' Report to the Members on the Audited Financial Results of the Company for the financial year ended March 31, 2017 contains the following qualification(s) :

As stated in Note 33 to the standalone financial statements, the Company's non-current investments as at March 31, 2017 include investments aggregating ₹ 630.83 crore in two of its subsidiaries; and non-current loans, other non-current financial assets and other current financial assets as at that date include dues from such subsidiaries aggregating ₹ 512.42 crore, ₹ 38.17 crore and ₹ 4.77 crore, respectively,

being considered good and recoverable by the management considering the factors stated in the aforesaid note including valuation report from an independent valuer. However, these subsidiaries have accumulated losses and their net worth is fully / substantially eroded. Further, these subsidiaries are facing liquidity constraints due to which it may not be possible to realize projections made as per business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these investments and recoverability of the aforesaid dues and the consequential impact, if any, on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended March 31, 2016 was also qualified in respect of this matter.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

b. Statutory Auditor's Qualification on the Internal Financial Controls relating to the above matter:

In our opinion, according to the information and explanations given to us and based on our audit procedure performed, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at March 31, 2017:

The Company's internal financial controls in respect of supervisory and review controls over process of determining of (a) carrying value of the Company's non-current investments in its subsidiaries; and (b) recoverability of non-current loans, other non-current financial assets and other current financial assets due from such subsidiaries were not operating effectively. Absence of aforesaid assessment in accordance

with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investments in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, could also impact the profit (financial performance including other comprehensive income) after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, maintained adequate IFCoFR as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and the Company's IFCoFR were operating effectively as at March 31, 2017.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended March 31, 2017, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Management Note:

The Company, as at March 31, 2017, has (i) a non-current investment amounting to ₹ 612.40 crore (March 31, 2016: ₹ 612.40 crore; April 1, 2015: ₹ 612.40 crore), non-current loans amounting to ₹ 380.86 crore (March 31, 2016: ₹ 327.01 crore; April 1, 2015: ₹ 266.02 crore), other non-current financial assets amounting to ₹ 21.72 crore (March 31, 2016: ₹ 19.43 crore; April 1, 2015: ₹ 25.01 crore) and other current financial assets amounting to ₹ Nil (March 31, 2016: ₹ 5.07 crore; April 1, 2015: ₹ 3.43 crore) in HREL, a subsidiary, which is holding 68.70% share in Lavasa Corporation Limited (LCL), a step down

subsidiary, and (ii) a non-current investment amounting to ₹ 18.43 crore (March 31, 2016: ₹ 18.43 crore; April 1, 2015: ₹ 18.43 crore), non-current loans amounting to ₹ 131.56 crore (March 31, 2016: ₹ 110.21 crore; April 1, 2015: ₹ Nil), other non-current financial assets amounting to ₹ 16.45 crore (March 31, 2016: ₹ 13.08 crore; April 1, 2015: ₹ 14.30 crore) and other current financial assets amounting to ₹ 4.77 crore (March 31, 2016: ₹ 1.28 crore; April 1, 2015: ₹ 77.24 crore) in LCL. While such entities have incurred losses during their initial years and consolidated net-worth of both entities as at March 31, 2017 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. The net-worth of these subsidiaries does not represent their true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is substantially higher. Therefore, based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realizable amount of these subsidiaries is substantially higher than the carrying value of the investments, non-current loans, other non-current financial assets and other current financial assets due to which these are considered as good and recoverable.

Based on the above, management believes that the Company's internal financial control in respect of assessment of the carrying value of investment, recoverability of loans and advances, current and non-current assets in subsidiaries were operating effectively and there is no material weakness in such controls and procedures.

30. Secretarial Audit:

Secretarial Audit for the financial year 2016-2017 was conducted by M/s. BNP & Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached to this Report as Annexure VII wherein the following observation has been made by the Secretarial Auditor:

In respect of the Listed Non - Convertible Debentures (NCDs), although the terms got restructured in accordance with the CDR package approved for the Company in 2012 whereby, inter alia, the maturity dates were rescheduled to a later date and the same was intimated to the BSE, to extend the listing for the said NCDs, there was no advise from BSE and the said NCDs got delisted on the expiry of the respective original maturity dates. In view of the delisting, respective compliances under Regulations 50 to 52 and 54 to 62 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have not been carried out by the Company during the delisted period.

Management Note :

In respect of the Listed Non-Convertible Debentures (NCD) issued to Life Insurance Corporation of India & Axis Bank Limited in 2008 and 2011 respectively, the Company had complied with the provisions of the erstwhile Listing Agreement provisions for debt segment with BSE. The said NCDs were restructured, by extending the tenure of repayment in accordance with CDR Package dated June 29, 2012 and the same was intimated to BSE but was not recorded by them and therefore the listing of these NCDs got expired on the original maturity dates in 2014 & 2015 respectively.

The Company had taken up the matter with BSE to revive the NCDs upto the extended tenure and the same is under their due consideration.

As the NCDs got technically delisted due to reasons cited above and beyond the control of management, respective compliances under Regulations 50 to 52 and 54 to 62 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were not applicable for the Company during the delisted period. As soon as the listing of these NCDs are revived by BSE, the Company shall carry out the compliances as required under SEBI Listing Regulations.

31. Cost Audit :

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on July 28, 2016 had appointed M/s. Joshi Apte & Associates, Cost Accountants bearing (Firm Registration No. 00240). as Cost Auditors of the Company for the financial year 2016-2017. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule

14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for financial year 2016-2017.

32. Risk Management:

The Company has established a well-documented and robust risk management framework under the provisions of Companies Act, 2013. The Company has constituted Risk Management Committee in place, which has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company.

Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are managed systematically by categorizing them into Enterprise Level Risk & Project Level Risk. These risks are further broken down into various sub-categories of risks such as operational, financials, contractual, order book, project cost & time overrun etc. and proper documentation is maintained in the form of activity log registers, mitigation, reports; and monitored by respective functional heads. Review of these risk and documentation is undertaken by Risk Review Committee of the management, held at agreed intervals but at-least once in quarter and mainly during Quarterly project reviews.

Risk Review Committee was successful in early identification of financial risk related to borrowing structure & cash flow mismatch due to late realization of claims lodged with clients. These risk were materially mitigated during the year by implementing new financial restructuring scheme introduced by Reserve Bank of India known as 'Scheme for Sustainable Structuring of Stressed Assets (S4A)' with lenders and issue of guidelines by Cabinet Committee of Economic Affairs (CCEA) for release of 75% of arbitration awards in favour of infrastructure companies, respectively.

On introduction & implementation of new Accounting Standard Indian Accounting Standards ('IND-AS') under Companies Act, 2013 which is applicable from current year, company in its Notes to Accounts have disclosed risk management objectives and policies for managing financial and reporting risk. (Refer Note 40 of Standalone Financial Statements).

33. Internal Control Systems and their adequacy

The Company has Internal Control Systems, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

34. Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Companies Act 2013.

35. Vigil Mechanism Policy:

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The vigil mechanism policy is uploaded on the website of the Company at www.hccinida.com

36. Sexual Harassment:

HCC has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. HCC has a well formulated Policy on Prevention & Redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This policy has striven to prescribe a code of conduct for the employees and all employees have access to the Policy document and are required to strictly abide by it. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee. During the year 2016-2017, no case of Sexual Harassment was reported.

37. Reporting of Frauds :

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

38. Significant and material Orders passed by the Regulators/Courts, if any:

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

39. Material changes & commitment if any, affecting financial position of the Company from the end of financial year till the date of the report:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

40. Extract of Annual Return:

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed hereto

as **Annexure VIII** and forms the part of this Report.

41. Acknowledgements:

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

Hincon House, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083

Place : Mumbai

Date : May 4, 2017

Annexure I to the Board's Report

Disclosure pursuant to the provisions of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 as at March 31, 2017:

No.	Particulars	Details
a)	Options granted	93,05,100 Options
b)	Pricing formula	<u>Pricing formula for remaining Options</u> The closing market price on the Stock Exchange, which recorded the highest trading volume in the Company's share prior to the date of the Meeting of ESOP Compensation Committee in which Options were granted.
c)	Options vested	1,20,180 (Adjusted- vested options only with respect to options outstanding).
d)	Options exercised	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) August 2010).
e)	Total No. of shares arising as a result of exercise of Options	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) August 2010).
f)	Options lapsed	72,77,340 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010).
g)	Variation of terms of Options Exercise Price	In accordance with the approval of the Board of Directors of the Company, the ESOP Compensation Committee had during financial year 2009-10 re-priced 41,31,600 Options granted by the Company at ₹ 104.05 per Stock Options (Earlier ₹ 132.50 per Stock Option). Post Adjustment for Bonus Issue of Equity Shares in August 2010, the said Options were priced at ₹ 52.03 per Equity Share.
h)	Money realized by exercise of Options	₹ 34,36,133
i)	Total No. of Options in force	1,20,180

Employee wise details of Outstanding Options as of March 31, 2017:

Sr. No.	Senior Managerial Personnel		Number of Options granted and in force
	Name	Designation	
1	Mr. Aditya Jain	Group Executive Vice President – Human Resources	1,20,180
	Total No. of Options Outstanding		1,20,180

Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant: Nil

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

Hincon House, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083

Place : Mumbai

Date : May 4, 2017

Annexure II to the Board's Report

Nomination and Remuneration Policy of the Company:

The Remuneration Committee of Hindustan Construction Company Ltd ("the Company") was originally constituted on August 30, 2000 consisting of three Independent Directors.

In order to align with the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder and as per the Listing Agreement with the Stock Exchanges, the Board of Directors of the Company at its meeting held on May 2, 2014, had renamed the Remuneration Committee as "Nomination and Remuneration Committee" ('Committee').

1. OBJECTIVE

This policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and erstwhile Clause 49 under the Listing Agreement which has since been replaced by SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. EFFECTIVE DATE

This policy is effective from January 29, 2015.

3. SCOPE

This policy is applicable to Directors and Senior Management of the Company including Key Managerial Personnel.

4. DEFINITIONS

4.1 Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

4.2 Board means Board of Directors of the Company.

4.3 Directors means Directors of the Company.

4.4 Key Managerial Personnel means

1. Managing Director;
2. Group CEO & Whole-time Director;
3. President & CEO- E & C Business;
4. Company Secretary and
5. Group Chief Financial Officer.

4.5 Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Senior Management in the Company means and includes the following positions--

1. Key Managerial Personnel (KMP) under Clause 4.4;
2. Group EVP- HR;
3. Chief Operating Officer- E & C Business;
4. Chief Business Development Officer- E & C Business;
5. CFO- E & C Business.

5. ROLE OF THE COMMITTEE

- a) To formulate criteria for identifying Directors and Senior Management employees of the Company.
- b) To recommend to the Board in relation to appointment and removal of Directors and Senior Management.
- c) To formulate criteria for evaluation of Independent Directors and the Board.
- d) To carry out evaluation of the performance of the Directors on the Board.
- e) To formulate and recommend to the Board a policy relating to the remuneration payable to Directors, Key managerial personnel and Senior Management employees covered under Clause 4.5.
- f) To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- g) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- h) Also to ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and variable performance linked payout IPLPI reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- i) to devise a policy on Board diversity.

6. POLICY FOR IDENTIFICATION, APPOINTMENT AND RETIREMENT OF DIRECTORS AND SENIOR MANAGEMENT

6.1 Appointment criteria for Directors and Senior Management:

- a) A person who is proposed to be appointed as a Director and/or in Senior Management as a

KMP should possess adequate qualification, expertise and experience for the position he / she is considered for appointment and has to be recommended by the Committee to the Board for appointment.

- b) A person shall not be eligible for appointment as a Director of a Company if he stands disqualified under the provisions mentioned in Section 164 of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
- c) The Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
- d) Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules made thereunder the Act and SEBI Listing Regulations (as amended from time to time).
- e) On appointment to the Board, Independent Directors shall have to be issued a formal letter of appointment in accordance with the provisions of the Act and the Rules made thereunder.
- f) Appointment of Key Managerial Personnel (KMP) is subject to compliance of provisions of Section 203 of the Companies Act, 2013, read with Rules made thereunder the Act (as amended from time to time).
- g) The appointment of Senior Management Personnel (excluding KMPs) will be decided by the Managing Director and their terms of appointment will be in accordance with the Company Rules and policy framework.

6.2 Term / Tenure of appointment for Directors and Senior Management:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director/ Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing

Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c) Senior Management:

In case of Senior Management (excluding KMPs at Board level), term/tenure of appointment will be as per Company Rules and policy framework.

6.3 Retirement and Removal of Directors and Senior Management:

- a. The Director shall retire as per the applicable provisions of the Act.
- b. Should the Board decide, it will have the discretion to retain the Director in the same position / remuneration or otherwise even after attaining the retirement age, in the interest of the Company subject to necessary approvals under the applicable laws, if any.
- c. Due to reasons for any disqualification mentioned in the Act or the Rules made

thereunder or under any other applicable Act, Rules and regulations thereunder, a Director shall be removed from his directorship held with the Company.

- d. Extension of the term of appointment of a KMP (excluding those at Board level) and any Senior Management Personnel beyond his/her retirement age will be decided by the Managing Director.
- e. The proposal for removal of any KMP shall be put forth by the Committee to the Board for approval. Removal of Senior Management Personnel (excluding KMPs) will be in line with the provisions of the terms of appointment and will be decided by the Managing Director.

7. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT EMPLOYEES

7.1 General:

- a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) Moreover, it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- d) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Directors shall be recommended by the Committee to the Board for approval. Such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.
- e) In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs. The annual increment to the KMP and Senior

Management shall be based on the annual appraisal and shall be determined by the Managing Director.

- f) Professional indemnity and liability insurance for Directors, Key Managerial Personnel and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7.2 Remuneration to Managing Director/Whole time Directors:

The remuneration for the Managing Director/ Whole-time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

7.3 Remuneration to Non- Executive & Independent Directors:

- a) The remuneration payable to Directors who are neither Managing Director nor Whole time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.
- b) **Sitting Fees:**
These Directors may receive remuneration by way of fees for attending meetings of the Board or any Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1 lac (One Lac) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) **Remuneration:**
Remuneration may be paid by way of commission within the monetary limit approved by Members, subject to the limit as per the applicable provisions of the Companies Act, 2013.

Independent Directors shall not be entitled to any stock options of the Company under the Companies Act, 2013.

7.4 Remuneration to KMP and Senior Management employees:

As mentioned earlier, the remuneration as approved by the Board of Directors shall be payable to KMPs. The annual increment to the KMP and Senior Management shall be based on

the annual appraisal and shall be determined by the Managing Director.

8. POLICY ON BOARD DIVERSITY:

- a) The Board of Directors shall have an optimum combination of Directors from different areas / fields as may be considered appropriate, as well as gender.
- b) The Board shall have at least one Board member who has accounting or related financial management expertise and other members of the Board should be financially literate.
- c) The Board shall also have at least one Woman Director.
- d) To the extent feasible, the composition of the Board should be of individuals from different functional domain areas.

9. DISCLOSURE OF THE POLICY

The Remuneration Policy and the Evaluation Criteria of the Committee shall be disclosed in the Board's Report forming a part of the Annual Report of the Company.

10. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such regular intervals as may be required.

11. QUORUM:

Minimum two (2) members shall constitute a quorum for the Committee meeting.

12. CHAIRMAN:

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting, to answer the Members queries. However it would be upto the Chairman to nominate some other member to answer the Members' queries.

13. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

14. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

15. MISCELLANEOUS:

- a) In respect of any policy matters relating to Senior Management (excluding KMPs), the Committee may delegate any of its powers to one or more Company representatives occupying Senior management position.
- b) This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other applicable enactment for the time being in force.

Annexure III to the Board's Report

CSR Policy of the Company

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of Hindustan Construction Company Ltd ("the Company") was constituted by the Board of Directors of the Company at its meeting held on May 2, 2014.

The composition of the said Committee is three Directors viz., Mr. Ajit Gulabchand (Chairman) along with Mr. Rajas R. Doshi and Mr. Ram P. Gandhi as the Independent Directors.

1. OBJECTIVE

This Corporate Social Responsibility Policy ("the CSR Policy") has been formulated in compliance with Section 135 of the Companies Act, 2013 ('the Act') read along with the applicable rules thereto.

2. CSR VISION

The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. HCC's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the Company, industry, and society at large.

At HCC, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

3. SCOPE

This Policy shall apply to all CSR projects/programmes/ activities undertaken by the Company in India as per Schedule VII to the Act.

4. DEFINITIONS:

1. Corporate Social Responsibility (CSR) means and includes but is not limited to:
Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act').
2. CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

3. CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
4. Net Profit means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198) and Rules framed thereunder, but shall not include the following viz:
 - (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and
 - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

5. ROLE OF THE CSR COMMITTEE

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- e. Monitor the implementation of the CSR Policy from time to time.
- f. Such other functions as the Board may deem fit.

6. ROLE OF THE BOARD

- a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.
- b. Ensure that the CSR activities included in this CSR Policy are undertaken by the Company.
- c. The Board of the Company may decide to undertake its CSR activities approved by the

CSR Committee, through a registered trust or a registered society or a company established under section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

- d. Ensure that in each financial year, the Company spends at least 2% of the average net profits of the Company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates.
- e. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

7. CSR ACTIVITIES FOR IMPLEMENTATION :

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII to the Companies Act, 2013.

8. CSR MONITORING AND REPORTING FRAMEWORK

In compliance with the Act and to ensure that the funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets alongwith the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

9. CSR EXPENDITURE

The expenditure incurred on CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity with or not in line with activities which fall within the purview of Schedule VII to the Act.

10. DISCLOSURE OF THE POLICY

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

11. CSR REPORTING

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

12. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such periodic intervals as may be required.

13. QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

14. CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

15. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

16. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

17. MISCELLANEOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.

Annexure IV to the Board's Report

Format of reporting of Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

As a pioneer and trend-setter in the construction industry in India, HCC is aware of the social responsibilities that accompany its leadership status. The Company remains steadfast on its objective of pursuing holistic growth with responsibility towards the people and the environment. The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. HCC's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the Company, industry, and society at large.

HCC CSR Policy aims at implementing its CSR activities in accordance with Section 135 and Schedule VII of the Companies Act 2013 and the notified Rules. The CSR Committee shall periodically review the implementation of the CSR Policy.

The Company's CSR projects or programs or activities will be identified and implemented according to the Board's approved CSR policy.

The expenditure of the CSR will be approved by the

c) Manner in which the amount spent during the financial year is detailed below.

CSR committee and the Report will be published annually. The CSR reporting will be done annually. The CSR policy has been approved by the Board and the same will be disclosed on the Company's website.

2. The Composition of the CSR Committee.

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on May 2, 2014, have approved the constitution of the CSR Committee which comprises three directors viz. Mr. Ajit Gulabchand (Chairman), Mr. Rajas R. Doshi and Mr. Ram P. Gandhi.

3. Average net profit of the company for last three financial years

Financial Year	Profit/Loss (crore) as computed under Section 198 of the Companies Act, 2013
Financial year 2013-14	₹ (510.29) (including unabsorbed losses)
Financial year 2014-15	₹ 139.54
Financial year 2015-16	₹ 73.11

Average net profit of the Company for the last three financial years is negative.

4. Prescribed CSR Expenditure (two per cent of the average net profit stated in item 3 above)

Not Applicable as average net profit of the three preceding years is negative.

5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year:
Not Applicable:
- Amount unspent, if any; Not Applicable

(Amount in ₹)

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency	
							Direct	Indirect
1	Salary to Skills Development Institute	Promoting Education	Delhi	NA	35,81,183	NA	35,81,183	
2	Sanitation facility for community	Health and Sanitation	Assam	NA	92,360	NA	92,360	
3	Blood Donation camp	Health	Delhi	NA	1,180	NA		1,180

(Amount in ₹)

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency	
							Direct	Indirect
4	Distribution of needed products among elderly and children	Health	Delhi	NA	8,820	NA	8,820	
5	Camp for sale of agricultural products	Rural Development	Uttarakhand	NA	1,00,000	NA		1,00,000
6	Stadium and Drinking	Sports Support	J&K	NA	30,65,316	NA	30,65,316	
7	Sports support for Villagers	Sports Support	Manipur	NA	2,24,000	NA		2,24,000
8	Tree plantation	Environmental Sustainability	Himachal Pradesh	NA	10,000	NA		10,000
9	Disaster relief	Disaster Support	West Bengal	NA	3,49,125	NA	3,49,125	
	TOTAL				74,31,984		70,96,804	3,35,180

AJIT GULABCHAND

Chairman & Managing Director
& Chairman of the CSR Committee

Registered Office:

Hincon House, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083

Place : Mumbai

Date : May 4, 2017

Annexure V to the Board's Report

Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.

Mr. Ajit Gulabchand : 1:40
Ms. Shalaka Gulabchand Dhawan : 1:16

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors:

Mr. Ajit Gulabchand : N.A.
Ms. Shalaka Gulabchand Dhawan : 16%

Key Managerial Personnel:

Mr. Rajgopal Nogja : 10%
Mr. Arun V. Karambelkar, : 4%

President & CEO – E&C

Mr. Praveen Sood, Group CFO : 0%
Mr. Sangameshwar Iyer, Company Secretary : 8%

- iii. The percentage increase in the median remuneration of employees in the financial year – 12.5% approx.
- iv. The number of permanent employees on rolls of the company: 1721 employees as on March 31, 2017.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Salary Increase for KMPs (other than CMD and WTD):	6%
Average Salary Increase for non KMPs:	12%

- vi. Affirmation that the remuneration is as per the Remuneration policy of the Company.

The remuneration paid to employees is as per the remuneration policy of the Company.

Annexure VI to the Board's Report

Information as per Section 134 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2017.

I. Conservation of Energy

The Company is continuing with energy saving measures initiated earlier like usage of Load Sharing System in D.G. plants, APFC (Automatic Power Factor Controller) panels, FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors, Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes and Use of Energy Efficient Motors in Gantry Cranes.

II. Technology Absorption

Efforts made in technology absorption.

1. Research and Development (R&D)

Construction R&D is being carried out with the objectives of continual efficiency enhancement, reductions in material costs, process development, improving speed, enhancement of construction quality, sustainability, etc. These efforts are undertaken through interdisciplinary engineering within the organization and in collaboration with vendors, consultants and academia having similar interests.

R&D efforts are currently focused on:

- i. Optimizing concrete ingredients with specific focus on reducing cement content with an aim of reducing the carbon footprint and making concrete sustainable. This is partly achieved through use of less energy intensive chemicals, use of alternate cementing materials and optimal quality assurance planning.
- ii. Optimal quarrying and crushing of aggregates required for various applications with an objective of reducing environmental impact.
- iii. The philosophy of materials integrated design is gradually brought into practice, thus enabling better and optimal use of locally available materials.
- iv. Developing alternate materials in close collaboration with specialized vendors, while conforming to the specifications, but at a relatively less expensive rates and better use of wastes from other industries e.g. developing alternative to microfine cement using microfine GGBS.

v. Less energy intensive construction techniques. This includes selecting methods that have lesser energy foot prints while offering sustainability advantage. e.g. Roller compacted concrete (RCC) over conventional dam concrete.

vi. Alternate feasible designs with improved specifications. This is done with the objective of enhancing the sustainability of the built structures and reducing the consumption of natural materials. e.g. Reduction in crust pavement thickness.

As a result of various R&D efforts, over five technical papers were presented in various forums including international and national research journals, periodicals, conferences and magazines.

2. Technology Absorption and Adaptation

a) Efforts made towards technology absorption and adaptations during the last three years are:

1. RCC Dam at Teesta Low Dam Project-IV – Successfully adopting the use of roller compacted concrete as a construction material/ method is underway at Teesta Lower Dam-IV project in West Bengal. This is assisted by material design and supervision from a Malaysian Expert.
2. 2.432 km concrete pumping at Sainj HEP - The method of placing concrete using long distance pumping was successfully implemented for a distance of 2432 m at Sainj Hydroelectric project in Himachal Pradesh.
3. Double-shielded TBM at Kishanganga HEP - the technology of using doubled shielded Tunnel Boring Machine (TBM) (Seli make) has been successfully implemented for the head race tunnel. A record boring of 816 meter was achieved in one month (November 12).
4. 125 m span double-decker steel bridge launching at Bogibeel bridge - HCC with its consortium partner from Germany has finalized the method for continuous launching of ten nos. of 125 meter span each road cum railway double-decker steel bridge.
5. Alternative pavement designs & erosion protection at various highway projects -
 - a. Various cementitious, non-cementitious and polymeric soil stabilizers for improving soil properties were experimented.

- b. Alternative pavement designs using different soil stabilization strategies were implemented at various sections of NH34 road project, Indo-Nepal border road project, Numaligarh-Jorhat road project.
 - c. The technology of using coir mattresses is successfully adopted as erosion protection of embankment and alternative design options for road pavement are under implementation.
6. Optimized design for Tehri PSP - the powerhouse cavern has been designed by using FLAC-3D Software for optimization of rock supports with other design concepts in collaboration with expert from France and Canada is under progress.
 7. Top-down construction method for Assam road project - At Assam road project, top-down construction method is used.
 8. Simultaneous retrieval of twin tube TBM - For the first time in India, twin tube TBMs were retrieved at the Delhi Metro Railway Corporation (DMRC) project, CC34.
- b) Benefits derived as a result of the above efforts:**
- i. Faster progress implying earlier completion of projects
 - ii. Efficiency improvements
 - iii. Enhancement of quality
- c) Technology adoption during last five financial years:**

Description	Year of import	Has technology been fully absorbed
Construction of tunnel using double shield Tunnel Boring Machine (TBM)	2012	Absorbed (Kishanganga HEP, DMRC CC34)
Technology for construction of concrete faced rockfill dam (CFRD)	2012	Under Implementation (Kishanganga HEP)
Construction of dry dock using pre-cast cum floating caissons.	2012	Under Implementation (DGNP)
Roller Compacted Concrete (RCC) technology at Teesta-IV Low Dam Project	2014	Under Implementation (TLDP-IV)

Description	Year of import	Has technology been fully absorbed
Pumping of self-compacting concrete	2013 & 2014	Under implementation (RAPP 7&8, Sainj HEP)

Apart from the above, the following measures are taken

- i. Pre-bid association with renowned consultants in their specialized field of expertise. This is done with the objective of proposing value engineered proposals and enhance competitiveness at the bidding stage and also to bring cost-effectiveness.
- ii. Formation of Engineering Management Expert Panel (MEP) that provides timely and accurate engineering inputs to various challenging problems in the upcoming and ongoing projects.

3. Innovation

Through directed efforts in Innovation, your Company has focused on following ideas:

1. Cost reduction through value engineering
2. Innovating and adopting new concepts for construction
3. Cost reduction by optimization

III. Foreign Exchange earnings and outgo:

- (a) Total Foreign Exchange used and earned:

Earnings in Foreign Currency : ₹ 119.26 crore

Expenditure in Foreign Currency : ₹ 62.23 crore

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

Hincon House, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai 400 083

Place : Mumbai

Date : May 4, 2017

Annexure VII to the Board's Report

Form No. MR 3 SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members

HINDUSTAN CONSTRUCTION COMPANY LIMITED

Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli West
Mumbai- 400083

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Construction Company Limited** (hereinafter called 'the Company') for the year ended on March, 31 2017 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observation: -

In respect of its Listed Non - Convertible Debentures (NCDs), although the terms got restructured in accordance with the CDR package approved for the Company in 2012 whereby, inter alia, the maturity dates were rescheduled to a later date and the same was intimated to the BSE, to extend the listing for the said NCDs, there was no advise from BSE and the said NCDs got delisted on the expiry of the respective original maturity dates. In view of the delisting, respective compliances under Regulations 50 to 52 and 54 to 62 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have not been carried out by the Company during the delisted period.

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (v) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment.

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, prior consent thereof were obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company and at Committees were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the year under review.

We further report that –

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that –

During the audit period, the Company has allotted the following securities pursuant to conversion of debt into equity exercised under the HCC Sustainable Structuring of Stressed Assets Scheme (HCC S4A Scheme) of RBI:

- a. 18,99,93,837 Equity Shares of face value ₹ 1 each at a price of ₹ 34.92 (including premium of ₹ 33.92) per share aggregating to ₹ 663.46 crore (Rupees Six Hundred Sixty Three Crore and Forty Six Lakh Only) on January 6, 2017.
- b. 1,20,95,116 Optionally Convertible Debentures (OCDs) of face value ₹ 1000 each aggregating to ₹ 1209.51 crore (Rupees Twelve Thousand Nine Crore and Fifty One Lac Only) on January 6, 2017 with an option to convert it into Equity Shares of ₹ 1 each within a period of 18 months from the date of allotment.
- c. 4,15,50,892 Equity Shares of face value ₹ 1 each at a price of ₹ 34.92 (including premium of ₹ 33.92) per share aggregating to ₹ 145.10 crore (Rupees One Hundred Forty Five Crore and Ten Lac Only) on January 19, 2017.
- d. 23,19,758 Optionally Convertible Debentures (OCDs) of face value ₹ 1000 each aggregating to ₹ 231.98 crore (Rupees Two Hundred Thirty One Crore and Ninety Eight Lacs Only) on January 19, 2017 with an option to convert it into Equity Shares of ₹ 1 each within a period of 18 months from the date of allotment.

For BNP & Associates
Company Secretaries

Keyoor Bakshi

Partner

Place: Mumbai

Date: May 4, 2017

FCS 1844 / CP No. 2720

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,

The Members,

Hindustan Construction Company Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Hindustan Construction Company Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification

was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries

Keyoor Bakshi
Partner

Place: Mumbai
Date: May 4, 2017

FCS 1844 / CP No. 2720

Annexure VIII to the Board's Report

Form No. MGT-9 Extract of Annual Return

For the financial year ended on March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L45200MH1926PLC001228
ii)	Registration Date	January 27, 1926
iii)	Name of the Company	Hindustan Construction Company Limited
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Hincon House, LBS Marg, Vikhroli (West) Mumbai – 400 083. Tel: +91 22 2575 1000 Fax: +91 22 2577 7568
vi)	Whether listed Company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Engineering and Construction Activities	42101,42201,42204	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
1	Western Securities Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U70100MH2005PLC154004	Subsidiary	97.87	2 (87) (ii)
2	HCC Real Estate Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70100MH2005PLC154004	Wholly Owned Subsidiary	100.00	2 (87)(ii)
3	Panchkutir Developers Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45201MH2006PLC165073	Wholly Owned Subsidiary	100.00	2 (87) (ii)
4	HCC Mauritius Enterprises Limited	St James Court – Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
5	HCC Construction Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45200MH2009PLC190725	Wholly Owned Subsidiary	100.00	2 (87) (ii)
6	Highbar Technologies Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U72900MH2009PLC197299	Wholly Owned Subsidiary	100.00	2 (87) (ii)
7	HCC Infrastructure Company Limited*	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U45400MH2010PLC210944	Wholly Owned Subsidiary	100.00	2 (87) (ii)
8	HCC Mauritius Investment Limited	St James Court Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
9	HRL Township Developers Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U45201MH2006PLC163478	Wholly Owned Subsidiary	100.00	2 (87) (ii)
10	HRL (Thane) Real Estate Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U45201MH2006PLC163515	Wholly Owned Subsidiary	100.00	2 (87) (ii)
11	Nashik Township Developers Ltd	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U45200MH2007PLC167416	Wholly Owned Subsidiary	100.00	2 (87) (ii)
12	Maan Township Developers Ltd	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U45200MH2007PLC167462	Wholly Owned Subsidiary	100.00	2 (87) (ii)
13	Charosa Wineries Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U52208MH2007PLC176631	Wholly Owned Subsidiary	100.00	2 (87) (ii)
14	Powai Real Estate Developer Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U70102MH2009PLC189760	Wholly Owned Subsidiary	100.00	2 (87) (ii)
15	HCC Realty Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U70102MH2010PLC200209	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
16	Pune-Paud Toll Road Company Limited*	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083.	U45203MH2005PLC152028	Wholly Owned Subsidiary	100.00	2 (87) (ii)
17	HCC Aviation Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U63033MH2008PLC182384	Wholly Owned Subsidiary	100.00	2 (87) (ii)
18	Steiner AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
19	Steiner Promotions et Participations SA	Route de Lully 5, 1131 Tolochenaz, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
20	Steiner (Deutschland) GmbH	Einsteinstrasse 7, D-33104 Paderborn, Germany	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
21	VM + ST AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
22	Steiner Lemans SAS	Site d'Archamps - Athéna 1, 74160 Archamps, France	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
23	Eurohotel SA	Rue de Lyon 87, 1203 Genève, Switzerland	Not Applicable	Subsidiary	95.00	2 (87) (ii)
24	Steiner India Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45203MH2011FLC221029	Wholly Owned Subsidiary	100.00	2 (87) (ii)
25	Dhule Palesner Operations & Maintenance Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U93000MH2011PLC217639	Wholly Owned Subsidiary	100.00	2 (87) (ii)
26	HCC Power Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U40300MH2011PLC218286	Wholly Owned Subsidiary	100.00	2 (87) (ii)
27	HCC Concessions Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45202MH2008PLC178890	Subsidiary	85.45	2 (87) (ii)

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
28	HCC Operations & Maintenance Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U93030MH2012PLC237676	Wholly Owned Subsidiary	100.00	2 (87) (ii)
29	Narmada Bridge Tollway Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45400MH2012PLC232354	Subsidiary	85.45	2 (87) (ii)
30	Badarpur Faridabad Tollway Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45203MH2008PLC184750	Subsidiary	85.45	2 (87) (ii)
31	Baharampore-Farakka Highways Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45200MH2010PLC200748	Subsidiary	85.45	2 (87) (ii)
32	Farakka-Raiganj Highways Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45400MH2010PLC200733	Subsidiary	85.45	2 (87) (ii)
33	Raiganj-Dalkhola Highways Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45400MH2010PLC200734	Subsidiary	85.45	2 (87) (ii)
34	HCC Energy Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U40300MH2015PLC267394	Wholly Owned Subsidiary	100.00	2 (87) (ii)
35	Lavasa Corporation Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2000PLC187834	Subsidiary	68.70	2 (87) (ii)
36	Lavasa Hotel Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55100MH2007PLC173728	Wholly Owned Subsidiary	100.00	2 (87) (ii)
37	Lakeshore Watersports Company Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U92400MH2008PLC185314	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
38	Dasve Convention Center Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U70101MH2008PLC185945	Wholly Owned Subsidiary	100.00	2 (87) (ii)
39	Dasve Business Hotel Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2008PLC185939	Wholly Owned Subsidiary	100.00	2 (87) (ii)
40	Dasve Hospitality Institutes Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55100MH2008PLC186901	Wholly Owned Subsidiary	100.00	2 (87) (ii)
41	Lakeview Clubs Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2008PLC186900	Wholly Owned Subsidiary	100.00	2 (87) (ii)
42	Dasve Retail Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U51109MH2008PLC187367	Wholly Owned Subsidiary	100.00	2 (87) (ii)
43	Full Spectrum Adventure Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74990MH2008PLC188519	Subsidiary	90.91	2 (87) (ii)
44	Spotless Laundry Services Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74990MH2009PLC189732	Subsidiary	76.02	2 (87) (ii)
45	Lavasa Bamboocrafts Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74990MH2009PLC190551	Wholly Owned Subsidiary	100.00	2 (87) (ii)
46	Green Hills Residences Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2009PLC192224	Subsidiary	60.00	2 (87) (ii)
47	My City Technology Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U72900MH2009PLC194613	Subsidiary	63.00	2 (87) (ii)
48	Reasonable Housing Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U70102MH2009PLC195985	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
49	Future City Multiservices SEZ Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45400MH2009PLC197467	Wholly Owned Subsidiary	100.00	2 (87) (ii)
50	Verzon Hospitality Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55204MH2010PLC198686	Wholly Owned Subsidiary	100.00	2 (87) (ii)
51	Rhapsody Commercial Space Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74930MH2010PLC198921	Wholly Owned Subsidiary	100.00	2 (87) (ii)
52	Valley View Entertainment Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74990MH2010PLC199136	Wholly Owned Subsidiary	100.00	2 (87) (ii)
53	Whistling Thrush Facilities Services Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74900MH2010PLC199381	Subsidiary	51.00	2 (87) (ii)
54	Warasgaon Tourism Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U63040MH2010PLC200459	Wholly Owned Subsidiary	100.00	2 (87) (ii)
55	Our Home Service Apartments Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74900MH2010PLC200692	Wholly Owned Subsidiary	100.00	2 (87) (ii)
56	Warasgaon Power Supply Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U40101MH2010PLC200845	Wholly Owned Subsidiary	100.00	2 (87) (ii)
57	Sahyadri City Management Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74900MH2010PLC200834	Wholly Owned Subsidiary	100.00	2 (87) (ii)
58	Hill City Service Apartments Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45400MH2010PLC201322	Wholly Owned Subsidiary	100.00	2 (87) (ii)
59	Kart Racers Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74900MH2010PLC201574	Subsidiary	90.00	2 (87) (ii)

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
60	Warasgaon Infrastructure Providers Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U45200MH2010PLC201647	Wholly Owned Subsidiary	100.00	2 (87) (ii)
61	Nature Lovers Retail Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74990MH2010PLC202616	Wholly Owned Subsidiary	100.00	2 (87) (ii)
62	Warasgaon Valley Hotels Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2010PLC210104	Wholly Owned Subsidiary	100.00	2 (87) (ii)
63	Rosebay Hotels Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2010PLC210289	Wholly Owned Subsidiary	100.00	2 (87) (ii)
64	Mugaon Luxury Hotels Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2010PLC210390	Wholly Owned Subsidiary	100.00	2 (87) (ii)
65	Warasgaon Assets Maintenance Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74990MH2011PLC219078	Wholly Owned Subsidiary	100.00	2 (87) (ii)
66	Hill View Parking Services Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U74120MH2011PLC219079	Wholly Owned Subsidiary	100.00	2 (87) (ii)
67	Ecomotel Hotel Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2008PLC185873	Subsidiary	51.00	2 (87) (ii)
68	Highbar Technocrat Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC210078	Associate Company	49.00	2 (87) (ii)
69	Andromeda Hotels Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai 400 083	U55101MH2010PLC199240	Associate Company	40.03	2 (6)

Sr. NO	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held by the Company / subsidiary / Associate Company	Applicable Section
70	Knowledge Vistas Limited	401 & 402, 4 th Floor, Kaatyayni Busines Park, OFF:Mahakali Caves Road, MIDC,Andheri, Kurla Road, Mumbai - 400093	U80301MH2009PLC190552	Associate Company	49.00	2 (6)
71	Bona Sera Hotels Limited	640-B, Khorshed Villa, Khareghat Road, Parsi Colony, Dadar, Mumbai – 400 014	U55101MH2008PLC185253	Associate Company	26.00	2 (6)
72	Evostate AG	Hagenholzstrasse 56, 8050 Zürich, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
73	Projektentwicklungsges Parking Kunstmuseum AG	Kunstmuseum Basel AG, c/o Peter Andreas Zahn, St. Jakobs-Strasse 7, 4052 Basel, Switzerland	Not Applicable	Associate Company	38.64	2 (6)
74	MCR Managing Corp. Real Estate AG	Route de Lully 5, 1131,Tolochenaz, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
75	Apollo Lavasa Health Corporation Limited	Plot No. 13, Parsik Hill Road, Off. Uran Road, Sector 23, CBD Belapur, Navi Mumbai 400614	U85100MH2007PLC176736	Associate Company	49.00	2(6)
76	Starlit Resort Limited	Hincon House, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC210107	Associate Company	26.00	2(6)
77	Nirmal BOT Limited	Unit No 316 & 317, C Wing, Third Floor, Kanakia Zillion, LBS Marg, BKC Annexe, Mumbai 400 070	U45201MH2006PLC164728	Associate Company	22.22	2 (6)

* A scheme of Amalgamation has been filed jointly by HCC Infrastructure Co. Ltd and Pune-Paud Toll Road Company Ltd (PPTRCL) for amalgamation of PPTRCL with HCC Infrastructure Co. Ltd, before the National Company Law Tribunal at Mumbai, vide Company Application on March 31, 2017 as per Section 230 to Section 232 of the Companies Act, 2013 and the same is pending for admission.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Members	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	21,27,294	0	21,27,294	0.27	21,27,294	0	21,27,294	0.21	-0.06
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	27,88,87,786	0	27,88,87,786	35.79	27,88,87,786	0	27,88,87,786	27.59	-8.20
d) Bank/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	28,10,15,080	0	28,10,15,080	36.07	28,10,15,080	0	28,10,15,080	27.80	-8.26
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fl	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	28,10,15,080	0	28,10,15,080	36.07	28,10,15,080	0	28,10,15,080	27.80	-8.26
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds/UTI	9,20,54,349	5,000	9,20,59,349	11.82	8,81,88,447	9,000	8,81,97,447	8.73	-3.09
b) Banks/Fl	53,28,075	6,500	53,34,575	0.68	23,31,68,746	2,500	23,31,71,246	23.07	22.39
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	83,82,144	0	83,82,144	1.08	83,82,144	0	83,82,144	0.83	-0.25
g) FII/S//FPIs-Corp	8,03,73,995	66,000	8,04,39,995	10.32	10,92,56,394	66000	10,93,22,394	10.82	0.49
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	18,61,38,563	77,500	18,62,16,063	23.90	43,89,95,731	77,500	43,90,73,231	43.44	19.54
(2) Non Institutions									
a) Bodies corporates	4,58,38,034	87,000	4,59,25,034	5.89	3,32,31,645	87,500	3,33,19,145	3.30	-2.60

Category of Members	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	18,95,90,342	76,00,938	19,71,91,280	25.31	17,72,74,178	74,40,963	18,47,15,141	18.28	-7.03
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	3,28,51,360	1,68,000	3,30,19,360	4.24	3,13,19,108	1,68,000	3,14,87,108	3.12	-1.12
c) Others (specify)									
Clearing Members	1,50,83,294	0	1,50,83,294	1.94	2,22,34,760	0	2,22,34,760	2.20	0.26
LLP	9,97,679	0	9,97,679	0.13	5,41,526	0	5,41,526	0.05	-0.07
Ind - HUF	1,04,26,316	0	1,04,26,316	1.34	96,79,616	0	96,79,616	0.96	-0.38
Trust	68,000	0	68,000	0.01	68,080	0	68,080	0.01	0.00
NRI- Individuals	92,14,940	1,860	92,16,800	1.18	85,68,088	1,860	85,69,948	0.85	-0.33
SUB TOTAL (B)(2):	30,40,69,965	78,57,798	31,19,27,763	40.03	28,29,17,001	76,98,323	2,90,615,324	28.75	-11.28
Total Public Shareholding (B)= (B)(1)+(B)(2)	49,02,08,528	79,35,298	4,981,43,826	63.93	72,19,12,732	77,75,823	72,96,88,555	72.20	8.26
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	77,12,23,608	79,35,298	77,91,58,906	100.00	1,00,29,27,812	77,75,823	1,01,07,03,635	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Member's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Ajit Gulabchand	21,17,294	0.27	0	21,17,294	0.21	0	-0.06
2	Hincon Holdings Ltd	21,60,23,600	27.73	92.91	21,60,23,600	21.37	100.00	-6.35
3	Hincon Finance Limited	6,22,61,186	7.99	0	6,22,61,186	6.16	38.38	-1.83
4	Shalaka Gulabchand Dhawan	10,000	0.00	0	10,000	0.00	0	0.00
5	Shalaka Investment Pvt Ltd	5,38,000	0.07	0	5,38,000	0.05	0	-0.02
6	Arya Capital Management Pvt Ltd	65,000	0.01	0	65,000	0.01	0	0.00
Total		28,10,15,080	36.07	71.42	28,10,15,080	27.80	85.38	-8.26

(iii) Change in Promoters' Shareholding:-

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	There is no change in promoter holding.			
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (eg allotment / transfer / bonus / sweat equity etc)				
At the end of the year				

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters):

Sl. No.	Name of the Member	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	HDFC Trustee Company Limited	6,96,21,087	8.94	7,00,21,087	6.93
2	Siwa Holdings Limited	3,60,82,151	4.63	3,60,82,151	3.57
3	IDBI Bank Limited	0	0.00	2,54,34,620	2.52
4	Export- Import Bank of India	0	0.00	2,42,51,091	2.40
5	Punjab National Bank	85,000	0.01	2,19,55,252	2.17
6	Canara Bank-Mumbai	0	0.00	1,96,03,966	1.94
7	Axis Bank Ltd	40,08,510	0.51	1,64,71,241	1.63
8	Abu Dhabi Investment Authority - Lglinv	0	0.00	1,63,64,000	1.62
9	State Bank of India	0	0.00	15,185,691	1.50
10	ICICI Bank Ltd	10,79,365	0.14	14,677,601	1.45

Note - The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Directors / Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors				
1	Mr. Ajit Gulabchand	21,17,294	0.27	2,117,294	0.21
2	Mr. Rajas R. Doshi	32,000	0.00	32,000	0.00
3	Mr. Ram P. Gandhi	48,000	0.01	48,000	0.00
4	Mr. Sharad M. Kulkarni	20,000	0.00	20,000	0.00
5	Mr. Anil C. Singhvi	0	0.00	0	0.00
6	Ms. Harsha Bangari	0	0.00	0	0.00
7	Dr. Omkar Goswami	0	0.00	0	0.00
8	Mr. N. R. Acharyulu	0	0.00	0	0.00
9	Ms. Shalaka Gulabchand Dhawan	10,000	0.00	10,000	0.00
10	Mr. Rajgopal Nogja (Upto May 2, 2016)	0	0.00	0	0.00

Sl. No.	Directors / Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Key Managerial Personnel					
1	Mr. Rajgopal Nogja (w.e.f 03.05.2016 to 31.03.2017)	0	0.00	0	0.00
2	Mr. Arun V. Karambelkar	2,000	0.00	2,000	0.00
3	Mr. Praveen Sood	1,000	0.00	1,000	0.00
4	Mr. Sangameshwar Iyer	0	0.00	0	0.00

V. INDEBTEDNESS (IND-AS)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,985.32	2,049.64	-	5,034.96
ii) Interest due but not paid	36.48	-	-	36.48
iii) Interest accrued but not due	31.59	-	-	31.59
Total (i+ii+iii)	3,053.39	2,049.64	-	5,103.03
Change in Indebtedness during the financial year				
• Addition	194.72	-	-	194.72
• Reduction	-	901.06	-	901.06
Net Change	194.72	(901.06)	-	(706.34)
Indebtedness at the end of the financial year				
i) Principal Amount	3,248.11	1,148.58	-	4,396.69
ii) Interest due but not paid	66.77	-	-	66.77
iii) Interest accrued but not due	102.68	-	-	102.68
Total (i+ii+iii)	3,417.56	1,148.58	-	4,566.14

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration paid / payable to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Ajit Gulabchand	Rajgopal Nogja**	Shalaka Gulabchand Dhawan	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,69,64,000	42,51,408	1,20,36,275	4,32,51,683
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	40,39,200	1,76,013	8,68,725	50,83,938
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Ajit Gulabchand	Rajgopal Nogja**	Shalaka Gulabchand Dhawan	Total Amount
2	Stock Option(Nos.)	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify (Contribution to Provident Fund and other Funds)	46,82,026*	5,34,679	9,33,300	61,50,005
	Total (A)	3,56,85,226	49,62,100	1,38,38,300	5,44,85,626
	Ceiling as per the Act	The remuneration paid is within the ceiling as per the Act	Not Applicable as Mr. Nogja was a Professional Director	The remuneration paid is within the ceiling as per the Act	

* Retirals not forming a part of the remuneration, as prescribed by the Act.

**In respect of Mr. Rajgopal Nogja, the remuneration indicated above is for the period from April 01, 2016 to May 02, 2016, when he was Whole-time Director.

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Rajas R Doshi	Ram P Gandhi	Sharad M Kulkarni	Anil Singhvi	Harsha Bangari	Dr. Omkar Goswami	N. R. Acharyulu	Total Amount
1.	Independent Directors								
	• Fee for attending board / committee meetings	19,00,000	12,00,000	10,00,000	27,00,000	-	8,00,000		76,00,000
	• Commission	-	-	-	-	-	-		-
	• Others i.e. Technical	-	-	-	-	-	-		-
	Total (1)	19,00,000	12,00,000	10,00,000	27,00,000	-	8,00,000		76,00,000
2.	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	-	-	-	-	5,00,000	-	7,00,000	12,00,000
	• Commission	-	-	-	-	-	-		-
	• Others, please specify	-	-	-	-	-	-		-
	Total (2)	-	-	-	-	5,00,000	-	7,00,000	12,00,000
	Total (B)=(1+2)	19,00,000	12,00,000	10,00,000	27,00,000	5,00,000	8,00,000	7,00,000	88,00,000
	Total Managerial Remuneration								@ 5,44,85,626

@ Total remuneration paid / payable to Chairman and Managing Director and the Whole-time Directors of the Company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Rajgopal Nogja***	Arun Karambelkar	Praveen Sood	Sangameshwar Iyer
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,85,02,005	3,10,85,074	3,08,93,351	47,31,195
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	36,087	12,84,726	28,800	1,06,050
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
	Stock Option (Nos.)	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission - as % of profit - others, specify	-	-	-	-
	Others, please specify Provident Fund & other Funds	31,03,490	12,66,096	0	3,37,560
	Total	7,16,41,582	3,36,35,896	3,09,22,151	51,74,805

*** indicates remuneration of Mr. Rajgopal Nogja as Group CEO for the period from May 3, 2016 to March 31, 2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY - NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS - NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT - NIL					
Penalty					
Punishment					
Compounding					

NONE

Dividend Distribution Policy

The equity shares of Hindustan Construction Company Limited (the 'Company') are listed on BSE Ltd., and National Stock Exchange of India Ltd (NSE). As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company is required to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.

The Board of Directors of the Company ("the Board") has approved the Dividend Distribution Policy of the Company ("the Policy") on February 2, 2017, which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders.

The factors that will be considered while arriving at the quantum of dividend(s) payable shall be :

- Any Current year profits and outlook in line with the development of internal and external environment.
- Operating cash flows and treasury position keeping in view the total debt to equity ratio.
- Possibilities of alternate deployment of cash for future growth, e.g. capital expenditure etc., which has a potential to create greater value for shareholders in the long run.
- Providing for unforeseen events and contingencies with financial implications.

The Board may, as and when they consider it fit, recommend final dividend, to the shareholders for their approval in the general meeting of the Company.

In case the Board proposes not to distribute the profit, the grounds thereof and information on utilisation of the undistributed profit, if any, shall be disclosed to the shareholders in the Annual Report of the Company.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder, if any, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other legislations governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

The Board is authorised to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI Listing Regulations etc.

In the event of any conflict between the provisions of these policies and the Companies Act, 2013/SEBI Listing Regulations or any other statutory enactments, rules, the provisions of Companies Act, 2013/SEBI Listing Regulations or statutory enactments, rules, as the case may be applicable, shall prevail.

The policy shall be made available on the Company's website and shall also be disclosed in the Company's Annual Report.

This policy document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

Business Responsibility Report (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L45200MH1926PLC001228
2. Name of the Company: Hindustan Construction Company Ltd
3. Registered address : Hincon House, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai 400 083, India
4. Website www.hccindia.com
5. e-mail id : secretarial@hccindia.com
6. Financial Year reported : 2016-2017
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

The Company is engaged in the business of engineering, procurement and construction (EPC) segment.

Description	Industrial Group
Engineering and Construction Activities	42101,42201,42204

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
 - i. Engineering and Construction Activities.
9. Total number of locations where business activity is undertaken by the Company:
 - i. Number of International Locations: 1
The Company's projects at Bhutan are at various stages of operations.
 - ii. Number of National Locations :
Presently the Company executes various projects across 18 states in India.
10. Markets served by the Company – Local/State/ National/International/ :
HCC executes projects across various states in the country and at Bhutan (outside India).

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹ 1,01,07,03,635
2. Total Turnover : ₹ 4,195.94 crore
3. Total Profit After Taxes : ₹ 59.41 crore
4. Total Profit After Taxes and other Comprehensive income : ₹ 80.92 crore

5. Total Spending on Corporate Social Responsibility (CSR)
 - a. In terms of Section 135 of the Companies Act, 2013 :
As the average net profit of last 3 preceding years is negative under Section 198 of the Companies Act, 2013, the Company is not required to allocate any amount towards CSR expenditure. However the Company has voluntarily spent ₹ 74,31,984 towards CSR activities.
 - b. As percentage of profit after tax (%) :
Not Applicable
6. List the activities as per Schedule VII of Companies Act, 2013 in which expenditure in 4 above has been incurred :
Please refer Annexure IV to the Board's Report.

SECTION C : OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, through their own BR initiatives
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Not Applicable

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies

No.	Particulars	Details
1	DIN Number	00011094
2	Name	Ms. Shalaka Gulabchand Dhawan
3	Designation	Whole-time Director

- (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Aditya Jain
3	Designation	Group EVP – Human Resources
4	Telephone number	+91 22 2575 1000
5	e-mail id	aditya.jain@hccindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for ...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies confirm to statutory provisions as well as ILO and UN Mandate.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? Yes: MD	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	On companies internal public folder.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, to all relevant stakeholders.								

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, Internal Audits and IMS Audits.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):
Not Applicable.

3. Governance related to BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months/ 3-6 months/ Annually/ More than 1 year	Annually
b	Does the Company publish a BR or a Sustainability Report? Answer: The sustainability Report as per GRI guidelines	Yes.
	What is the hyperlink for viewing this report?	http://www.hccindia.com/four_pillars.php?page=corporate_stewardship&id=11
	How frequently it is published?	Annually

SECTION E : PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1	Does the policy relating to ethics, bribery and corruption cover only the company?	The policy covers the company, as well as group companies, JVs, and subsidiaries.
	Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?	Yes, as above.
2	How many stakeholder complaints have been received in the past financial year	Nil.
	What percentage was satisfactorily resolved by the management?	Not Applicable.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	<ul style="list-style-type: none"> i. Engineering Designs ii. Integrated Management System
2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):</p> <ul style="list-style-type: none"> i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? 	<p>Steps taken during Engineering Design:</p> <p>Raw Material Optimum use</p> <ul style="list-style-type: none"> A. Cut to length Plates at Bogibeel Project site: Tailor made plates of required size are procured in order to reduce the wastage in cutting the plate. B. Plates from Essar for Sawarakuddu: The supplier made to work on process tightening to manufacture the plates to achieve tolerances tighter than the one specified by the IS standards. C. Coupler Use for Savings: At DMRC 30 and 66 and BARC, Reinforcement Couplers used to avoid overlapping of Bars. <p>Energy Conservation:</p> <ul style="list-style-type: none"> A. Usage of Load Sharing System in D.G. sets. B. APFC (Automatic Power Factor Controller) panels. C. FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors. D. Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes. E. Use of Energy Efficient Motors in Gantry Cranes. <p>Steps taken under IMS:</p> <p>Energy Conservation: Use of LED fixtures at all the new projects is compulsory as per IMS procedure.</p> <p>Water Conservation: At every project site, IMS procedure for 4R (Reduce Reuse Recycle, Recharge) is followed. Sedimentation tanks are provided at each batching plant where the supernatant water is reused for dust suppression. Desalination plant and waste water treatment plants are also provided wherever appropriate.</p>
	<ul style="list-style-type: none"> ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year? 	Not Applicable. HCC is not in business of manufacturing goods or consumable products. Hence savings during the usage by the consumer/ end user is not applicable.
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes.
	<ul style="list-style-type: none"> i. If yes, what percentage of your inputs was sourced sustainably? 	Approximately 75%
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. Apart from 75% of major raw materials, remaining items like Aggregates, Sand, etc are procured locally. Also the general stores material required for workmen and officers camps is procured locally which impacts the local market in positive way.
	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	At the project sites, steps are undertaken to award small / petty contracts to locals pertaining to job work, equipment (including vehicle) supply, supplies, manpower etc., thereby building the capacity / capability at the local level.
5	Does the company have a mechanism to recycle products and waste?	<p>Yes.</p> <p>Recycling the product is not applicable as consumable goods and the associated packaging material is not applicable.</p> <p>Hazardous Waste is recycled or disposed as per Statutory provisions. Used oil being disposed through authorized recycler & Batteries are being sent back to supplier under buy back option only. Scrap and general recyclable materials are disposed through authorized vendors for recycling. Reusing of the Product or packaging material is not applicable for HCC.</p>

If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	Material	Qty disposed in financial year 2016-2017
	Steel	3533 Metric Ton
	Oil	20.524 KL
	Cement bags	732000 nos

Principle 3 : Businesses should promote the well-being of all employees:

1	Please indicate the Total number of employees			1721 Officers
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis			32 Officers
3	Please indicate the Number of permanent women employees			80 Officers
4	Please indicate the Number of permanent employees with disabilities			4 Officers
5	Do you have an employee association that is recognized by management.			Yes, for workmen.
6	What percentage of your permanent employees is members of this recognized employee association?			100% of the permanent workmen
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.			Nil
	Sr No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
	1	Child labour/forced labour/ involuntary labour	Nil	Nil
	2	Sexual harassment	Nil	Nil
	3	Discriminatory employment	Nil	Nil
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?			
	Permanent Employees			36% (Officers)
	Permanent Women Employees			5%(Officers)
	Casual/Temporary/Contractual Employees			16%(Officers)
	Employees with Disabilities			-

Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1	Has the company mapped its internal and external stakeholders?	Yes.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Only for the internal stakeholders.
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	As applicable.

Principle 5 : Businesses should respect and promote human rights :

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?	Yes. Company as well as group companies, JVs, and Subsidiaries.
2	How many stakeholder complaints have been received in the past financial year	Nil.
3	and what percent was satisfactorily resolved by the management?	Not Applicable.

Principle 6 : Business should respect, protect, and make efforts to restore the environment :

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others	Yes, extends to company, as well as group companies, JVs, and Subsidiaries and contractors.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. (Sustainability Report's link)	Yes. Initiatives undertaken are: 1. Member of UN Global Compact (UNGC), 2. Signatory to CEO Water Mandate, 3. Signatory to WEF's CEO climate Leaders, 4. Signatory to 'Caring for Climate.
3	Does the company identify and assess potential environmental risks?	Yes, under EMS, Aspect Impact Register is maintained at all the projects that covers the Risks.
4	Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	Yes. For Energy Efficiency: 1. Usage of Load Sharing system in DG Sets, 2. Automatic Factor Power controller Panels, 3. Flux compensated Magnetic Amplifier starters for crusher motors, 4. Use of Variable Frequency Drive for Ventilation Fans and gantry cranes, 5. Use of LED lighting for new projects.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, is complied with.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	3

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner :

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes 1. Member, CII National Council, 2. Member, CII Associations Council, 3. CII National Committee on Construction 2016-2017, 4. CII Task Force on Ease of Doing Business 2016-2017, 5. CII National Committee on Infrastructure & PPP 2016-2017, 6. Member of Steering Board, Future of Construction, WEF, 7. Member of UK India Business Council (UKIBC) Advisory Council.
---	---	--

2	<p>Have you advocated/lobbied through above associations for the advancement or improvement of public good?</p> <p>If yes specify the broad areas:</p>	<p>Yes</p> <ol style="list-style-type: none"> 1. Triggering India's Resource Revolution, India Economic Summit, New Delhi, 2. Panellist : Cracking India's Urban Code, India Economic Summit, New Delhi, 3. Panellist : CEO's Roundtable "Building National Competitiveness" by CII, Pune, 4. Steering Committee Meeting - Future of Urban Development & Services, Annual Meeting, World Economic Forum, Davos, 5. Member, Partnering Against Corruption Initiative (PACI) Vanguard Meeting, Annual Meeting, World Economic Forum, Davos, 6. Accelerating Infrastructure Investments in India, India Economic Summit, New Delhi, 7. Panelist on 'Sustainability Commitments' at the India Sustainability Leadership Summit, 8. Panel Discussion on 'Redefine Giving back' at conference by 'Live week Business.
---	--	---

Principle 8 : Businesses should support inclusive growth and equitable development :

1	<p>Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?</p> <p>If yes details thereof.</p>	<p>Yes. HCC has a well drafted CSR policy in line with Section 135/Schedule VII of Companies Act, 2013. On the basis of needs of the community around the Projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.</p>
2	<p>Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?</p>	<p>In house team and external Agencies.</p>
3	<p>Have you done any impact assessment of your initiative?</p>	<p>No</p>
4	<p>What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.</p>	<p>₹ 74,31,984 for the year 2016-2017.</p>
5	<p>Have you taken steps to ensure that this community development initiative is successfully adopted by the community?</p>	<p>Yes.</p>

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner :

1	<p>What percentage of customer complaints/consumer cases are pending as on the end of financial year.</p>	<p>Nil.</p>
2	<p>Does the company display product information on the product label, over and above what is mandated as per local laws?</p>	<p>Not Applicable</p>
3	<p>Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.</p>	<p>No.</p>
4	<p>Did your company carry out any consumer survey/ consumer satisfaction trends?</p>	<p>Yes. Customer Satisfaction surveys being carried out as the compliance of QMS (ISO 9001- IMS).</p>

Independent Auditors' Report

To the Members of Hindustan Construction Company Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Hindustan Construction Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these standalone financial statements.

Basis for Qualified Opinion

8. As stated in Note 33(a) to the standalone financial statements, the Company's non-current investments as at 31 March 2017 include investments aggregating ₹ 630.83 crore in two of its subsidiaries; and non-current loans, other non-current financial assets and other current financial assets as at that date include dues from such subsidiaries aggregating ₹ 512.42 crore, ₹ 38.17 crore and ₹ 4.77 crore, respectively, being considered good and recoverable by the management considering the factors stated in the aforesaid note including valuation report from an independent valuer. However, these subsidiaries have accumulated losses and their net worth is fully eroded. Further, these subsidiaries are facing liquidity constraints due to which it may not be possible to realize projections made as per business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these investments and recoverability of the aforesaid dues and the consequential impact, if any, on the accompanying standalone financial statements. Our audit opinion on the standalone financial statements for the year ended 31 March 2016 was also qualified in respect of this matter.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

10. We draw attention to:

- a) Note 33(b) to the standalone financial statements regarding the Company's non-current investment in a subsidiary company, non-current loans, other non-current financial assets and other current financial assets due from such subsidiary aggregating ₹ 2.24 crore, ₹ 1,124.36 crore, ₹ 141.14 crore and ₹ 2.47 crore, respectively, as at 31 March 2017. The consolidated net-worth of the aforesaid subsidiary has been fully eroded; however, based on certain estimates and other factors, including subsidiary's future business plans, growth prospects and valuation report from an independent valuer, as described in the said note, management believes that the realizable amount is higher than the carrying value of the investment, non-current loans, other non-current financial assets and other current financial assets due to which these are considered as good and recoverable. Our opinion is not qualified in respect of this matter.
- b) Note 34 to the standalone financial statements regarding uncertainties relating to recoverability of unbilled work-in-progress (other current financial assets), non-current trade receivables and current trade receivables aggregating ₹ 911.80 crore, ₹ 123.39 crore and ₹ 90.30 crore, respectively, as at 31 March 2017, raised in the earlier years in respect of projects suspended or substantially closed and where the claims are currently under negotiations / discussions / arbitration. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying standalone

financial statements. Our opinion is not qualified in respect of this matter.

- c) Note 26.1 and 26.3 to the standalone financial statements regarding remuneration of ₹ 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director (CMD), which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review / an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not qualified in respect of this matter.

Other Matters

11. a) The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 28 April 2016 and 30 April 2015, respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not qualified in respect of this matter.
- b) We did not audit the separate financial statements of six joint operations, included in these standalone financial statements, whose financial statements reflect total assets of ₹ 53.93 crore and net assets of ₹ 16.14 crore as at 31 March 2017, total revenues of ₹ 45.58 crore and net cash inflows amounting to ₹ 4.23 crore for the year ended on that date, as considered in these standalone financial statements. The Company had prepared separate set of statutory financial statements of these joint operations for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 in accordance with accounting principles generally accepted in India and which have been audited by other auditors under generally accepted auditing standards applicable in India. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. Our opinion in so far as it relates to the amounts and disclosures in respect of these joint operation is solely based on report of the other

auditors and the conversion adjustments prepared by the management of the Company, which have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

- a) we have sought and except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
- e) the matters described in paragraphs 8, 10(a) and 10(b) under the Basis for Qualified Opinion/ Emphasis of Matters paragraphs, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;

- h) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 4 May 2017 as per Annexure II expressed a qualified opinion;
- i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Notes 6.1, 32 A(i) to (iii) and 34 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Company, as detailed in Note 18.1 to the standalone financial statements, has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. the Company, as detailed in Note 13.1 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**
Partner

Place : Mumbai
Date : 4 May 2017

Membership No.: 108840

Annexure to the Independent Auditors' Report

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to six companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of such loans are not, prima facie, prejudicial to the Company's interest;
 - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;
 - (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the

extent applicable, in respect of loans, investments, guarantees and security.

- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Due Date	Date of Payment
The Sales Tax Act	Sales Tax/ Value Added Tax/ Entry Tax	1.99	December 2015	20 January 2016	Not paid till date
			March to August 2016	various due dates	

- (b) There are no dues in respect of duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax, service-tax and value added tax on account of disputes, are as follows:

Annexure to the Independent Auditors' Report

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Crore)	Amount Paid Under Protest (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	24.63	24.63	A.Y. 2006-07 to 2010-11	Income Tax Appellate Tribunal
The Sales Tax Act	Sales Tax/ Value Added Tax/ Entry Tax	0.16	0.15	A.Y. 2008-09, 2010-11	Supreme Court
		4.70	-	A.Y.1997-98 and 2012-13	High Court
		45.76	0.49	A.Y. 1996-97 to A.Y. 2000-01, A.Y. 2005-06, A.Y. 2006-07 and A.Y. 2013-14	Taxation Tribunal
		91.82	3.28	A.Y. 2002-03, A.Y. 2004-05 to A.Y. 2013 to A.Y. 2013-14	Commissioner level up to Appellate Authority
The Finance Act, 1994	Service tax including interest and penalty, as applicable	2.84	-	April 2003 to December 2003	High Court
		2.97	-	January 2006 to March 2006	Taxation Tribunal
		313.94	-	December 2008 to March 2013	Commissioner level up to Appellate Authority

(viii) There are no loans or borrowings payable to government. The Company has defaulted in repayment of following dues to the financial institution, banks and debenture holders during the year, which were paid on or before the Balance Sheet date.

(₹ in crore)

Debenture Holders	Days	Principal	Interest	Total
AXIS - Non-Convertible Debentures	0 to 30 days	-	0.77	0.77
	31 to 90 days	4.78	3.06	7.84
	91 to 180 days	4.78	4.52	9.30
LIC - Non-Convertible Debentures	0 to 30 days	-	0.83	0.83
	31 to 90 days	2.50	1.70	4.20
	91 to 180 days	-	0.03	0.03
	181 to 365 days	-	0.04	0.04

(₹ in crore)

Banks	Days	Principal	Interest	Total
Axis Bank	0 to 30 days	-	1.51	1.51
	31 to 90 days	8.36	6.06	14.42
	91 to 180 days	8.36	7.57	15.93
Bank of Baroda	0 to 30 days	-	0.26	0.26
	31 to 90 days	1.24	0.06	1.30
	91 to 180 days	0.78	0.65	1.43
Bank of Maharashtra	0 to 30 days	-	0.22	0.22
	31 to 90 days	2.01	0.39	2.40
	91 to 180 days	-	0.77	0.77
Canara Bank	0 to 30 days	-	2.47	2.47
	31 to 90 days	9.63	3.15	12.78
	91 to 180 days	9.63	7.32	16.95
Central Bank of India	0 to 30 days	-	0.51	0.51
	31 to 90 days	5.62	0.85	6.47
	91 to 180 days	4.51	1.31	5.82
Federal Bank	0 to 30 days	-	0.16	0.16
	31 to 90 days	0.99	0.24	1.23
	91 to 180 days	0.63	0.10	0.73
IDBI Bank	0 to 30 days	-	1.97	1.97
	31 to 90 days	10.76	7.86	18.62
	91 to 180 days	10.76	9.83	20.59
Indian Overseas Bank	0 to 30 days	-	0.72	0.72
	31 to 90 days	3.81	0.32	4.13
	91 to 180 days	2.40	1.89	4.29
Oriental Bank of Commerce	31 to 90 days	6.92	0.43	7.35
Punjab National Bank	0 to 30 days	-	0.62	0.62
	31 to 90 days	2.50	1.44	3.94
	91 to 180 days	0.67	0.62	1.29
State Bank of Hyderabad	0 to 30 days	-	0.39	0.39
	31 to 90 days	2.61	1.56	4.17
	91 to 180 days	1.19	1.95	3.14
State Bank of Mysore	0 to 30 days	-	0.83	0.83
	31 to 90 days	5.44	3.41	8.85
	91 to 180 days	2.50	4.07	6.57
State Bank of Travancore	0 to 30 days	0.38	0.02	0.40
	31 to 90 days	0.80	0.05	0.85
	91 to 180 days	-	0.03	0.03
Syndicate Bank	0 to 30 days	-	1.83	1.83
	31 to 90 days	12.87	4.65	17.52
	91 to 180 days	-	4.05	4.05
Union Bank of India	0 to 30 days	1.25	0.37	1.62
	31 to 90 days	1.97	0.19	2.16
	91 to 180 days	-	1.00	1.00

(₹ in crore)

Banks: Contd.	Days	Principal	Interest	Total
United Bank of India	0 to 30 days	-	2.49	2.49
	31 to 90 days	7.50	2.79	10.29
	91 to 180 days	7.50	7.66	15.16
Export Import Bank of United States	31 to 90 days	0.77	-	0.77
Standard Chartered Bank	31 to 90 days	4.59	-	4.59
Development Bank of Singapore	31 to 90 days	3.38	0.23	3.61
	91 to 180 days	-	0.45	0.45
Financial Institution				
Industrial Finance Corporation of India	0 to 30 days	-	1.20	1.20
	31 to 90 days	3.75	2.42	6.17
	91 to 180 days	3.75	4.40	8.15
Export Import Bank of India	0 to 30 days	-	3.72	3.72
	31 to 90 days	19.94	14.89	34.83
	91 to 180 days	19.94	18.61	38.55
Life Insurance Corporation of India	31 to 90 days	-	0.03	0.03
	91 to 180 days	-	0.02	0.02
	181 to 365 days	-	0.03	0.03
National Bank of Agricultural and Development	0 to 30 days	-	0.57	0.57
	31 to 90 days	3.90	1.50	5.40
	91 to 180 days	-	0.19	0.19
SREI Equipment Finance Limited	0 to 30 days	-	0.95	0.95
	31 to 90 days	5.78	1.19	6.97
	91 to 180 days	-	3.10	3.10

The Company has defaulted in repayment of following dues to the financial institutions, banks and debenture holders during the year, which were not paid as at the Balance Sheet date.

(₹ in crore)

Debenture Holders	Days	Principal	Interest	Total
LIC - Non Convertible Debentures	31 to 90 days	2.50	2.44	4.94
	91 to 180 days	2.50	1.63	4.13
	181 to 365 days	2.50	2.44	4.94

(₹ in crore)

Banks	Days	Principal	Interest	Total
Bank of Baroda	31 to 90 days	0.46	0.98	1.44
	91 to 180 days	0.00	0.65	0.65
	181 to 365 days	2.50	0.00	2.50
Bank of Maharashtra	31 to 90 days	0.45	0.49	0.94
	91 to 180 days	0.00	0.32	0.32
Canara Bank	31 to 90 days	5.73	7.04	12.77
	91 to 180 days	5.73	4.69	10.42
Central Bank of India	31 to 90 days	2.60	1.17	3.77
	91 to 180 days	0.00	1.22	1.22
Federal Bank	31 to 90 days	0.37	0.39	0.76
	91 to 180 days	0.00	0.68	0.68
Indian Overseas Bank	31 to 90 days	1.41	2.55	3.96
	91 to 180 days	0.00	1.70	1.70
Oriental Bank of Commerce	31 to 90 days	1.67	0.21	1.88
	91 to 180 days	0.00	0.39	0.39
Punjab National Bank	31 to 90 days	0.67	0.42	1.09
Syndicate Bank	31 to 90 days	2.87	3.62	6.49
	91 to 180 days	0.00	2.41	2.41
Union Bank of India	31 to 90 days	0.72	1.30	2.02
	91 to 180 days	0.00	0.87	0.87
United Bank of India	31 to 90 days	4.44	7.16	11.60
	91 to 180 days	4.44	4.77	9.21
Export Import Bank of United States	31 to 90 days	3.21	0.25	3.46
	91 to 180 days	3.21	0.17	3.38
	181 to 365 days	8.75	0.50	9.25
Standard Chartered Bank	31 to 90 days	2.29	0.83	3.12
	91 to 180 days	2.29	0.56	2.85
	181 to 365 days	0.00	1.67	1.67
Development Bank of Singapore	31 to 90 days	1.69	0.68	2.37
	91 to 180 days	1.69	0.45	2.14
	181 to 365 days	0.00	0.68	0.68

(₹ in crore)

Financial Institution	Days	Principal	Interest	Total
Industrial Finance Corporation of India	31 to 90 days	2.25	2.36	4.61
	91 to 180 days	2.25	1.57	3.82
Life Insurance Corporation of India	31 to 90 days	0.00	0.34	0.34
	91 to 180 days	0.00	0.23	0.23
	181 to 365 days	0.00	0.34	0.34
National Bank of Agricultural and Development	91 to 180 days	0.00	0.81	0.81
SREI Equipment Finance Limited	31 to 90 days	1.70	2.76	4.46
	91 to 180 days	1.70	1.84	3.54

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements, as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures except for allotment of equity shares and optionally convertible debentures during the year to the lenders pursuant to the Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme) adopted by the Joint Lender's Forum as stated in notes 15(h)(iii) and 16.1 to the standalone financial statements. In respect of the same, in our opinion, the Company has complied with the requirements of Section 42 of the Act and Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place : Mumbai
Date : 4 May 2017

Annexure to the Independent Auditors' Report

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Hindustan Construction Company Limited ("the Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed

risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

8. In our opinion, according to the information and explanations given to us and based on our audit procedure performed, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2017:

The Company's internal financial controls in respect of supervisory and review controls over process of determining of (a) carrying value of the Company's non-current investments in its subsidiaries;

and (b) recoverability of non-current loans, other non-current financial assets and other current financial assets due from such subsidiaries were not operating effectively. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investments in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, could also impact the profit (financial performance including other comprehensive income) after tax.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, maintained adequate IFCoFR as at 31 March 2017, based on internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and the Company's IFCoFR were operating effectively as at 31 March 2017.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2017, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place : Mumbai
Date : 4 May 2017

Balance Sheet as at 31 March 2017

Particulars	Note No.	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
ASSETS				
Non-current assets				
Property, plant and equipment	3	594.56	687.02	822.47
Capital work-in-progress	3	187.18	1.68	4.53
Intangible assets	4	0.91	1.49	0.93
Intangible assets under development	4	-	-	1.72
Financial assets				
Investments	5	718.63	699.35	795.51
Trade receivables	6	1,429.09	2,161.35	1,494.16
Loans	7	1,736.73	1,525.07	997.25
Other financial assets	8	254.45	208.63	358.39
Deferred tax assets (net)	9	-	-	11.49
Other non-current assets	10	168.42	169.02	148.58
Total non-current assets		5,089.97	5,453.61	4,635.03
Current assets				
Inventories	11	233.31	173.47	228.29
Financial assets				
Investments	12	77.72	77.72	95.60
Trade receivables	6	2,086.55	503.84	921.05
Cash and cash equivalents	13	77.64	69.66	77.36
Other bank balances	14	41.97	25.70	24.66
Loans	7	-	0.02	0.02
Other financial assets	8	3,448.33	3,640.49	3,681.30
Other current assets	10	148.49	69.23	81.46
Total current assets		6,114.01	4,560.13	5,109.74
TOTAL ASSETS		11,203.98	10,013.74	9,744.77
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	101.08	77.92	64.59
Other equity		2,588.90	1,725.40	1,262.60
Total equity		2,689.98	1,803.32	1,327.19
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	2,832.33	2,611.71	2,750.83
Other financial liabilities	17	14.23	18.39	21.66
Provisions	18	40.12	37.97	38.62
Deferred tax liabilities (net)	9	23.18	6.48	-
Total non-current liabilities		2,909.86	2,674.55	2,811.11
Current liabilities				
Financial liabilities				
Borrowings	19	1,148.58	2,049.64	1,956.25
Trade payables	20	1,616.40	1,437.87	1,585.46
Other financial liabilities	17	936.46	720.22	784.83
Other current liabilities	21	1,789.79	1,210.36	1,143.42
Provisions	18	112.91	117.78	136.51
Total current liabilities		5,604.14	5,535.87	5,606.47
TOTAL EQUITY AND LIABILITIES		11,203.98	10,013.74	9,744.77

Notes 1 to 44 form an integral part of the standalone financial statements
This is the Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

Place : Mumbai,
Dated : 4 May 2017

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

For and on behalf of the Board of Directors

AJIT GULABCHAND DIN: 00010827
SHALAKA GULABCHAND DIN: 00011094
DHAWAN
ARJUN DHAWAN DIN: 01778379

RAJAS R. DOSHI DIN: 00050594
RAM P. GANDHI DIN: 00050625
SHARAD M. KULKARNI DIN: 00003640
ANIL C. SINGHVI DIN: 00239589
N. R. ACHARYULU DIN: 02010249

Chairman & Managing Director
Whole-Time Director
Group Chief Executive Officer &
Whole-Time Director

Directors

Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Note No.	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Income			
Revenue from operations	22	4,195.94	4,190.89
Other income	23	262.20	214.24
Total income		4,458.14	4,405.13
Expenses			
Cost of construction materials consumed	24	868.59	1,000.90
Purchase of traded goods		0.39	0.32
Subcontracting expenses		1,603.75	1,364.49
Construction expenses	25	453.95	499.76
Employee benefits expense	26	396.80	383.24
Finance costs	27	772.37	701.71
Depreciation and amortisation expense	28	125.28	152.47
Other expenses	29	118.83	133.79
Total expenses		4,339.96	4,236.68
Profit before exceptional items and tax		118.18	168.45
Exceptional items	30	21.22	28.03
Profit before tax		96.96	140.42
Tax expense/ (credit)			
Current income tax	9	20.85	27.69
Deferred income tax	9	16.70	17.97
		37.55	45.66
Profit for the year (A)		59.41	94.76
Other comprehensive income (OCI)			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain on fair value of defined benefit plans as per actuarial valuation		2.22	3.29
- Income tax effect on above		-	-
- Gain/ (loss) on fair value of equity instruments		19.29	(12.33)
- Income tax effect on above		-	-
(b) Items to be reclassified subsequently to profit or loss			
		-	-
Other comprehensive income for the year, net of tax (B)		21.51	(9.04)
Total comprehensive income for the year, net of tax (A+B)		80.92	85.72
Earning per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	31	0.71	1.22

Notes 1 to 44 form an integral part of the standalone financial statements

This is the statement of profit and loss referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

Place : Mumbai,
Dated : 4 May 2017

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

For and on behalf of the Board of Directors

AJIT GULABCHAND DIN: 00010827
SHALAKA GULABCHAND DIN: 00011094
DHAWAN
ARJUN DHAWAN DIN: 01778379

RAJAS R. DOSHI DIN: 00050594
RAM P. GANDHI DIN: 00050625
SHARAD M. KULKARNI DIN: 00003640
ANIL C. SINGHVI DIN: 00239589
N. R. ACHARYULU DIN: 02010249

Chairman & Managing Director
Whole-Time Director
Group Chief Executive Officer &
Whole-Time Director

Directors

Cash Flow Statement for the year ended 31 March 2017

	Year ended 31 March 2017	Year ended 31 March 2016
₹ crore	₹ crore	₹ crore
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	96.96	140.42
Adjustments for		
Depreciation and amortisation expense	125.28	152.47
Finance costs	772.37	701.71
Interest income	(220.42)	(199.47)
Profit on sale of long-term investments (exceptional item)	-	(70.61)
Trade receivables and unbilled work in progress written off (exceptional item)	35.97	98.64
Provision for foreseeable losses	5.62	16.34
Gain on restructuring of debts	(14.75)	-
Share issue expenses	4.02	-
Dividend income	(0.03)	(0.02)
Foreign currency monetary translation gain (net)	(0.68)	(5.46)
Unrealised foreign exchange loss/ (gain) (net)	(11.08)	7.57
Loss on sale of property, plant and equipment (net)	2.35	1.94
Excess provision no longer required written back	(2.15)	(2.08)
	<u>696.50</u>	<u>701.03</u>
Operating profit before working capital changes	793.46	841.45
Adjustments for changes in working capital:		
(Increase)/ Decrease in trade receivables	(886.42)	(348.49)
(Increase)/ Decrease in loans and advances / other advances	23.66	(51.65)
(Increase)/ Decrease in inventories	(59.84)	54.82
Increase/ (Decrease) in trade and other payables	243.50	(210.99)
Increase/ (Decrease) in advance from contractees	543.61	59.38
	<u>(135.49)</u>	<u>(496.93)</u>
Cash generated from operations	657.97	344.52
Direct taxes paid (net of refunds received)	(18.48)	(5.15)
Net cash generated from operating activities	639.49	339.37
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(207.88)	(59.47)
Proceeds from sale of property, plant and equipment	12.33	11.62
Proceeds from sale of long-term investments in an associate company	-	154.44
Inter corporate deposits given	-	(52.43)
Net proceeds from/ (investments in) bank deposits (having original maturity of more than three months)	0.48	(16.30)
Interest received	0.30	3.76
Dividend received	0.03	0.02
Net cash generated from/ (used in) investing activities	(194.74)	41.64
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including securities premium) [Refer notes 15 (h) (iii) and 16.1]	808.56	399.99
Proceeds from/ (repayments of) long-term borrowings (net)	229.11	(161.50)
Proceeds from/ (repayments of) short-term borrowings (net)	(901.31)	92.52
Inter-corporate deposits taken	0.25	0.87
Interest and other finance charges	(569.18)	(710.75)
Share issue expenses	(4.02)	(9.71)
Dividend paid	(0.18)	(0.13)
Net cash used in financing activities	(436.77)	(388.71)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	7.98	(7.70)
Cash and cash equivalents at the beginning of the year	69.66	77.36
Unrealised foreign exchange gain	0.01	0.01
Cash and cash equivalents at the end of the year (Refer note 13)	<u>77.63</u>	<u>69.65</u>
	<u>77.64</u>	<u>69.66</u>
	<u>7.98</u>	<u>(7.70)</u>

Notes 1 to 44 form an integral part of the standalone financial statements
This is the Cash Flow Statement referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 4 May 2017

For and on behalf of the Board of Directors

AJIT GULABCHAND DIN: 00010827
SHALAKA GULABCHAND DIN: 00011094
DHAWAN
ARJUN DHAWAN DIN: 01778379

RAJAS R. DOSHI DIN: 00050594
RAM P. GANDHI DIN: 00050625
SHARAD M. KULKARNI DIN: 00003640
ANIL C. SINGHVI DIN: 00239589
N. R. ACHARYULU DIN: 02010249

Chairman & Managing Director
Whole-Time Director

Group Chief Executive Officer &
Whole-Time Director

Directors

Statement of Change in Equity for the year ended 31 March 2017

a) Equity share capital		Number	₹ crore								
Particulars											
Equity shares of ₹ 1 each issued, subscribed and paid											
As at 1 April 2015		645,826,106	64.58								
Issue of equity shares [Refer note 15(h)(iii)]		133,332,800	13.33								
As at 31 March 2016		779,158,906	77.91								
Issue of equity shares [Refer note 15(h)(iii)]											
As at 31 March 2017		231,544,729	23.15								
		1,010,703,635	101.07								
b) Other equity											
Particulars	Reserves and surplus				Other comprehensive income	Total equity attributable to equity holders					
	Capital contribution from subsidiary	Capital reserve (Forfeited equity share warrants)	Securities premium reserve	Debt redemption reserve			Foreign currency monetary translation account	General reserve	Retained earnings	Net gain/ (loss) on fair value of defined equity instruments plans	
As at 1 April 2015	29.54	15.19	0.02	946.30	34.99	4.06	174.38	58.12	-	-	1,262.60
Profit for the year	-	-	-	-	-	-	-	94.76	-	-	94.76
Other comprehensive income for the year	-	-	-	-	-	-	-	-	3.29	(12.33)	(9.04)
- Issue of share capital [Refer note 15(h)(ii)]	-	-	-	386.66	-	-	-	-	-	-	386.66
- Share issue expenses	-	-	-	(9.71)	-	-	-	-	-	-	(9.71)
- Transfer from / to debt redemption reserve	-	-	-	-	20.00	-	-	(20.00)	-	-	-
- Restatement of foreign currency monetary translation items	-	-	-	-	-	5.59	-	-	-	-	5.59
- Amortization of foreign currency monetary translation items	-	-	-	-	-	(5.46)	-	-	-	-	(5.46)
As at 31 March 2016	29.54	15.19	0.02	1,323.25	54.99	4.19	174.38	132.88	3.29	(12.33)	1,725.40
Profit for the year	-	-	-	-	-	-	-	59.41	-	-	59.41
Other comprehensive income for the year	-	-	-	-	-	-	-	-	2.22	19.29	21.51
- Issue of share capital [Refer note 15(h)(iii)]	-	-	-	785.40	-	-	-	-	-	-	785.40
- Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
- Transfer from / to debt redemption reserve	-	-	-	-	-	-	-	-	-	-	-
- Restatement of foreign currency monetary translation items	-	-	-	-	-	(2.14)	-	-	-	-	(2.14)
- Amortization of foreign currency monetary translation items	-	-	-	-	-	(0.68)	-	-	-	-	(0.68)
As at 31 March 2017	29.54	15.19	0.02	2,108.65	54.99	1.37	174.38	192.29	5.51	6.96	2,588.90

Statement of Change in Equity for the year ended 31 March 2017

Nature and purpose of reserves

i. Capital reserve

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Company recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium reserve

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

iv. Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which are available for payment of dividend to be utilised for the purpose of redemption of debentures in accordance with the provisions of the Act.

v. Foreign currency monetary translation account

Exchange difference arising on translation of the long term monetary asset is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset on a straight line basis.

vi. Net gain on fair value of defined benefit plans

The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

vii. Net gain/ (loss) on fair value of equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes 1 to 44 form an integral part of the standalone financial statements

This is the statement of changes in equity referred to in our audit report of even date

For Walker Chandio & Co LLP Chartered Accountants Firm Registration No. 001076N / N500013		For and on behalf of the Board of Directors		
		AJIT GULABCHAND	DIN: 00010827	<i>Chairman & Managing Director</i>
		SHALAKA GULABCHAND	DIN: 00011094	<i>Whole-Time Director</i>
		DHAWAN		
		ARJUN DHAWAN	DIN: 01778379	<i>Group Chief Executive Officer & Whole-Time Director</i>
ADI P. SETHNA Partner Membership No.: 108840	PRAVEEN SOOD <i>Group Chief Financial Officer</i> FCA 072412	RAJAS R. DOSHI	DIN: 00050594	} <i>Directors</i>
		RAM P. GANDHI	DIN: 00050625	
		SHARAD M. KULKARNI	DIN: 00003640	
	SANGAMESHWAR IYER <i>Company Secretary</i> ACS 6818	ANIL C. SINGHVI	DIN: 00239589	
		N. R. ACHARYULU	DIN: 02010249	
Place : Mumbai, Dated : 4 May 2017				

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 1 Corporate Information

Hindustan Construction Company Limited ("the Company" or "HCC") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in the business of providing engineering and construction services. Its shares are listed on two recognised stock exchanges in India - the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India.

The standalone financial statements ("the financial statements") of the Company for the year ended 31 March 2017 were authorised for issue in accordance with resolution of the Board of Directors on 4 May 2017.

Note 2.1 Significant Accounting Policies

i Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015. The financial statements for all periods upto and including year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2017 are the first financial statements prepared by the Company in accordance with Ind AS. Refer note 2.3 for information on how the Company adopted Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

ii Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

assumptions are reviewed at each reporting date.

Recoverability of claims

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

Valuation of investment in/ loans to subsidiaries

The Company has performed valuation for its investments in equity of certain subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investments in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans and interest receivable thereon. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during

the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 April 2015.

iv Intangible Assets

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2015.

v Depreciation/ Amortisation

Depreciation/ amortisation is provided:

- a In respect of buildings and sheds, on the written down value basis considering the useful lives prescribed in Schedule II to the Act.
- b In respect of furniture and fixtures, office equipment, computers, plant and machinery, heavy vehicles, light vehicles and speed boat on straight line basis at rates determined on the basis of useful lives prescribed in Schedule II to the Act, on a pro-rata basis. However, certain class of plant and machinery used in construction projects are depreciated on a straight line basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets, that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in Schedule II.
- c In respect of helicopter and aircraft, on straight line basis considering the useful life, that is a period of eighteen years and fourteen years, respectively, determined based on the technical evaluation and the management's experience of use of the assets, as against the period of twenty years as prescribed in Schedule II.
- d Leasehold improvements are amortised over the useful lives prescribed in Schedule II to the Act or the period of lease, whichever is lower.
- e Software and implementation costs including users license fees and other application software costs are amortised on a straight line basis, from the date they are available for use, over their estimated useful lives that is a period of three to five years.

The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's

carrying amount is greater than its estimated recoverable amount.

vi Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investments in subsidiaries, associates and joint ventures and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 April 2015.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls),

discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is

determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

vii Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Company also provides for gratuity which is a defined benefit plans the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised

as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

viii Inventories

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

ix Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

x Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Engineering and Construction". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xi Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

xii Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

xiii Revenue Recognition

a Accounting of Construction Contracts

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11, Construction Contracts, and total cost till completion of the contract and the profit so

determined proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

- In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.
- In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

b Accounting of Supply Contracts-Sale of Goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

c Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favourable arbitration award.

d Dividend Income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

e Finance and Other Income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

xiv Interest in Joint Arrangements

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

rather than legal structure of the Joint Arrangement. The Company classifies its Joint Arrangements as Joint Operations.

The Company recognises its direct right to assets, liabilities, revenue and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

xv Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xvi Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xvii Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xviii Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xix Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xx Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxi Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

xxii Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities premium reserve.

xxiii Share Based Payments

Certain employees of the Company are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxiv Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 2.2 Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017.

i Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

ii Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Note 2.3 Disclosures as required by Indian Accounting standard (Ind AS) 101 First time adoption of Indian accounting standard

The Company has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been restated accordingly.

i Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

- a Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS. Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.
- b Since, there is no change in the functional currency of the Company, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.
- c The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.
- d The Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign currency monetary

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

- translation account" and amortised over the remaining life of the concerned monetary item.
- e Share-based payment transactions: Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based payment to equity instruments that were granted on or before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to awards that vested prior to 1 April 2015.
- f Fair value measurement of financial assets or liabilities at initial recognition: The Company has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.
- g Designation of previously recognised financial instruments: The Company does not have any financial assets or liabilities as of the transition dates which were required to be designated, and which met the required criteria given in Ind AS 101, as a financial asset or financial liability at FVPL.
- ii **Exceptions**
- The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:
- a **Estimates**
- The estimates as at 1 April 2015 and 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:
- (i) Impairment of financial assets based on the expected credit loss model; and
- (ii) Investments in equity instruments carried as FVPL or FVOCI.
- The estimates used by the Company to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.
- b **Derecognition of financial assets**
- The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.
- c **Classification and movement of financial assets and liabilities**
- The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.
- iii **Reconciliation of equity as previously reported under previous GAAP to Ind AS:**

Particulars	Refer note	Balance sheet			Opening balance sheet			₹ crore
		as at 31 March 2016			as at 1 April 2015			
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS	
ASSETS								
Non-current assets								
Property, plant and equipment	2.3 (iii) 12	667.59	19.43	687.02	783.81	38.66	822.47	
Capital work-in-progress	-	1.68	-	1.68	4.53	-	4.53	
Intangible assets	-	1.49	-	1.49	0.93	-	0.93	
Intangible assets under development	-	-	-	-	1.72	-	1.72	
Financial assets								
Investments	2.3 (iii) 1, 2 and 6	514.72	184.63	699.35	597.29	198.22	795.51	
Trade receivables	-	2,161.35	-	2,161.35	1,494.16	-	1,494.16	
Loans	2.3 (iii) 2 and 12	1,641.27	(116.20)	1,525.07	1,135.29	(138.04)	997.25	
Other financial assets	2.3 (iii) 3 and 4	188.99	19.64	208.63	334.67	23.72	358.39	
Deferred tax assets (net)	2.3 (iii) 9	-	-	-	-	11.49	11.49	
Other non-current assets	2.3 (iii) 12	264.73	(95.71)	169.02	218.38	(69.80)	148.58	
Total non-current assets		5,441.82	11.79	5,453.61	4,570.78	64.25	4,635.03	

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Particulars	Refer note	₹ crore					
		Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS
Current assets							
Inventories	2.3 (iii) 12	168.42	5.05	173.47	222.89	5.40	228.29
Financial assets							
Investments	-	77.72	-	77.72	95.60	-	95.60
Trade receivables	2.3 (iii) 12	503.06	0.78	503.84	920.37	0.68	921.05
Cash and cash equivalents	2.3 (iii) 12	67.41	2.25	69.66	75.02	2.34	77.36
Other bank balances	2.3 (iii) 12	23.42	2.28	25.70	21.40	3.26	24.66
Loans	-	0.02	-	0.02	0.02	-	0.02
Other financial assets	2.3 (iii) 4 and 12	3,641.42	(0.93)	3,640.49	3,648.08	33.22	3,681.30
Other current assets	-	69.23	-	69.23	81.46	-	81.46
Total current assets		4,550.70	9.43	4,560.13	5,064.84	44.90	5,109.74
TOTAL ASSETS		9,992.52	21.22	10,013.74	9,635.62	109.15	9,744.77
EQUITY AND LIABILITIES							
Equity							
Equity share capital	-	77.92	-	77.92	64.59	-	64.59
Other equity	2.3 (iii) 4 and 11	1,784.91	(59.51)	1,725.40	1,322.86	(60.26)	1,262.60
Total equity		1,862.83	(59.51)	1,803.32	1,387.45	(60.26)	1,327.19
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	2.3 (iii) 5	2,482.26	129.45	2,611.71	2,627.63	123.20	2,750.83
Other financial liabilities	2.3 (iii) 6	-	18.39	18.39	-	21.66	21.66
Provisions	2.3 (iii) 8	37.97	-	37.97	38.62	-	38.62
Deferred tax liabilities (net)	2.3 (iii) 9	116.17	(109.69)	6.48	68.07	(68.07)	-
Total non-current liabilities		2,636.40	38.15	2,674.55	2,734.32	76.79	2,811.11
Current liabilities							
Financial liabilities							
Borrowings	2.3 (iii) 12	2,048.15	1.49	2,049.64	1,954.69	1.56	1,956.25
Trade payables	2.3 (iii) 12	1,408.77	29.10	1,437.87	1,538.60	46.86	1,585.46
Other financial liabilities	2.3 (iii) 6 and 12	710.78	9.44	720.22	778.91	5.92	784.83
Other current liabilities	2.3 (iii) 12	1,209.30	1.06	1,210.36	1,106.74	36.68	1,143.42
Provisions	2.3 (iii) 12	116.29	1.49	117.78	134.91	1.60	136.51
Total current liabilities		5,493.29	42.58	5,535.87	5,513.85	92.62	5,606.47
TOTAL EQUITY AND LIABILITIES		9,992.52	21.22	10,013.74	9,635.62	109.15	9,744.77

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Reconciliation of net profit as previously reported under previous GAAP to Ind AS

Particulars	Refer note	₹ crore		
		Year ended 31 March 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS
Income				
Revenue from operations	2.3 (iii) 12	4,052.42	138.47	4,190.89
Other income	2.3 (iii) 1, 2, 3, 6 and 12	187.76	26.48	214.24
Total income		4,240.18	164.95	4,405.13
Expenses				
Cost of construction materials consumed	2.3 (iii) 12	951.72	49.18	1,000.90
Purchase of traded goods	-	0.32	-	0.32
Subcontracting expenses	2.3 (iii) 12	1,315.37	49.12	1,364.49
Construction expenses	2.3 (iii) 12	489.38	10.38	499.76
Employee benefits expense	2.3 (iii) 7 and 12	370.35	12.89	383.24
Finance costs	2.3 (iii) 3, 4, 5 and 12	689.88	11.83	701.71
Depreciation and amortisation expense	2.3 (iii) 12	135.85	16.61	152.47
Other expenses	2.3 (iii) 12	127.76	6.03	133.79
Total expenses		4,080.63	156.04	4,236.68
Profit before exceptional items and tax				
Exceptional items	2.3 (iii) 1	26.48	1.55	28.03
Profit before tax		133.07	7.35	140.42
Tax expense				
Current income tax	2.3 (iii) 9 and 12	30.12	(2.43)	27.69
Deferred income tax (including MAT)	2.3 (iii) 9	17.97	-	17.97
		48.09	(2.43)	45.66
Profit for the year (A)		84.98	9.78	94.76
Other comprehensive income	2.3 (iii) 10			
(a) Items not to be reclassified subsequently to profit or loss				
- Gain on fair value of defined benefit plans as per actuarial valuation	2.3 (iii) 7	-	3.29	3.29
- Income tax effect on above	2.3 (iii) 9	-	-	-
- Gain/ (loss) on fair value of equity instruments	2.3 (iii) 1	-	(12.33)	(12.33)
- Income tax effect on above	2.3 (iii) 9	-	-	-
(b) Items to be reclassified subsequently to profit or loss		-	-	-
Other comprehensive income for the year, net of tax (B)		-	(9.04)	(9.04)
Total comprehensive income for the year, net of tax (A+B)		84.98	0.74	85.72

Explanation for reconciliation

1. Investment

Under Ind AS, investments in debentures and certain equity instruments (other than of subsidiaries, associates and joint ventures) are carried at fair value through OCI as compared to being carried at cost under previous GAAP. The adjustment represents the difference in the fair value and the cost of investments in debenture/ equity instruments.

2. Loans

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan or loan below market rate given to a subsidiary, which is treated as investment in that subsidiary. The interest on the present value of this loan is recognised over the tenure of the loan using the EIR method.

3. Other financial assets - Security deposits

Under Ind AS, interest free lease deposits are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

interest free security deposits which has been recognised as deferred rent expense. This amount is subsequently charged to the Statement of Profit and Loss on a straight line basis as an interest expense. Further, interest income computed on the present value of the security deposit is recognised over the tenure of the security deposit using the EIR method.

4. Other financial assets - Financial guarantees

Under Ind AS, the financial guarantee given by a subsidiary company to the lender of the Company for its borrowings are recognised initially as an asset at fair value which is subsequently amortised as an interest expense to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

5. Borrowings

Ind AS 109 requires transaction cost incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the EIR method.

As stated in note 16, the Company had restructured its debt in 2012 which was determined to be a substantial modification. This resulted into extinguishment of the old liabilities and recognition of new liabilities as on the transition date. For the loans which were not substantially modified, the loans were carried at book value less transaction costs, if any. Under Ind AS, loans are valued at present value as against cost in the previous GAAP. The difference between the present value and cost is recognised in the opening retained earnings.

6. Other financial liabilities - Financial guarantees

Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

7. Defined benefits obligations

Under Ind AS, actuarial gains and losses are recognised in the OCI as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

8. Provisions

Under the previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts if the effect of time value is material. As the effect of time value is not material, provisions have not been discounted.

9. Income tax

Current income tax

Tax component on the gain/ (loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

Deferred income tax (including MAT)

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

10. Other comprehensive income

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

11. Other equity

Adjustments to retained earnings and OCI have been made in accordance with Ind AS, for the above mentioned transition items.

12. Jointly controlled entities

Under Ind-AS, the Company recognises its direct right to assets, liabilities, revenue and expenses and its share of any jointly held or incurred assets, liabilities, revenues and expenses in relation to joint operations which require unanimous consent from all the parties for all relevant activities.

iv Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 3 Property, plant and equipment

Particulars											₹ crore
	Freehold land	Leasehold improvements	Building and sheds	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Helicopter/ Aircraft	Speed boat	Computers	Total
Gross carrying value (at deemed cost)											
As at 1 April 2015	8.68	18.37	29.89	1,569.11	20.55	185.99	9.73	182.27	1.44	15.04	2,041.07
Additions	-	-	-	16.54	0.02	1.05	-	-	-	0.24	17.85
Disposals	-	-	-	(76.70)	-	(12.16)	(0.11)	-	-	(1.39)	(90.36)
Adjustments	-	-	-	8.43	-	-	-	3.14	-	-	11.57
As at 31 March 2016	8.68	18.37	29.89	1,517.38	20.57	174.88	9.62	185.41	1.44	13.89	1,980.13
Additions	-	-	6.44	39.11	-	0.19	3.61	-	-	0.79	50.14
Disposals	-	-	-	(49.45)	(1.37)	(2.26)	(6.90)	-	-	(1.34)	(61.32)
Adjustments	-	(18.37)	-	(2.17)	18.37	-	-	(1.05)	-	-	(3.22)
As at 31 March 2017	8.68	-	36.33	1,504.87	37.57	172.81	6.33	184.36	1.44	13.34	1,965.73
Accumulated depreciation											
As at 1 April 2015	-	9.40	16.94	961.81	13.08	140.21	8.93	55.62	0.40	12.21	1,218.60
Depreciation charge	-	2.00	0.87	121.57	1.31	13.90	0.20	10.37	0.11	0.98	151.31
Accumulated depreciation on disposals	-	-	-	(64.47)	-	(10.85)	(0.10)	-	-	(1.38)	(76.80)
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2016	-	11.40	17.81	1,018.91	14.39	143.26	9.03	65.99	0.51	11.81	1,293.11
Depreciation charge	-	1.83	1.03	98.04	1.33	10.42	0.29	10.55	0.11	1.10	124.70
Accumulated depreciation on disposals	-	-	-	(35.46)	(1.28)	(2.12)	(6.46)	-	-	(1.32)	(46.64)
Adjustments	-	(13.23)	-	-	13.23	-	-	-	-	-	-
As at 31 March 2017	-	-	18.84	1,081.49	27.67	151.56	2.86	76.54	0.62	11.59	1,371.17
Net carrying value											
As at 1 April 2015	8.68	8.97	12.95	607.30	7.47	45.78	0.80	126.65	1.04	2.83	822.47
As at 31 March 2016	8.68	6.97	12.08	498.47	6.18	31.62	0.59	119.42	0.93	2.08	687.02
As at 31 March 2017	8.68	-	17.49	423.38	9.90	21.25	3.47	107.82	0.82	1.75	594.56
Net carrying value							31 March 2017	31 March 2016		1 April 2015	
Property, plant and equipment							594.56	687.02		822.47	
Capital work-in-progress							187.18	1.68		4.53	

Note 4 Intangible assets

Particulars			₹ crore
	Computer software		Total
Gross carrying value (at deemed cost)			
As at 1 April 2015		22.43	22.43
Additions		1.72	1.72
Disposals		-	-
As at 31 March 2016		24.15	24.15

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 4 Intangible assets (Contd.)

Particulars	₹ crore		
	Computer software	Total	
Additions	-	-	
Disposals	-	-	
As at 31 March 2017	24.15	24.15	
Accumulated amortisation			
As at 1 April 2015	21.50	21.50	
Amortisation charge	1.16	1.16	
As at 31 March 2016	22.66	22.66	
Amortisation charge	0.58	0.58	
As at 31 March 2017	23.24	23.24	
Net carrying value			
As at 1 April 2015	0.93	0.93	
As at 31 March 2016	1.49	1.49	
As at 31 March 2017	0.91	0.91	
Net carrying value	31 March 2017	31 March 2016	1 April 2015
Intangible assets	0.91	1.49	0.93
Intangible assets under development	-	-	1.72

Note 5 Non-current investments

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
I. Investments valued at deemed cost, fully paid up			
Investments in equity shares			
i) In subsidiary companies in India	644.75	644.75	644.75
ii) In subsidiary companies outside India	34.55	34.55	34.55
iii) In an associate in India (ceased to be an associate w.e.f. 10 July 2015)	0.00*	0.00*	3.96
II. Investments valued at amortised cost			
a) Investment in preference shares			
i) In a subsidiary company in India	0.00*	0.00*	0.00
b) Investments in debentures			
i) In an associate in India (ceased to be an associate w.e.f. 10 July 2015)	-	-	78.89
III. Investments in equity shares in others carried at fair value through OCI, fully paid up			
	39.33	20.05	33.36
	<u>718.63</u>	<u>699.35</u>	<u>795.51</u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 5.1 Detailed list of non-current investments

	As at 31 March 2017		As at 31 March 2016	
	Unquoted ₹ crore	Quoted ₹ crore	Unquoted ₹ crore	Quoted ₹ crore
I. Investments valued at deemed cost, fully paid up				
a) Investments in equity shares:				
i) In subsidiary companies in India				
- Western Securities Limited 1,957,500 (31 March 2016: 1,957,500) equity shares of ₹ 10 each	5.38	-	5.38	-
- HCC Real Estate Limited [Refer notes 5.5 and 33(a)] 66,193,185 (31 March 2016: 66,193,185) equity shares of ₹ 10 each	612.40	-	612.40	-
- HCC Infrastructure Company Limited [Refer notes 5.5 and 33(b)] 250,000 (31 March 2016: 250,000) equity shares of ₹ 10 each	2.24	-	2.24	-
- HCC Construction Limited 50,000 (31 March 2016: 50,000) equity shares of ₹ 10 each	0.05	-	0.05	-
- Highbar Technologies Limited (Refer notes 5.3 and 5.4) 6,250,000 (31 March 2016: 6,250,000) equity shares of ₹ 10 each	6.25	-	6.25	-
- Lavasa Corporation Limited [Refer notes 5.5 and 33(a)] 2,387 (31 March 2016: 2,387) equity shares of ₹ 10 each	18.43	-	18.43	-
	<u>644.75</u>	<u>-</u>	<u>644.75</u>	<u>-</u>
ii) In subsidiary companies outside India				
- HCC Mauritius Enterprises Limited (Refer notes 5.3 and 5.5) 5,005,000 (31 March 2016: 5,005,000) equity shares of USD 1 each	23.38	-	23.38	-
- HCC Mauritius Investments Limited (Refer notes 5.3 and 5.5) 1,000,000 (31 March 2016: 1,000,000) equity shares of USD 1 each	11.17	-	11.17	-
	<u>34.55</u>	<u>-</u>	<u>34.55</u>	<u>-</u>
iii) In an associate in India				
- Vikhroli Corporate Park Private Limited (VCPPL) (Refer note 5.2) 260 (31 March 2016: 260) equity shares of ₹ 10 each	0.00*	-	0.00*	-
II. Investments carried at amortised cost				
a) Investment in preference shares				
i) In a subsidiary company in India				
- Lavasa Corporation Limited [Refer note 33(a)] 28 (31 March 2016: 28) 6% Cumulative Redeemable Preference Shares of ₹ 10 each	0.00*	-	0.00*	-
b) In associates in India				
- VCPPL 17.91% Optionally Fully Convertible Debenture Series-I Nil (31 March 2016: Nil) Debentures of ₹ 100,000 each	-	-	-	-
- VCPPL 6.32% Optionally Fully Convertible Debenture Series-II Nil (31 March 2016: Nil) Debentures of ₹ 100,000 each	-	-	-	-
- VCPPL 0% Optionally Fully Convertible Debenture Series-IV Nil (31 March 2016: Nil) Debentures of ₹ 100,000 each	-	-	-	-
	<u>0.00</u>	<u>-</u>	<u>0.00</u>	<u>-</u>
III. Investments in equity shares in others carried at fair value through OCI, fully paid up				
- Housing Development Finance Corporation Limited 15,220 (31 March 2016: 15,220) equity shares of ₹ 2 each	-	2.28	-	1.68
- HDFC Bank Limited 2,500 (31 March 2016: 2,500) equity shares of ₹ 10 each	-	0.36	-	0.27

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 5.1 Detailed list of non-current investments (Contd.)

	As at 31 March 2017		As at 31 March 2016	
	Unquoted ₹ crore	Quoted ₹ crore	Unquoted ₹ crore	Quoted ₹ crore
- Khandwala Securities Limited 3,332 (31 March 2016: 3,332) equity shares of ₹ 10 each	-	0.01	-	0.01
- Walchand Co-op. Housing Society Limited 5 (31 March 2016: 5) equity shares of ₹ 50 each	0.00*	-	0.00*	-
- Shushrusha Citizens Co-Op. Hospitals Limited 100 (31 March 2016: 100) equity shares of ₹ 100 each	0.00*	-	0.00*	-
- Hincon Finance Limited 120,000 (31 March 2016: 120,000) equity shares of ₹ 10 each	36.68	-	18.09	-
	<u>36.68</u>	<u>2.65</u>	<u>18.09</u>	<u>1.96</u>
Total non-current investments	<u>715.98</u>	<u>2.65</u>	<u>697.39</u>	<u>1.96</u>
		<u>718.63</u>		<u>699.35</u>
Details:				
Aggregate of non-current investments:				
(i) Book value of investments	715.98	2.65	697.39	1.96
(ii) Market value of investments	-	2.65	-	1.96
	<u>679.30</u>	-	<u>679.30</u>	-
(i) Investments carried at cost	679.30	-	679.30	-
(ii) Investments carried at amortised cost	0.00	-	0.00	-
(iii) Investments carried at fair value through OCI	36.68	2.65	18.09	1.96
	<u>715.98</u>	<u>2.65</u>	<u>697.39</u>	<u>1.96</u>

Note 5.2 During the year ended 31 March 2016, the Company divested 26% equity stake in VCPPL for an aggregate consideration of ₹ 90.03 crore out of which the Company received ₹ 77.03 crore resulting in gain of ₹ 70.61 crore. Balance ₹ 13 crore will be realised and accounted for on fulfilment of certain conditions.

Note 5.3 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies as indicated below:

Name of the Company	No. of equity shares pledged	
	31 March 2017	31 March 2016
Highbar Technologies Limited	1,875,000	1,875,000
HCC Mauritius Enterprise Limited	5,005,000	5,005,000
HCC Mauritius Investments Limited	1,000,000	1,000,000

Note 5.4 The Company has given a "Non Disposal Undertaking" to the lenders of Highbar Technologies Limited to the extent of 3,074,940 (31 March 2016: 3,074,940) equity shares.

Note 5.5 Movement in investments as at 31 March 2017 and 31 March 2016

	Investments as at 31 March 2016 (previous GAAP)	Ind AS adjustments for		Investments as at 31 March 2017 (Ind AS)
		Fair value of interest free loan	Fair value of financial guarantee	
HCC Real Estate Limited	474.36	138.04	-	612.40
HCC Infrastructure Company Limited	0.25	-	1.99	2.24
Lavasa Corporation Limited	0.01	-	18.42	18.43
HCC Mauritius Enterprises Limited	22.23	-	1.15	23.38
HCC Mauritius Investments Limited	6.06	-	5.11	11.17
Total	<u>502.91</u>	<u>138.04</u>	<u>26.67</u>	<u>667.62</u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 6 Trade receivables			
Unsecured, considered good			
Non-current			
Trade receivables (Refer notes 6.1 and 34) ^	1,429.09	2,161.35	1,494.16
[Including retention ₹ 0.79 crore (31 March 2016: ₹ 32.69 crore, 1 April 2015: ₹ 0.79 crore)]			
Total non-current trade receivables	<u>1,429.09</u>	<u>2,161.35</u>	<u>1,494.16</u>
Current			
a) Trade receivables ^^	2,071.89	465.56	837.10
[including retention of ₹ 364.91 crore (31 March 2016: ₹ 279.25 crore, 1 April 2015: ₹ 270.35 crore)]			
b) Receivables from related parties ^^^ (Refer note 39)	14.66	38.28	83.95
[including retention of ₹ 13.76 crore (31 March 2016: ₹ 13.76 crore, 1 April 2015: ₹ 16.69 crore)]			
Total current trade receivables	<u>2,086.55</u>	<u>503.84</u>	<u>921.05</u>
Total trade receivables	<u><u>3,515.64</u></u>	<u><u>2,665.19</u></u>	<u><u>2,415.21</u></u>

^ Net off advance received against work bill / claims ₹ 68.14 crore (31 March 2016: ₹ 353.71 crore, 1 April 2015: ₹ 211.56 crore)

^^ Net off advance received against work bill ₹ 375.58 crore (31 March 2016: ₹ 270.9 crore, 1 April 2015: ₹ 3.26 crore)

^^^ Net off advance received against work bill ₹ 460.98 crore (31 March 2016: ₹ 264.01 crore, 1 April 2015: ₹ 212.81 crore)

Note 6.1 Trade receivable includes ₹ 2,948.32 crore (31 March 2016: ₹ 2,553.25 crore; 1 April 2015: ₹ 1,772.17 crore) on account of claims awarded in arbitration in favour of the Company which have been challenged by the client in High Courts/Supreme Court.

Note 6.2 There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 6.3 Trade receivables, except receivables on account of claims awarded in arbitration in favour of the Company, are non-interest bearing and are generally on terms of 30 to 90 days.

Note 6.4 As decided by the Cabinet Committee on Economic Affairs (CCEA) (Government of India), in respect of claims where arbitration awards have been decided in favour of the Company but further challenged by customers, the customers shall pay 75% of the arbitral award amount to the Company, in an escrow account, against a bank guarantee (BG). As at 31 March 2017, the Company's receivables include ₹ 2,948.32 crore (net of advances of ₹ 443.64 crore) on account of such awards.

The Company has received letters from its customers conveying release of 75% of the arbitral award amount resulting in a payout aggregating ₹ 1,882 crore, of which the Company has realised ₹ 380.19 crore till date (including ₹ 148.39 crore realised during the year ended 31 March 2017). The balance amount is presently pending on account of completion of certain formalities by the Company. The Company is pursuing with customers for issuance of similar payout letters for the balance amounts.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 7 Loans			
Unsecured, considered good			
Non-current			
a) Loans to subsidiaries (Refer notes 33 and 39)	1,736.73	1,524.13	997.03
b) Loans to subsidiary by joint operations	-	0.75	-
c) Loans to employees	-	0.19	0.22
Total non-current loans	1,736.73	1,525.07	997.25
Current			
a) Loans to employees	-	0.02	0.02
Total current loans	-	0.02	0.02
Total loans	1,736.73	1,525.09	997.27

Note 7.1 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of loans and advances in the nature of loans

Loans and advance in the nature of loans given to subsidiaries (as defined under the Act) for business purposes.

Name of the entity	Outstanding balance			Maximum balance outstanding during the year	
	As at	As at	As at	Year ended	Year ended
	31 March 2017 ₹ crore	31 March 2016 ₹ crore	1 April 2015 ₹ crore	31 March 2017 ₹ crore	31 March 2016 ₹ crore
i) HCC Infrastructure Company Limited [Refer note 33 (b)]	1,124.36	984.82	634.81	1,130.06	984.82
ii) HCC Real Estate Limited (HREL) ^ [Refer note 33 (a)]	380.86	327.01	266.02	380.86	327.01
iii) Lavasa Corporation Limited [Refer note 33 (a)]	131.56	110.21	-	131.56	110.21
iv) HCC Mauritius Enterprise Limited ^^	97.56	99.70	94.11	97.56	99.70
v) Highbar Technologies Limited	2.39	2.39	2.09	2.39	2.39
vi) HCC Concessions Limited	-	-	-	3.64	18.00
Total	1,736.73	1,524.13	997.03	1,746.07	1,542.13

^ The Company has given a contractual interest free loan amounting to ₹ 294.27 crore (31 March 2016: ₹ 294.27 crore, 1 April 2015: ₹ 294.27 crore) to HREL

^^ The Company has given a contractual loan bearing an interest rate of "3 months LIBOR +3%" and "6 months LIBOR +4%"

Note 7.2 Investment by the loanee in the Company's/ subsidiary companies shares [Refer note (i) below]

HCC Infrastructure Company Limited has invested in following subsidiary companies:

Name of the entity	As at	As at	As at
	31 March 2017 ₹ crore	31 March 2016 ₹ crore	1 April 2015 ₹ crore
Equity shares			
HCC Concessions Limited ^	573.48	573.48	523.55
HCC Power Limited	0.50	0.50	0.50
Dhule Palesner Operations & Maintenance Limited	0.50	0.50	0.50
HCC Operations & Maintenance Limited	0.05	0.05	0.05
Preference Shares			
HCC Concessions Limited ^	285.99	285.99	285.99
Total	860.52	860.52	810.59

^ Subsidiary as per the Act; however, classified as a Joint Venture under Ind AS

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 7.2 Investment by the loanee in the Company's/ subsidiary companies shares [Refer note (i) below] (Contd.)

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
HCC Real Estate Limited has invested in following subsidiary companies:			
Equity shares			
Lavasa Corporation Limited	498.43	498.43	498.43
Maan Township Developers Limited	11.80	11.80	11.80
Nashik Township Developers Limited	0.91	0.91	0.91
HRL Township Developers Limited	0.28	0.28	0.28
HRL (Thane) Real Estate Limited	19.60	19.60	19.60
Charosa Wineries Limited	23.63	23.63	23.63
Powai Real Estate Limited	0.05	0.05	0.05
HCC Aviation Limited	0.05	0.05	0.05
Pune-Paud Toll Road Company Limited	25.56	25.56	25.56
HCC Realty Limited	0.05	0.05	0.05
Preference shares			
Lavasa Corporation Limited	66.39	57.99	50.64
Total	646.75	638.35	631.00

Lavasa Corporation Limited has invested in following subsidiary companies:

Equity shares			
Dasve Business Hotel Limited	0.05	0.05	0.05
Dasve Convention Centre Limited	0.05	0.05	0.05
Dasve Hospitality Institutes Limited	5.55	5.55	5.55
Lakeshore Watersports Company Limited	0.05	0.05	0.05
Lakeview Clubs Limited	0.05	0.05	0.05
Lavasa Hotel Limited	0.05	0.05	0.05
Dasve Retail Limited	0.05	0.05	0.05
Full Spectrum Adventure Limited	0.05	0.05	0.05
Lavasa Bamboocrafts Limited	0.05	0.05	0.05
My City Technology Limited	14.93	14.93	14.93
Reasonable Housing Limited	0.05	0.05	0.05
Rhapsody Commercial Spaces Limited	0.05	0.05	0.05
Verzon Hospitality Limited	0.41	0.41	0.41
Future City Multiservices SEZ Limited	0.05	0.05	0.05
Valley View Entertainment Limited	0.05	0.05	0.05
Sirrah Palace Hotels Limited	-	-	0.05
Warasgaon Tourism Limited	0.05	0.05	0.05
Our Home Service Apartments Limited	0.05	0.05	0.05
Warasgaon Power Supply Limited	5.05	5.05	5.05
Sahyadri City Management Limited	0.05	0.05	0.05
Kart Racers Limited	0.05	0.05	0.05
Warasgaon Infrastructure Providers Limited	0.05	0.05	0.05
Hill City Service Apartments Limited	0.05	0.05	0.05
Nature Lovers Retail Limited	0.05	0.05	0.05
Warasgaon Valley Hotels Limited	0.05	0.05	0.05
Rosebay Hotels Limited	0.05	0.05	0.05
Mugaon Luxury Hotels Limited	0.05	0.05	0.05
Warasgaon Assets Maintenance Company Limited	666.89	593.05	10.05
Hill View Parking Services Limited	0.05	0.05	0.05
Spotless Laundry Services Limited ^	7.08	7.08	7.08
Green Hills Residences Limited ^	2.36	2.36	2.36
Whistling Thrush Facilities Services Limited ^	0.23	0.23	0.23

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 7.2 Investment by the loanee in the Company's/ subsidiary companies shares [Refer note (i) below] (Contd.)

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Ecomotel Hotel Limited ^	13.26	11.77	-
Starlit Resort Limited ^	-	-	0.05
Apollo Lavasa Health Corporation Limited ^	-	-	75.00
Osprey Hospitality Limited	-	0.05	0.05
Preference shares			
Dasve Business Hotels Limited ^	23.40	23.40	23.40
Dasve Convention Center Limited ^	51.78	51.78	51.78
Dasve Hospitality Institutes Limited ^	17.06	17.06	17.06
Lakeshore Watersports Company Limited ^	10.98	10.98	10.98
Lakeview Clubs Limited ^	19.36	19.36	19.36
Dasve Retail Limited ^	78.91	78.91	78.91
Lavasa Bamboocrafts Limited ^	7.90	7.90	7.90
Reasonable Housing Limited ^	19.66	19.66	19.66
Future City Multiservices SEZ Limited ^	1.69	1.69	1.69
Warasgaon Tourism Limited ^	9.84	9.84	9.84
Sahyadri City Management Limited ^	38.71	38.71	38.71
Hill City Service Apartments Limited ^	10.33	10.33	10.33
Nature Lovers Retail Limited ^	1.73	1.73	1.73
Warasgaon Assets Maintenance Company Limited	0.62	0.47	-
Total	1,008.88	933.45	413.31

^ Subsidiary as per the Act; however, classified as a Joint Venture under Ind AS

HCC Mauritius Enterprise Limited has invested in following subsidiary company:

Equity shares

Steiner AG [Refer note (ii) below]	208.57	213.15	201.29
Total	208.57	213.15	201.29

Highbar Technologies Limited has invested in following subsidiary company

Equity shares

Highbar Technologies FZLLC	-	0.06	0.06
----------------------------	---	------	------

HCC Concessions Limited has invested in following subsidiary companies

Equity shares

Badarpur Faridabad Tollways Limited ^	234.37	215.59	202.36
Baharampore-Farakka Highways Limited ^	33.33	33.30	33.30
Farakka-Raiganj Highways Limited ^	37.00	37.00	37.00
Raiganj-Dalkhola Highways Limited ^	27.00	27.00	27.00
Nirmal BOT Limited ^	-	-	31.50
Narmada Bridge Tollways Limited ^	0.05	0.05	0.05
Convertible Cumulative Preference Shares			
Baharampore-Farakka Highways Limited	172.25	172.25	172.25
Farakka-Raiganj Highways Limited	200.22	200.22	200.22
Raiganj-Dalkhola Highways Limited	107.15	82.07	72.52
Total	811.37	767.48	776.20

^ Subsidiary as per the Act; however, classified as a Joint Venture under Ind AS

Note (i) Investments include adjustments carried out under Ind AS

Note (ii) 'Includes increase/ decrease in investments on account of interest rate fluctuations

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 8 Other financial assets			
Non-current			
a) Security and other deposits			
- related parties (Refer note 39)	0.50	0.50	4.62
- others	1.80	7.54	2.48
b) Receivables from related parties (Refer notes 33 and 39)			
- interest	179.30	162.38	323.11
- against sale of assets	56.83	-	-
c) Margin money deposits	0.05	16.80	1.54
d) Financial guarantees	15.97	20.48	25.01
e) Others	-	0.93	1.63
Total non-current financial assets	254.45	208.63	358.39
Current			
a) Unbilled work-in-progress ^ (Refer note 34)	3,349.46	3,452.06	3390.20
b) Security and other deposits	23.27	8.83	18.01
c) Receivables from related parties (Refer notes 33 and 39)			
- against sale of assets	-	56.83	56.83
- against reimbursements, others	38.12	59.28	164.69
d) Interest accrued on deposits/ advances	2.57	5.29	10.59
e) Financial guarantees	4.53	4.53	4.53
f) Advances recoverable in cash or in kind	30.38	52.97	35.75
g) Others	-	0.70	0.70
Total current financial assets	3,448.33	3,640.49	3,681.30
Total other financial assets	3,702.78	3,849.12	4,039.69

^ Net off advance received against work bill ₹ 213.28 crore
(31 March 2016: ₹ 145.97 crore, 1 April 2015: ₹ 134.12 crore)

Note 9 Income tax assets (net)

i. The following table provides the details of income tax assets and liabilities as at 31 March 2017, 31 March 2016 and 1 April 2015:

a) Income tax assets	223.54	205.92	200.77
b) Current income tax liabilities	197.08	177.09	149.40
Net balance (Refer note 10)	26.46	28.83	51.37

ii. The gross movement in the current tax asset/ (liability) for the years ended 31 March 2017 and 31 March 2016 is as follows:

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Net current income tax asset at the beginning	28.83	51.37
Income tax paid	18.48	5.15
Current income tax expense	(20.85)	(27.69)
Income tax on other comprehensive income	-	-
Net current income tax asset at the end	26.46	28.83

iii. Income tax expense in the Statement of Profit and Loss comprises:

Current income taxes	20.85	27.69
Deferred income taxes ^	16.70	17.97
Income tax expenses (net)	37.55	45.66

^ Entire deferred income taxes for the years ended 31 March 2017 and 31 March 2016 relates to origination and reversal of temporary differences and is net of MAT credit entitlement of ₹ 16.83 crore (31 March 2016: ₹ 30.13 crore)

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 9 Income tax assets (net) (Contd.)	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore	
iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:			
Profit before income tax	96.96	140.42	
Applicable income tax rate	34.61%	34.61%	
Computed expected tax expense	33.56	48.60	
Tax expense of jointly controlled operations	(4.03)	(7.69)	
Effect of expenses not allowed for tax purpose	5.14	3.64	
Effect of income not considered for tax purpose	2.89	1.11	
Income tax expense charged to the Statement of Profit and Loss	37.55	45.66	
v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:			
	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Deferred income tax liability			
Timing difference on tangible and intangible assets depreciation and amortisation	72.21	85.06	98.15
Claims/arbitration awards	1,217.24	943.56	680.43
Others	7.64	7.19	8.96
Deferred income tax asset			
Business loss/ unabsorbed depreciation	(1,103.66)	(879.19)	(683.85)
Others	(43.73)	(40.45)	(35.62)
MAT credit entitlement	(126.52)	(109.69)	(79.56)
Total deferred tax liabilities / (assets) (net)	23.18	6.48	(11.49)
Note 10 Other Assets			
Non-current			
a) Capital advances			
- related parties (Refer note 39)	-	7.00	-
- others	12.92	35.80	0.16
b) Balances with government authorities	128.24	96.15	95.26
c) Income tax balances [Refer note 9 (i)]	26.46	28.83	51.37
d) Prepaid expenses	0.80	1.24	1.79
Total other non-current assets	168.42	169.02	148.58
Current			
a) Advance to suppliers and sub-contractors	91.77	31.33	59.36
b) Balances with government authorities	39.23	19.31	8.36
c) Prepaid expenses	14.80	16.44	13.12
d) Other current assets	2.69	2.15	0.62
Total other current assets	148.49	69.23	81.46
Total other assets	316.91	238.25	230.04
Note 11 Inventories			
a) Stores, spares and embedded goods	225.13	168.69	221.02
b) Fuel	7.86	4.78	6.71
c) Materials in transit	0.32	-	0.56
Total inventories	233.31	173.47	228.29
Note 12 Current investments			
I. Investments in unquoted equity shares valued at deemed cost, fully paid up			
a) In a subsidiary company in India	50.02	50.02	50.02
b) In joint ventures in India	27.70	27.70	45.58
Total current investments	77.72	77.72	95.60

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore
Note 12.1 Detailed list of current investments		
I. Investments in unquoted equity shares valued at deemed cost, fully paid up		
a) In a subsidiary company in India		
- Panchkutir Developers Limited (Refer note 12.3) 1,400,000 (31 March 2016: 1,400,000) equity shares of ₹ 10 each fully paid	50.02	50.02
b) In joint ventures in India		
- Raiganj Dalkhola Highways Limited (Refer note 12.2) 3,000,000 (31 March 2016: 3,000,000) equity shares of ₹ 10 each fully paid	3.00	3.00
- Baharampore Farakka Highways Limited (Refer note 12.2) 11,700,000 (31 March 2016: 11,700,000) equity shares of ₹ 10 each fully paid	11.70	11.70
- Farakka Raiganj Highways Limited (Refer note 12.2) 13,000,000 (31 March 2016: 13,000,000) equity shares of ₹ 10 each fully paid	13.00	13.00
- Dhule Palesner Tollways Limited 100 (31 March 2016: 100) equity shares of ₹ 10 each fully paid	0.00	0.00
Total current investments	77.72	77.72

Note 12.2 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by joint ventures as indicated below:

Name of the Company	No. of equity shares pledged	
	As at 31 March 2017	As at 31 March 2016
	₹ crore	₹ crore
Raiganj Dalkhola Highways Limited	510,000	510,000
Baharampore Farakka Highways Limited	510,000	510,000
Farakka Raiganj Highways Limited	510,000	510,000

Note 12.3 The Company has received ₹ 10 crore (31 March 2016: ₹ 10 crore, 1 April 2015: ₹ 10 crore) as advance towards sale of investment in Panchkutir Developers Limited

Note 12.4 Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HIL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HIL/ BOT SPVs.

The Company has given *inter alia* an undertaking in respect of investment in Baharampore - Farakka Highways Limited, Farakka - Raiganj Highways Limited., Dhule Palesner Tollways Limited and Raiganj - Dalkhola Highways Limited to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into sale agreement with HCL to sell these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI. The Company has received full consideration of ₹ 27.70 crore (31 March 2016: ₹ 27.70 crore; 1 April 2015: ₹ 45.58 crore) for transfer of the above shares at book value from HCL, subject to necessary approvals and consents to the extent required in the following BOT SPV's. During the year ended 31 March 2016, the Company has transferred 17,882,700 equity shares in Dhule Palesner Tollways Limited to HCL at book value.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Name of the BOT SPV	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	₹ crore	No. of shares	₹ crore	No. of shares	₹ crore	No. of shares
Baharampore Farakka Highways Limited	11.70	11,700,000	11.70	11,700,000	11.70	11,700,000
Farakka Raiganj Highways Limited	13.00	13,000,000	13.00	13,000,000	13.00	13,000,000
Raiganj Dalkhola Highways Limited	3.00	3,000,000	3.00	3,000,000	3.00	3,000,000
Dhule Palesner Tollways Limited	0.00*	100	0.00*	100	17.88	17,882,800
Total	27.70	27,700,100	27.70	27,700,100	45.58	45,582,800

As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
₹ crore	₹ crore	₹ crore

Note 13 Cash and cash equivalents

a) Balances with banks			
- Current accounts in Indian rupees	67.19	66.28	66.59
- Current accounts in foreign currency	0.36	2.67	0.22
b) Cash on hand	0.93	0.71	0.79
c) Cheques on hand	9.16	0.00 *	9.76
Total cash and cash equivalents	77.64	69.66	77.36

Note 13.1 Disclosure on specified bank notes (SBNs)

- (i) During the year, the Company had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs ^ ₹ crore	Other notes ₹ crore	Total ₹ crore
Closing cash on hand as at 8 November 2016	0.90	0.51	1.41
(+) Permitted receipts	0.00*	0.93	0.93
(-) Permitted payments	0.00*	1.02	1.02
(-) Amount deposited in banks	0.90	0.01	0.91
Closing cash on hand as at 30 December 2016	-	0.41	0.41

- (ii) Following are the consolidated details [including coventurer(s) share] of the SBNs and other notes held and transacted in respect of jointly controlled entities stated in note 36(a).

Particulars	SBNs ^ ₹ crore	Other notes ₹ crore	Total ₹ crore
Closing cash on hand as at 8 November 2016	0.02	0.01	0.03
(+) Permitted receipts	-	0.03	0.03
(-) Permitted payments	0.01	0.03	0.04
(-) Amount deposited in banks	0.01	-	0.01
Closing cash on hand as at 30 December 2016	-	0.01	0.01

^ For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India notification S.O. 3407 (E), dated 8 November 2016.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 14 Other bank balances			
Earmarked balances with banks for:			
a) Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	41.56	25.11	23.94
b) Balances with bank for unpaid dividend	0.41	0.59	0.72
Total other bank balances	<u>41.97</u>	<u>25.70</u>	<u>24.66</u>

Note 14.1 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2017.

Note 15 Equity share capital

Authorised share capital

1,250,000,000	Equity shares of ₹ 1 each [Refer note h(i)] (31 March 2016: 900,000,000, 1 April 2015: 900,000,000 equity shares of ₹ 1 each)	125.00	90.00	90.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each (31 March 2016: 10,000,000, 1 April 2015: 10,000,000 preference shares of ₹ 10 each)	10.00	10.00	10.00
Total authorised equity share capital		<u>135.00</u>	<u>100.00</u>	<u>100.00</u>

Issued, subscribed and paid-up equity share capital:

1,010,703,635	Equity shares of ₹ 1 each fully paid up (31 March 2016: 779,158,906, 1 April 2015: 645,826,106 equity shares of ₹ 1 each)	101.07	77.91	64.58
	Add : 13,225 Forfeited equity shares (31 March 2016: 13,225, 1 April 2015: 13,225 equity shares)	0.01	0.01	0.01
Total issued, subscribed and paid-up equity share capital		<u>101.08</u>	<u>77.92</u>	<u>64.59</u>

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	₹ crore
As at 1 April 2015	645,826,106	64.58
Issued during the year [Refer note h(ii)]	<u>133,332,800</u>	<u>13.33</u>
As at 31 March 2016	779,158,906	77.91
Issued during the year [Refer notes h(iii) and 16.1]	231,544,729	23.15
As at 31 March 2017	<u>1,010,703,635</u>	<u>101.07</u>

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by subsidiary company:

Western Securities Limited, a subsidiary company, holds 52,000 equity shares (31 March 2016: 52,000 equity shares, 1 April 2015: 52,000 equity shares) in the Company.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 15 Equity share capital (Contd.)

d. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	% held	No. of shares	% held	No. of shares	% held	No. of shares
Promoter						
Hincon Holdings Limited	21.37%	216,023,600	27.73%	216,023,600	33.45%	216,023,600
Hincon Finance Limited	6.16%	62,261,186	7.99%	62,261,186	9.64%	62,261,186
Non-promoter						
HDFC Trustee Company Limited	6.93%	70,021,087	8.94%	69,621,087	-	-
Siwa Holding Limited	3.57%	36,082,151	4.63%	36,082,151	5.59%	36,082,151

e. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

As at 31 March 2017, there are 120,180 (31 March 2016: 1,654,630; 1 April 2015: 3,239,330) stock options outstanding convertible into equal number of equity shares of ₹ 1 each convertible at an exercise price of ₹ 52.03 per share.

During the year ended 31 March 2017, none of the options were exercised / converted into equity shares and 1,534,450 (31 March 2016: 1,584,700; 1 April 2015: 1,455,470) stock options got lapsed.

i. Options granted

- a) The Company offered 4,458,800 Stock Options on 25 April 2008 (each option carrying entitlement for one equity share of the face value of ₹ 1 each) at a price of ₹132.50 per equity share.

In accordance with the approval of the board of directors and shareholders of the Company, the ESOP compensation committee at its meeting held on 20 July 2009 repriced 4,131,600 options at ₹ 104.05 per equity share.

- b) The ESOP Compensation Committee of the Company at its Meeting held on 12 August 2010 decided to double the number of employee stock options (vested and unvested), not exercised and in-force, as on the Record Date i.e. 11 August 2010 and halved the exercise price on account of issuance and allotment of Bonus Equity Shares in the proportion of 1:1.

Accordingly, 3,553,760 employee stock options in-force granted by the Company on 25 April 2008 were doubled i.e. 7,107,520 and the exercise price in respect of the same was reduced from ₹104.05 to ₹ 52.03 per equity share.

ii. Settlement Through Equity Shares

iii. Options vested 120,180 number of options remain vested and outstanding as at 31 March 2017

f. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

- (i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- (ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- (iii) Aggregate number and class of shares bought back - Nil

g. Pursuant to bonus issue of equity shares in the proportion of 1:1, outstanding 95,146 Global Depository Shares (outstanding as of Record Date i.e. 11 August 2010) increased to 190,292. Out of the total Global Depository Shares (GDR) issued, Nil (31 March 2016: Nil, 1 April 2015: 17,300) GDR's are outstanding as at 31 March 2017.

- h. (i) On 5 January 2017, the shareholders of the Company at its Extra-ordinary General Meeting approved the increase in authorised equity share capital from 900,000,000 equity shares of ₹ 1 each to 1,250,000,000 equity shares of ₹ 1 each.
- (ii) 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 (including ₹ 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.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 15 Equity share capital (Contd.)

- (iii) Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting held on 5 January 2017, the allotment committee of the Board of Directors at its meetings held on 6 January 2017/ 19 January 2017 allotted collectively to the lenders 231,544,729 equity shares of face value of ₹ 1 at a premium of ₹ 33.92 per share aggregating ₹ 808.55 crore and 14,414,874 OCDs of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,441.49 crore on preferential basis as part of the S4A Scheme. The implementation of S4A Scheme and consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except for few lenders who will be allotted equity shares and OCDs based on the share price prevailing at the time of such allotment.

	Effective interest rate		As at	As at	As at
	31 March 2017	31 March 2016	31 March 2017 ₹ crore	31 March 2016 ₹ crore	1 April 2015 ₹ crore
Note 16 Borrowings					
Non-current portion:					
I. Secured					
(A) Non-Convertible Debentures (RTL-1)	10.14% - 15.73%	10.13% - 15.68%	114.03	165.18	184.34
(B) Rupee Term Loans (RTL-A)					
(i) From Banks	11.75% - 12.00%	11.75% - 12.00%	103.74	140.24	-
(ii) From Others	11.75%	11.75%	52.46	44.96	-
(C) Rupee Term Loans (RTL-1)					
(i) From Banks	9.77% - 14.17%	10.16% - 14.09%	195.26	381.87	429.67
(ii) From Others	9.76% - 9.98%	10.17% - 10.26%	199.97	384.34	441.55
(D) Rupee Term Loans (RTL-2)					
(i) From Banks	9.85% - 13.60%	10.17% - 13.40%	528.57	1028.10	1155.78
(ii) From Others	9.79% - 9.90%	10.14% - 13.51%	130.80	237.79	142.74
(E) Working Capital Term Loan from Banks (WCTL-1)	11.10%	11.10% - 11.50%	-	20.42	41.13
(F) Working Capital Term Loan from Banks (WCTL-2)					
(i) From Bank	11.10%	11.10% - 11.50%	8.70	18.50	20.99
(ii) From Others	11.10%	11.10% - 11.50%	8.70	37.00	42.00
(G) Foreign Currency Term Loans from Banks	2.05% - 5.00%	1.47% - 4.49%	60.55	153.31	172.26
(H) 0.01% Optionally Convertible Debentures (OCDs)	11.50%	-			
(i) From Banks			1,167.59	-	-
(ii) From Others			261.96	-	-
Subtotal (A+B+C+D+E+F+G+H)			2,832.33	2,611.71	2,630.46
Note: For security details and terms of repayment, refer note 16.2 below.					
II. Unsecured					
Term Loans - Other than Banks			-	-	120.37
Subtotal			-	-	120.37
Total non-current borrowings (I+II)			2,832.33	2,611.71	2,750.83
Current maturities of long-term borrowings					
I. Secured					
(A) Non-Convertible Debentures (RTL-1)	10.14% - 15.73%	10.13% - 15.68%	30.66	24.50	25.30
(B) Rupee Term Loans (RTL-1)					
(i) From Banks	9.77% - 14.17%	10.16% - 14.09%	41.45	59.99	57.61
(ii) From Others	9.76% - 9.98%	10.17% - 10.26%	42.75	54.07	51.53

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 16 Borrowings (Contd.)

	Effective interest rate		As at	As at	As at
	31 March 2017	31 March 2016	31 March 2017 ₹ crore	31 March 2016 ₹ crore	1 April 2015 ₹ crore
(C) Rupee Term Loans (RTL-2)					
(i) From Banks	9.85% - 13.60%	10.17% - 13.40%	143.00	132.86	152.79
(ii) From Others	9.79% - 9.90%	10.14% - 13.51%	33.42	35.06	18.46
(D) Working Capital Term Loan from Banks (WCTL-1)	11.10%	11.10% - 11.50%	17.63	20.56	5.25
(E) Working Capital Term Loan from Banks (WCTL-2)					
(i) From Bank	11.10%	11.10% - 11.50%	2.58	2.50	2.88
(ii) From Others	11.10%	11.10% - 11.50%	-	6.98	5.75
(F) Foreign Currency Term Loans from Banks	2.05% - 5.00%	1.47% - 4.49%	103.24	37.09	31.97
(G) Rupee Term Loans (RTL-A)					
(i) From Bank	11.75% - 12.00%	11.75% - 12.00%	-	-	-
(ii) From Others	11.75%	11.75%	1.05	-	-
(H) Funded Interest Term Loan					
(i) From Bank	-	11.00% - 11.25%	-	-	52.36
(ii) From Others	-	11.00% - 11.25%	-	-	2.55
Subtotal (A+B+C+D+E+F+G+H)			415.78	373.61	406.45
Note: For security details and terms of repayment, refer note 16.2 below.					
II. Unsecured					
A) Term Loans - Other than Banks	-	11.25%	-	-	17.25
B) Funded Interest Term Loan - Other than Banks	-	11.25%	-	-	4.85
Subtotal (A+B)			-	-	22.10
Total current maturities of long-term borrowings (I+II)			415.78	373.61	428.55
Total borrowings			3,248.11	2,985.32	3,179.38

Note 16.1

Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme) and Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme):

The Company received Letter of Approval (LOA) on 29 June 2012 issued by the Corporate Debt Restructuring Empowered Group (CDREG) approving the CDR Scheme. The CDR related documents had been executed and creation of security was completed. During the current year, the Company has implemented the S4A Scheme. The Joint Lender's Forum (JLF) adopted the S4A Scheme with reference date as 12 July 2016. The S4A Scheme was duly approved by the Reserve Bank of India's mandated Overseeing Committee (OC) on 4 November 2016. Under the S4A Scheme, the Company's total debts amounting to ₹ 5,107 crore as at 1 October 2016 have been bifurcated into sustainable debt, to be serviced as per existing terms and conditions of those debts, and remainder debts (to the extent of 47.5% of the fund based exposure of the Company) have been converted into fully paid up equity shares in favour of the lenders by following principle of proportionate loss and balance in OCDs collectively in favour of the lenders.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

16.2 Details of security and terms of repayment

I. Secured

(A) Non-convertible debentures

i) Axis

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

ii) LIC

These debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 16.2.1 for security details.

(B) Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL - 1 and RTL - 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 16.2.1 for security details.

(C) Working Capital Term Loan (WCTL-1)

Working Capital Term Loan (WCTL -1) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 16 quarterly instalments commencing 15 April 2014 and ending on 15 January 2018. Refer note 16.2.1 for security details.

(D) Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 16.2.1 for security details.

(E) Other Term Loans

(i) Standard Chartered Bank - External Commercial Borrowings (ECB) USD 13.36 million

As at 31 March 2017, the ECB loan from Standard Chartered Bank carries an interest rate of 4.65% p.a. (3 month LIBOR plus 350 basis points). This loan is repayable in 17 quarterly instalments commencing 15 April 2014 and ending on 15 March 2018. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.

(ii) Development Bank of Singapore - ECB USD 10.18 million

As at 31 March 2017, the ECB loan from Development Bank of Singapore carries an interest rate of 5% p.a. (3 month LIBOR plus 385 basis points). This loan is repayable in 17 quarterly instalments commencing 5 October 2014 and ending on 5 October 2018. The facility is secured by first charge by way of hypothecation of plant and machinery and heavy vehicles acquired under the facility described in the schedule I (2) to the deed of hypothecation executed on 29 April 2010.

(iii) Export Import Bank of United States - ECB USD 9.36 million

As at 31 March 2017, the ECB loan from Export Import Bank of United States carries an interest rate of 2.35% (3 month LIBOR plus 120 basis points). This loan is repayable in 35 equal quarterly instalments commencing 16 March 2011 and ending on 16 September 2019. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on one Hawker model 4000 airframe bearing manufacture's serial number RC-26 together with two installed model PW208 engines more particularly described under Clause 2.1 as per the Aircraft Charge Agreement executed on 6 January 2011.

(F) Funded Interest Term Loan (FITL)

FITL, carried an interest rate of 11.50% p.a., and was fully repaid during the year ended 31 March 2016.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

16.2 Details of security and terms of repayment (Contd.)

(G) Rupee Term Loans (RTL-A)

RTL-A carries interest rate of 11.75% p.a. (Individual Bank's Base Rate + Applicable Spread), payable monthly, to be reset annually with a two years moratorium and repayment terms of five years starting from financial year 2017-18. The said facility is having same security as RTL-1 lenders under the CDR Scheme.

(H) Optionally Convertible Debentures (OCDs)

OCDs have been issued to the lenders as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the date of issuance, the OCDs will be converted into non-convertible debentures in case of non occurrence of event of default as per the guidelines of S4A Scheme. The repayment of the OCD commences from the 6th anniversary of the allotment date. Refer note 16.2.2 for security details.

II. Unsecured

A) Term Loan - other than Banks

The loan carried an interest rate of 11.50% p.a. and was fully repaid during the year ended 31 March 2016.

B) FITL from Other Parties

FITL, carried an interest rate of 11.50% p.a. and was fully repaid during the year ended 31 March 2016.

Note 16.2.1 RTL-1, RTL-2, WCTL-1 and WCTL-2 are secured in the form of:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL1, WCTL1 and RTL-A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA:

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹ 9,477.60 crore, against which HREL's outstanding amount is ₹ 8,496.48 crore (31 March 2016: ₹ 8,929.32 crore, 1 April 2015: ₹ 8,714.11 crore).
2. First pari-passu charge on 154,151,669 shares of the Company and second charge on 85,767,617 equity shares of the Company held by Hicon Holdings Limited and Hicon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 16.2.2 Optionally Convertible Debentures (OCDs) are secured in the form of:

1. First ranking pari passu charge on all of the Company's Property, plant and equipment (both immovable and movable) [excluding the Specified Assets and Excluded Assets]; and
2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security creation would be done as per stipulated time frame.

Collateral security pari-passu with all S4A lenders:

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹ 9,477.60 crore, against which HREL's outstanding amount is ₹ 8,496.48 crore (31 March 2016: ₹ 8,929.32 crore, 1 April 2015: ₹ 8,714.11 crore).
2. First par-passu charge on Pledge of 85,767,617 equity shares of the Company and second charge on 154,151,669 equity shares of the Company held by Hicon Holdings Limited and Hicon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company

Note 16.2.3 As at 31 March 2017, contractual loan principal amounting to ₹ 70.12 crore (31 March 2016: ₹ 34.11 crore, 31 March 2015: ₹ 66.38 crore) and contractual interest amounting to ₹ 66.77 crore (31 March 2016: ₹ 36.48 crore, 31 March 2015: ₹ 66.83 crore) are due and outstanding pertaining to the period 1 October 2016 to 31 March 2017. Subsequent to the year end, the Company has paid ₹ 234.55 crore to various lenders which is pending appropriation between principal and interest.

Note 16.3 Master Restructuring Agreement (MRA) as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, provide a right to the CDR lenders to get a recompense of their waiver and sacrifices made as part of the CDR proposal. The recompense payable by the Company depends on various factors including improved performance of the Company and other conditions. In view of subsequent implementation of S4A scheme, wherein total debts of the Company as of 1 October 2016 have been bifurcated into sustainable debt, to be serviced as per existing terms and conditions of those debts, and remainder converted into fully paid up equity shares and OCDs, the aggregate present value of the recompense amount payable to erstwhile CDR lenders as per the MRA is likely to undergo major changes and would be ascertained post completion of discussions with the Monitoring Institution.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 17 Other financial liabilities			
Non-current			
a) Financial guarantees	14.23	18.39	21.66
Total non-current financial liabilities	14.23	18.39	21.66
Current			
a) Current maturities of long-term borrowings (Refer note 16)	415.78	373.61	428.55
b) Interest accrued but not due	102.68	31.59	35.70
c) Interest accrued and due	66.77	36.48	66.83
d) Unpaid dividends ^	0.41	0.59	0.72
e) Advance towards sale of investment (Refer notes 12.3 and 12.4)	37.70	37.70	55.58
f) Financial guarantees	4.16	4.16	5.01
g) Others			
i) Due to employees	86.57	65.10	60.39
ii) Interest payable on contractee advances	128.69	78.52	63.91
iii) Due to/ advance from related parties (Refer note 39)	1.08	0.76	0.45
iv) Liability for capital goods	16.81	18.93	20.76
v) Other liabilities	75.81	72.78	46.93
Total current financial liabilities	936.46	720.22	784.83
Total other financial liabilities	950.69	738.61	806.49
^ Not due for credit to Investor Education and Protection Fund			
Other financial liabilities carried at amortised cost	922.99	710.91	760.91
Other financial liabilities carried at FVPL	27.70	27.70	45.58

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 18 Provisions			
Non-current			
Provision for employee benefits (Refer note 37)			
- Gratuity	29.55	28.27	28.40
- Leave entitlement and compensated absences	10.57	9.70	10.22
Total non-current provisions	40.12	37.97	38.62
Current			
a) Provision for employee benefits (Refer note 37)			
- Gratuity	3.67	2.65	4.79
- Leave entitlement and compensated absences	4.71	4.98	5.13
b) Provision for foreseeable losses (Refer note 18.1)	104.53	110.15	126.59
Total current provisions	112.91	117.78	136.51
Total provisions	153.03	155.75	175.13

Note 18.1 The Company has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

Note 19 Current borrowings

I. Secured

Rupee Loan from Banks (Refer note 19.1 below)

(i) Cash credit facilities (Repayable on demand)	1,104.62	1,965.88	1,902.30
(ii) Working capital demand loan (Repayable on demand)	32.87	59.87	50.00
(iii) Buyer's credit	9.39	22.44	3.37

II. Unsecured (Repayable on demand)

Loans from related parties (Refer note 39)

	1.70	1.45	0.58
Total current borrowings (I+II)	1,148.58	2,049.64	1,956.25

Note 19.1 Security for Cash Credit Facilities, Working Capital Demand Loan and Buyer's Credit:

- The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
- All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
- All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
- All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
- All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

The above security having ranking as below:

- A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.
- In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with lenders defined in MRA are same as indicated in note 16.2.1.

The Company has provided first charge over specific property, plant and equipment (having WDV of ₹ 50 crore) of the Company for the loan extended by Export Import Bank of India (EXIM Bank) to HCC Mauritius Enterprise Limited through Loan Agreement dated 27 September 2010. The same security has also been extended for the loan of USD 25 million given by EXIM Bank to HCC Mauritius Investment Limited.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 19.1 Security for Cash Credit Facilities, Working Capital Demand Loan and Buyer's Credit: (Contd.)

YES Bank, the lender of HCC Infrastructure Company Limited, a subsidiary company is having subservient charge on identified receivables of the Company. YES Bank issued NOC on 4 September 2012 for ceding first charge in favour of working capital lenders and second charge in favour of term lenders.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Company.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 20 Trade payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 20.1)	3.55	2.65	1.71
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,612.85	1,435.22	1,583.75
Total trade payables	<u>1,616.40</u>	<u>1,437.87</u>	<u>1,585.46</u>

Note 20.1 The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), as at 31 March 2017.

The disclosure pursuant to the said Act is as under:

Principal amount due to suppliers under MSMED Act	3.55	2.65	1.71
Interest accrued and due to suppliers under MSMED Act on the above amount	0.63	0.30	0.23
Payment made to suppliers (other than interest) beyond appointed day during the year	0.54	0.97	0.83
Interest paid to suppliers under MSMED Act	-	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	0.16	0.04	0.06
Interest accrued and remaining unpaid at the end of the accounting year	0.64	0.30	0.23
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	3.10	2.46	2.16

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 20.2 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 21 Other current liabilities

a) Advance from contractees	1,708.91	1,165.30	1,105.92
b) Statutory dues payable			
- Tax deductible at source	33.09	17.76	11.55
- Others	38.13	18.28	16.79
c) Other liabilities	9.66	9.02	9.16
Total other current liabilities	<u>1,789.79</u>	<u>1,210.36</u>	<u>1,143.42</u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	Year ended 31 March 2017	Year ended 31 March 2016
Note 22 Revenue from operations	₹ crore	₹ crore
a) Contract revenue	3,653.94	3,561.68
Add: Company's share of turnover in integrated joint ventures	45.58	124.82
	<u>3,699.52</u>	<u>3,686.50</u>
b) Sale of products	17.32	21.91
c) Other operating revenue	479.10	482.48
Total revenue from operations	<u><u>4,195.94</u></u>	<u><u>4,190.89</u></u>

Note 23 Other income

a) Interest received on financial assets carried at amortised cost	220.42	199.47
b) Dividend from long-term investments	0.03	0.02
c) Other non-operating income		
- Interest received on Income tax refund	12.04	3.66
- Exchange gain (net)	11.76	-
- Excess provision no longer required written back	2.15	2.08
- Rental income	15.55	4.95
- Miscellaneous	0.25	4.06
Total other income	<u><u>262.20</u></u>	<u><u>214.24</u></u>

Note 24 Cost of construction materials consumed

Stock at beginning of the year	168.69	221.02
Add: Purchases	933.96	958.18
	<u>1,102.65</u>	<u>1,179.20</u>
Less: Sale of scrap and unserviceable material	8.93	9.61
	<u>1,093.72</u>	<u>1,169.59</u>
Less: Stock at the end of the year	225.13	168.69
Total cost of construction materials consumed	<u><u>868.59</u></u>	<u><u>1,000.90</u></u>

Note 25 Construction expenses

a) Power, fuel and water	126.08	131.91
b) Insurance	42.26	37.06
c) Rates and taxes	168.98	215.94
d) Rent	56.75	51.00
e) Transportation	33.94	33.43
f) Others	25.94	30.42
Total construction expenses	<u><u>453.95</u></u>	<u><u>499.76</u></u>

Note 25.1 The Company has taken various construction equipment and vehicles under non-cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2017 are as follows:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹ crore	₹ crore	₹ crore
Minimum lease rental payments			
i) Payable not later than one year	1.32	4.17	4.08
ii) Payable later than one year and not later than five years	1.32	2.64	2.31
iii) Payable later than five years	-	-	-
	<u><u>2.64</u></u>	<u><u>6.81</u></u>	<u><u>6.39</u></u>

The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

Further, the Company has entered into cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc.

Lease payments in respect of the above leases are recognised in the Statement of Profit and Loss under the heads "Construction expenses" and "Other expenses" (Refer notes 25 and 29 respectively).

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Note 26 Employee benefits expense (net of recoveries at cost)		
a) Salaries and wages	353.74	338.11
b) Contribution to provident and other funds [Refer note 37(B)(a)]	20.64	22.79
c) Staff welfare	22.42	22.34
Total employee benefits expense	<u>396.80</u>	<u>383.24</u>

Note 26.1 In respect of year ended 31 March 2014, the Company's request for remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs (the 'Ministry'), to reconsider their approval of ₹ 1.92 crore against the entire remuneration of ₹ 10.66 crore paid to the Chairman and Managing Director (CMD), is pending with the Ministry.

Note 26.2 In respect of year ended 31 March 2015, the Company has provided for remuneration for CMD of ₹ 10.66 crore. The Company has made an application to 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.

Note 26.3 In respect of year ended 31 March 2016, the Company's application to the Ministry for approval of remuneration paid/ payable ₹ 10.66 crore to the CMD which is in excess of the limit prescribed and held in trust, is pending with the Ministry.

Note 26.4 In respect of year ended 31 March 2017, the Company has paid the remuneration of ₹ 2.19 crore to the CMD in accordance with shareholders' approval obtained in the annual general meeting held on 14 July 2016. The Company has also made an additional provision for increase in remuneration of ₹ 1.38 crore, which is within the limits specified under Schedule V to the Companies Act, 2013, for which shareholders' approval will be sought in the ensuing shareholders' meeting.

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Note 27 Finance costs (net of recoveries at cost)		
a) Interest expense on:		
- debentures	103.75	23.89
- others	625.27	646.55
b) Other borrowing costs		
- guarantee commission	24.30	21.69
- finance charges	19.05	9.58
Total finance costs	<u>772.37</u>	<u>701.71</u>

Note 28 Depreciation and amortisation expense (Refer notes 3 and 4)

a) Depreciation of tangible assets	124.70	151.31
b) Amortisation of intangible assets	0.58	1.16
Total depreciation and amortisation expense	<u>125.28</u>	<u>152.47</u>

Note 29 Other expenses (net of recoveries at cost)

a) Stationery, postage, telephone and advertisement	7.15	6.08
b) Travelling and conveyance	14.56	14.44
c) Rent	7.74	15.25
d) Professional	36.99	34.89
e) Repairs and maintenance	7.90	12.71
f) Building maintenance	6.72	6.02
g) Directors' sitting fees	0.88	0.60
h) Auditors' remuneration: ^		
i) Audit fees	1.25	1.15
ii) Tax audit fees	0.20	0.20
iii) Limited review fees	0.70	0.70
iv) Certification fees	1.29	0.52
v) Reimbursement of out of pocket expenses	0.01	0.01
	<u>3.45</u>	<u>2.58</u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 29 Other expenses (net of recoveries at cost) (Contd.)

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
i) Computer maintenance and development	12.74	13.76
j) Loss on sale of fixed assets (net)	2.35	1.94
k) Exchange loss (net)	-	2.11
l) Corporate social responsibility (CSR) expenses ^^	0.74	0.41
m) Miscellaneous	17.61	23.00
Total other expenses	118.83	133.79

^ Auditors remuneration for the year ended 31 March 2016 excludes ₹ 0.65 crore towards fee for miscellaneous certifications relating to Qualified Institutional Placements, which has been charged off against the available balance in the Securities premium reserve.

^^ The Company is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013.

Note 30 Exceptional items

a) Profit on sale of non-current investments (Refer note 5.2)	-	70.61
b) Trade receivables and work in progress written off [Refer note 40(ii)(a)]	(35.97)	(98.64)
c) Gain on restructuring of debts	14.75	-
Total exceptional items [Income/ (expense)]	(21.22)	(28.03)

Note 31 Earnings per share (EPS)

Basic and diluted EPS

A. Profit computation for basic earnings per share of ₹ 1 each

Net profit as per the Statement of Profit and Loss available for equity shareholders	(₹ crore)	59.41	94.76
B. Weighted average number of equity shares for EPS computation	(Nos.)	831,600,386	775,880,231
C. EPS - Basic and Diluted EPS	(₹)	0.71	1.22

The options granted to employees under the plan and the optionally convertible debentures do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

Note 32 Contingent liabilities and commitments

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
A. Contingent liabilities			
(i) Claims not acknowledged as debts by the Company	22.23	10.72	13.24
(ii) Income Tax liability that may arise in respect of which Company is in appeals	24.63	24.63	24.63
(iii) Sales Tax liability / Works Contract Tax liability / Service Tax / Customs Liability that may arise in respect of matters in appeal	145.50	109.42	92.02
(iv) Corporate Guarantees: The Company has provided an undertaking to pay in the event of default on loan given by lenders to the following related parties:			
a) Lavasa Corporation Limited (LCL)	300.29	336.10	419.64
b) HCC Mauritius Enterprises Limited	42.98	42.81	58.03
c) HCC Mauritius Investment Limited	180.21	173.34	138.31
d) HCC Infrastructure Company Limited	-	200.00	200.00
e) HCC Concessions Limited	-	-	100.00

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 32 Contingent liabilities and commitments (Contd.)

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
(v) Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures	30.04	35.18	40.24
<p>It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in (iv) above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.</p>			
	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
B. Commitments			
(i) Capital Commitment (net of advances)	123.10	7.47	1.61
(ii) Put option given to lenders of a subsidiary company to sell debentures to the Company in the event of default (including interest and penal charges thereon)	598.51	494.10	350.00

Note 33 (a) The Company, as at 31 March 2017, has (i) a non-current investment amounting to ₹ 612.40 crore (31 March 2016: ₹ 612.40 crore; 1 April 2015: ₹ 612.40 crore), non-current loans amounting to ₹ 380.86 crore (31 March 2016: ₹ 327.01 crore; 1 April 2015: ₹ 266.02 crore), other non-current financial assets amounting to ₹ 21.72 crore (31 March 2016: ₹ 19.43 crore; 1 April 2015: ₹ 25.01 crore) and other current financial assets amounting to ₹ Nil (31 March 2016: ₹ 5.07 crore; 1 April 2015: ₹ 3.43 crore) in HREL, a subsidiary, which is holding 68.70% share in Lavasa Corporation Limited (LCL), a step down subsidiary, and (ii) a non-current investment amounting to ₹ 18.43 crore (31 March 2016: ₹ 18.43 crore; 1 April 2015: ₹ 18.43 crore), non-current loans amounting to ₹ 131.56 crore (31 March 2016: ₹ 110.21 crore; 1 April 2015: ₹ Nil), other non-current financial assets amounting to ₹ 16.45 crore (31 March 2016: ₹ 13.08 crore; 1 April 2015: ₹ 14.30 crore) and other current financial assets amounting to ₹ 4.77 crore (31 March 2016: ₹ 1.28 crore; 1 April 2015: ₹ 77.24 crore) in LCL. While such entities have incurred losses during their initial years and consolidated net-worth of both entities as at 31 March 2017 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. The net-worth of these subsidiaries does not represent their true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is substantially higher. Therefore, based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realizable amount of these subsidiaries is substantially higher than the carrying value of the investments, non-current loans, other non-current financial assets and other current financial assets due to which these are considered as good and recoverable.

Note 33 (b) The Company, as at 31 March 2017, has a non-current investment amounting to ₹ 2.24 crore (31 March 2016: ₹ 2.24 crore; 1 April 2015: ₹ 2.24 crore), non-current loans amounting to ₹ 1,124.36 crore (31 March 2016: ₹ 984.82 crore; 1 April 2015: ₹ 634.81 crore), other non-current financial assets amounting to ₹ 141.14 crore (31 March 2016: ₹ 127.48 crore; 1 April 2015: ₹ 283.80 crore) and other current financial assets amounting to ₹ 2.47 crore (31 March 2016: ₹ 18.31 crore; 1 April 2015: ₹ 35.84 crore) in HCC Infrastructure Company Limited (HIL), a subsidiary, which is holding 85.45% in HCC Concessions Limited (HCL), having various Build, Operate and Transfer (BOT) SPVs under its fold. While HCL has incurred losses during its initial years and consolidated net-worth as at 31 March 2017 has been fully eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this subsidiary does not represent its true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is higher. Therefore, based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the investments, non-current loans, other non-current financial assets and other current financial assets due to which these are considered as good and recoverable.

Note 34 'Unbilled work-in-progress (Other current financial assets)', 'Non-current trade receivables' and 'Current trade receivables' include ₹ 911.80 crore (31 March 2016: ₹ 977.57 crore; 1 April 2015: ₹ 1,181.29 crore), ₹ 123.39 crore (31 March 2016: ₹ 89.14 crore; 1 April 2015: ₹ 149.00 crore) and ₹ 90.30 crore (31 March 2016: ₹ 116.94 crore; 1 April 2015: ₹ 92.44 crore), respectively, outstanding as at 31 March 2017 represent 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

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration. Non-current trade receivables also include 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 and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/discussion with the client, the management is confident of recovery of these receivables.

Note 35 Disclosure in accordance with Ind AS 11 'Construction contracts' - Amount due from / to customers on Construction Contracts

	As at 31 March 2017	As at 31 March 2016
	₹ crore	₹ crore
Contract revenue for the year	3,699.52	3,686.50
Aggregate amount of cost incurred and recognized profits less recognized losses up to the reporting date on contract under progress	38,253.29	33,841.27
Advances received from contractees	1,708.91	1,165.30
Retention money	379.35	325.70
Gross amount due from customer for contract work (net of retention)	6,485.75	5,791.55
Gross amount due to customer for contract work	-	-

Note 36 Interests in other entities

a) Joint operations (unincorporated)

The Company's share of interest in joint operations as at 31 March 2017 is set out below. The principal place of business of all these joint operations is in India.

Name of the entity	% of ownership interest held by the Company			Name of the ventures' partner	Principal activities
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015		
HCC - L&T Purulia Joint Venture	57.00	57.00	57.00	Larsen and Toubro Limited	Construction
Nathpa Jhakri Joint venture	40.00	40.00	40.00	Impregilio-Spa, Italy	Construction
Kumagai - Skanska - HCC - Itochu Joint Venture	19.60	19.60	19.60	Skanska, Kumagai	Construction
HCC - Alpine - Samsung Joint Venture	33.00	33.00	33.00	Itochu, Alpine	Construction
Alpine - HCC Joint Venture	49.00	49.00	49.00	Meyreder Bau, Samsung Corporation	Construction
HCC - Samsung Joint Venture CC-34	50.00	50.00	50.00	Alpine Meyreder Bau Samsung C&T Corporation	Construction

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹ crore	₹ crore	₹ crore
ii) Summarised balance sheet			
Total assets	50.54	54.77	116.45
Total liabilities	71.90	79.88	127.91
iii) Contingent liability as at reporting date			
Contingent liability	2.54	4.75	23.27

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 36 Interests in other entities (Contd.)

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
iv) Summarised statement of profit and loss account		
Revenue	45.58	124.82
Other income	1.96	0.45
Total expenses (including taxes)	39.84	138.93

b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these joint operations is in India. The principal place of business of all these arrangements is in India and are engaged in construction business.

i) HCC Van Oord ACZ Joint Venture	vi) HCC - CEC Joint Venture	xi) HCC - MEIL - SEW - AAG Joint Venture	xvi) HCC - DSD - VNR Joint Venture
ii) Samsung - HCC Joint Venture	vii) HCC - NOVA Joint Venture	xii) HCC - MEIL - SEW Joint Venture	xvii) MEIL - IVRCL - HCC - WPIL Joint Venture
iii) L & T - HCC Joint Venture	viii) HCC - CPL Joint Venture	xiii) HCC - Halcrow Joint Venture	xviii) Alstom Hydro France - HCC Joint Venture
iv) HCC - KBL Joint Venture	ix) HCC - MEIL - CBE Joint Venture	xiv) HCC - Laing - Sadbhav	xix) HCC - MMS (MMRCL) Joint Venture
v) HCC - NCC Joint Venture	x) HCC - MEIL - BHEL Joint Venture	xv) HCC - MEIL - NCC - WPIL Joint Venture	xx) HCC - LCESPL (Bistan Lift) Joint venture

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Company as that of an independent contract.

c) Jointly controlled entity (joint venture)

The Company's joint venture as at 31 March 2017 is set out below. It has share capital consisting solely of equity shares and the proportion of ownership interests held equals the voting rights held by the Company. The principal place of business of this joint venture is in India and is engaged in tolling operations.

Name of the entity	Name of the joint venture partner	% of ownership interest held by the Company		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Dhule Palesner Tollways Limited (Refer note below)	HCC Infrastructure Limited	-	-	35%
	John Laing Investments Limited			
	John Laing Investments Mauritius (No 1) Limited			
	Sadbhav Engineering Limited			
	Sadbhav Infrastructure Projects Limited			
Farakka Raiganj Highways Limited	Hindustan Construction Company Limited	85%	85%	85%
	HCC Concessions Limited			
Baharampore Farakka Highways Limited	Hindustan Construction Company Limited	85%	85%	85%
	HCC Concessions Limited			

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 36 Interests in other entities (Contd.)

Name of the entity	Name of the joint venture partner	% of ownership interest held by the Company		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raiganj Dalkhola Highways Limited	Hindustan Construction Company Limited HCC Concessions Limited	85%	85%	85%
Summarised balance sheet		₹ crore	₹ crore	₹ crore
Total assets		2,551.77	2,188.60	2,201.67
Total liabilities		2,115.37	1,723.24	1,876.48
Equity		436.40	465.36	325.19
Contingent liability/ capital commitment as at reporting date				
Capital commitment		852.93	766.80	949.00
Contingent liability		1173.52	656.13	658.93
Note: The Company has disposed off its substantial stake in this entity on 29 October 2015				
			Year ended 31 March 2017	Year ended 31 March 2016
			₹ crore	₹ crore
Summarised statement of profit and loss account				
Revenue			504.26	395.84
Other income			1.58	2.53
Total expenses (including taxes)			534.80	431.32

Note 37 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2017	Year ended 31 March 2016
	₹ crore	₹ crore
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year	29.92	33.19
Interest cost	2.38	2.42
Current service cost	2.54	2.59
Remeasurements - Net actuarial (gains)/ losses	(2.22)	(3.29)
Benefits paid	(1.64)	(4.99)
	<u>30.98</u>	<u>29.92</u>
Add: Provision for separated employees	2.24	1.00
Present value of obligation as at the end of the year	<u><u>33.22</u></u>	<u><u>30.92</u></u>
b) Expenses recognised in the Statement of Profit and Loss		
Interest cost	2.38	2.42
Current service cost	2.54	2.59
Total	<u><u>4.92</u></u>	<u><u>5.01</u></u>
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	1.64	(0.02)
Experience adjustments	(3.86)	(3.27)
Total	<u><u>(2.22)</u></u>	<u><u>(3.29)</u></u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 37 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Contd.)

d) Actuarial assumptions	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.27% p.a.	7.96% p.a.	7.95% p.a.
Salary escalation rate - over a long-term	8.00% p.a.	8.00% p.a.	8.00% p.a.
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Average future working lifetime	13 years	14 years	14 years
The attrition rate varies from 2% to 8% (31 March 2016: 2% to 8%) for various age groups			
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.			
	31 March 2017		31 March 2016
	₹ crore		₹ crore
e) Quantities sensitivity analysis for significant assumption is as below:			
		1% increase	
i. Discount rate		(2.32)	(1.92)
ii. Salary escalation rate - over a long-term		2.61	2.16
iii. Attrition rate		(0.15)	(0.03)
		1% decrease	
i. Discount rate		2.65	2.18
ii. Salary escalation rate - over a long-term		(2.33)	(1.93)
iii. Attrition rate		0.16	0.03
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.			
f) Maturity analysis of defined benefit obligation			
Within the next 12 months		1.44	1.66
Between 2 and 5 years		9.95	14.84
Between 6 and 10 years		12.35	9.39
Total expected payments		<u>23.74</u>	<u>25.89</u>

B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:			
(i) Contribution to provident fund		16.01	16.90
(ii) Contribution to super annuation fund		4.63	5.89
		<u>20.64</u>	<u>22.79</u>
b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 15.31 crore (31 March 2016: ₹ 14.68 crore; 1 April 2015: ₹ 15.35 crore) has been made as at 31 March 2017.			

C Current/ non-current classification	31 March 2017	31 March 2016	1 April 2015
	₹ crore	₹ crore	₹ crore
Gratuity			
Current	3.67	2.65	4.79
Non-current	29.55	28.27	28.40
	<u>33.22</u>	<u>30.92</u>	<u>33.19</u>
Leave entitlement (including sick leave)			
Current	4.71	4.98	5.13
Non-current	10.57	9.70	10.22
	<u>15.28</u>	<u>14.68</u>	<u>15.35</u>

Note 38 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- (a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 38 Financial instruments (Contd.)

- b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows:

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investment in preference shares	5	0.00 *	-	-	-	-	-	-
Investment in debentures	5	-	-	-	-	-	-	-
Investments in equity shares (unquoted)	5	-	-	-	36.68	-	36.68	36.68
Investments in equity shares (quoted)	5	-	-	-	2.65	-	2.65	2.65
Trade receivables	6	3,515.64	-	-	-	-	3,515.64	3,515.64
Loans	7	1,736.73	-	-	-	-	1,736.73	1,736.73
Others financial assets	8	3,702.78	-	-	-	-	3,702.78	3,702.78
Cash and cash equivalents	13	77.64	-	-	-	-	77.64	77.64
Other bank balances	14	41.97	-	-	-	-	41.97	41.97
Liabilities:								
Borrowings	16, 19	3,980.91	-	-	-	-	3,980.91	3,980.91
Trade payables	20	1,616.40	-	-	-	-	1,616.40	1,616.40
Other financial liabilities	17	950.69	-	-	-	-	950.69	950.69

The carrying value and fair value of financial instruments by categories as at 31 March 2016 were as follows:

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investment in preference shares	5	0.00 *	-	-	-	-	-	-
Investment in debentures	5	-	-	-	-	-	-	-
Investments in equity shares (unquoted)	5	-	-	-	18.09	-	18.09	18.09
Investments in equity shares (quoted)	5	-	-	-	1.96	-	1.96	1.96
Trade receivables	6	2,665.19	-	-	-	-	2,665.19	2,665.19
Loans	7	1,525.09	-	-	-	-	1,525.09	1,525.09
Others financial assets	8	3,849.12	-	-	-	-	3,849.12	3,849.12
Cash and cash equivalents	13	69.66	-	-	-	-	69.66	69.66
Other bank balances	14	25.70	-	-	-	-	25.70	25.70
Liabilities:								
Borrowings	16, 19	4,661.35	-	-	-	-	4,661.35	4,661.35
Trade payables	20	1,437.87	-	-	-	-	1,437.87	1,437.87
Other financial liabilities	17	738.61	-	-	-	-	738.61	738.61

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 38 Financial instruments (Contd.)

The carrying value and fair value of financial instruments by categories as at 1 April 2015 were as follows

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	₹ crore	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		Total fair value	
Assets:									
Investments									
Investment in preference shares	5	0.00 *	-	-	-	-	-	-	-
Investment in debentures	5	78.89	-	-	-	-	78.89	78.89	
Investments in equity shares (unquoted)	5	-	-	-	31.10	-	31.10	31.10	
Investments in equity shares (quoted)	5	-	-	-	2.26	-	2.26	2.26	
Trade receivables	6	2,415.21	-	-	-	-	2,415.21	2,415.21	
Loans	7	997.27	-	-	-	-	997.27	997.27	
Others financial assets	8	4,039.69	-	-	-	-	4,039.69	4,039.69	
Cash and cash equivalents	13	77.36	-	-	-	-	77.36	77.36	
Other bank balances	14	24.66	-	-	-	-	24.66	24.66	
Liabilities:									
Borrowings	16, 19	4,707.08	-	-	-	-	4,707.08	4,707.08	
Trade payables	20	1,585.46	-	-	-	-	1,585.46	1,585.46	
Other financial liabilities	17	806.49	-	-	-	-	806.49	806.49	

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2017:

Particulars	₹ crore								
	31 March 2017			31 March 2016			1 April 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets									
Investments in equity shares (quoted)	2.65	-	-	1.96	-	-	2.26	-	-
Investments in equity shares (unquoted)	-	36.68	-	-	18.09	-	-	31.10	-

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions

A. Names of related parties and nature of relationship

Name of the entity	Country of incorporation	Company's holding as at (%) ^			Subsidiaries of
		31 March 2017	31 March 2016	1 April 2015	
a) Subsidiaries					
Western Securities Limited	India	97.87	97.87	97.87	Hindustan Construction Company Limited
HCC Real Estate Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
Panchkutir Developers Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Construction Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
Highbar Technologies Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Infrastructure Company Limited	India	100.00	100.00	100.00	Hindustan Construction Company Limited
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	100.00	Hindustan Construction Company Limited
Lavasa Corporation Limited	India	68.70	68.70	68.70	HCC Real Estate Limited
HRL (Thane) Real Estate Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
HRL Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Nashik Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Maan Township Developers Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Charosa Wineries Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Powai Real Estate Developer Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
HCC Realty Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Pune Paud Toll Road Company Limited ^^	India	100.00	100.00	100.00	HCC Real Estate Limited
HCC Aviation Limited	India	100.00	100.00	100.00	HCC Real Estate Limited
Highbar Technologies FZLLC (upto 31 July 2016)	UAE	-	100.00	100.00	Highbar Technologies Limited
HCC Operation and Maintenance Limited	India	100.00	100.00	100.00	HCC Infrastructure Company Limited
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	100.00	HCC Infrastructure Company Limited
HCC Power Limited	India	100.00	100.00	100.00	HCC Infrastructure Company Limited
HCC Energy Limited (incorporated on 11 August 2015)	India	100.00	100.00	-	HCC Power Limited
Dasve Business Hotel Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Dasve Hospitality Institutes Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Dasve Convention Center Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Dasve Retail Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Full Spectrum Adventure Limited	India	90.91	90.91	90.91	Lavasa Corporation Limited
Future City Multiservices SEZ Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Hill City Service Apartments Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Hill View Parking Services Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Kart Racers Limited	India	90.00	100.00	100.00	Lavasa Corporation Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions (Contd.)

Name of the entity	Country of incorporation	Company's holding as at (%) ^			Subsidiaries of
		31 March 2017	31 March 2016	1 April 2015	
Lakeshore Watersports Company Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Lakeview Clubs Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Lavasa Bamboocrafts Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Lavasa Hotel Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Mugaon Luxury Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
My City Technology Limited	India	63.00	63.00	63.00	Lavasa Corporation Limited
Nature Lovers Retail Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Our Home Service Apartments Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Reasonable Housing Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Rhapsody Commercial Space Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Rosebay Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Sahyadri City Management Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Valley View Entertainment Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Verzon Hospitality Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Assets Maintenance Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Infrastructure Providers Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Power Supply Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Tourism Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Warasgaon Valley Hotels Limited	India	100.00	100.00	100.00	Lavasa Corporation Limited
Osprey Hospitality Limited (upto 20 July 2016)	India	-	100.00	100.00	Lavasa Corporation Limited
Sirrah Palace Hotels Limited (upto 6 November 2015)	India	-	-	100.00	Lavasa Corporation Limited
Steiner AG	Switzerland	100.00	100.00	100.00	HCC Mauritius Enterprises Limited 66% HCC Mauritius Investments Limited 34%
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	100.00	Steiner- AG
Steiner (Deutschland) GmbH	Germany	100.00	100.00	100.00	Steiner- AG
VM + ST AG	Switzerland	100.00	100.00	100.00	Steiner- AG
Steiner Leman SAS ^^^	France	100.00	100.00	100.00	Steiner- AG
SNC Valleiry Route de Bloux ^^^	France	-	100.00	100.00	Subsidiary of Steiner Leman SAS
Eurohotel SA	Switzerland	95.00	95.00	95.00	Steiner- AG
Steiner India Limited	India	100.00	100.00	100.00	Steiner- AG
Starlit Resort Limited (upto 12 May 2015)	India	-	-	100.00	Lavasa Corporation Limited
Apollo Lavasa Health Corporation Limited (upto 30 September 2015)	India	-	-	62.50	Lavasa Corporation Limited

^ including through subsidiary companies

^^ merger petition with HCC Infrastructure Company Limited filed during the year ended 31 March 2017

^^^ SNC Valleiry Route de Bloux is merged with Steiner Leman SAS, as part of the restructuring process during the year ended 31 March 2017

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions (Contd.)

b) Joint Venture

	Country of incorporation	Company's holding as at (%) ^		
		31 March 2017	31 March 2016	1 April 2015
Dhule Palesner Tollways Limited (upto 29 October 2015)	India	-	-	37.00
Bona Sera Hotels Limited	India	26.00	26.00	26.00
Green Hills Residences Limited	India	60.00	60.00	60.00
Spotless Laundry Services Limited	India	76.02	76.02	76.02
Starlit Resort Limited (w.e.f 14 May 2015)	India	26.00	26.00	-
Whistling Thrush Facilities Services Limited	India	51.00	51.00	51.00
Apollo Lavasa Health Corporation Limited (w.e.f 1 October 2015)	India	49.00	49.00	-
Ecomotel Hotel Limited (w.e.f. 15 July 2015)	India	51.00	51.00	27.26
Andromeda Hotels Limited	India	40.03	40.03	40.03
HCC Concessions Limited	India	85.45	85.45	85.45
Narmada Bridge Tollways Limited	India	85.45	85.45	85.45
Badarpur Faridabad Tollways Limited	India	85.45	85.45	85.45
Nirmal BOT Limited (w.e.f 22 December 2015)	India	22.22	22.22	85.45
Baharampore-Farakka Highways Limited	India	85.45	85.45	85.45
Farakka-Raiganj Highways Limited	India	85.45	85.45	85.45
Raiganj-Dalkhola Highways Limited	India	85.45	85.45	85.45

c) Associates

Warasgaon Lake View Hotels Limited (upto 28 March 2017)	India	-	27.00	27.00
Knowledge Vistas Limited	India	49.00	49.00	49.00
Evostate AG	Switzerland	30.00	30.00	30.00
MCR Managing Corp. Real Estate	Switzerland	30.00	30.00	30.00
Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	38.64	38.64	38.64
Vikhroli Corporate Park Private Limited (upto 10 July 2015)	India	-	-	26.00
Highbar Technocrat Limited (w.e.f. 21 July 2016) (previously known as Osprey Hospitality Limited)	India	49.00	-	-

d) Other Related Parties

	Relationship
Gulabchand Foundation	Other related party
Hincon Holdings Limited	Other related party
Hincon Finance Limited	Other related party
HCC Employee's Provident Fund (refer note below)	Post-employment contribution plan

Note: Refer note 37B(a) for information on transaction related to post-employment contribution plan

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions (Contd.)

B. Key Management Personnel and Relative of Key Management Personnel

Mr. Ajit Gulabchand	Chairman and Managing Director
Mr. Rajgopal Nogja	Group Chief Operating Officer & Whole Time Director (upto 2 May 2016) and Group Chief Executive Officer (w.e.f 3 May 2016 to 31 March 2017)
Ms. Shalaka Gulabchand Dhawan	Whole time director (w.e.f. 30 April 2015)
Mr. Arun Karambelkar	President & Chief Executive Officer - E&C
Mr. Praveen Sood	Group Chief Financial Officer
Mr. V. P. Kulkarni	Company Secretary (upto 30 July 2015)
Mr. Sangameshwar Iyer	Company Secretary (w.e.f. 31 July 2015)
Mr. Arjun Dhawan	Relative of Key Management Personnel (Group Chief Executive Officer and Whole Time Director w.e.f. 1 April 2017)

C. Nature of Transactions

Transactions with related parties:		Year ended 31 March 2017	Year ended 31 March 2016
		₹ crore	
Rendering of services / finance income			
Lavasa Corporation Limited	Subsidiary	22.62	15.60
HCC Real Estate Limited	Subsidiary	51.12	40.52
HCC Mauritius Enterprises Limited	Subsidiary	3.98	4.37
Charosa Winneries Limited	Subsidiary	-	0.06
Western Securities Limited	Subsidiary	0.18	0.22
Highbar Technologies Limited	Subsidiary	0.37	0.77
HCC Mauritius Investment Limited	Subsidiary	0.85	0.88
HCC Infrastructure Company Limited	Subsidiary	142.13	128.48
Steiner India Limited	Subsidiary	0.09	0.25
Steiner AG	Subsidiary	-	0.02
Vikhroli Corporate Park Private Limited	Associate	-	3.39
HCC Concessions Limited	Joint Venture	4.43	7.00
Hincon Finance Limited	Other related party	0.52	0.52
Total		<u>226.29</u>	<u>202.08</u>
Receiving of services / interest expense			
HCC Real Estate Limited	Subsidiary	4.53	4.53
HCC Mauritius Enterprises Limited	Subsidiary	2.61	-
Western Securities Limited	Subsidiary	0.55	0.04
Highbar Technologies Limited	Subsidiary	5.05	8.34
Highbar Technocrat Limited	Associate	1.61	-
HCC Concessions Limited	Joint Venture	0.06	0.06
Hincon Holding Limited	Other related party	0.48	0.40
Vikhroli Corporate Park Private Limited	Associate	-	5.42
Total		<u>14.89</u>	<u>18.79</u>
Work bill receipts including sales of products			
Dhule Palesner Tollway Limited.	Joint Venture	-	10.89
Narmada Bridge Tollway Limited	Joint Venture	-	9.89
Baharampore Farakka Highways Limited	Joint Venture	115.18	143.70
Farakka Raiganj Highways Limited	Joint Venture	236.21	227.83
Total		<u>351.39</u>	<u>392.31</u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions (Contd.)

		₹ crore	
		Year ended 31 March 2017	Year ended 31 March 2016
Transactions with related parties:			
Purchase of property plant and equipment capital advances			
Lavasa Corporation Limited	Subsidiary	-	7.00
Total		<u>-</u>	<u>7.00</u>
Inter corporate deposit given during year			
HCC Infrastructure Company Limited	Subsidiary	-	31.00
Lavasa Corporation Limited	Subsidiary	-	11.43
HCC Mauritius Enterprises Limited	Subsidiary	-	-
HCC Real Estate Limited	Subsidiary	-	10.00
Total		<u>-</u>	<u>52.43</u>
Inter corporate deposit given during year by joint operation			
Western Securities Limited	Subsidiary	-	0.75
Total		<u>-</u>	<u>0.75</u>
Inter corporate deposit repaid back to joint operation			
Western Securities Limited	Subsidiary	0.75	-
Total		<u>0.75</u>	<u>-</u>
Conversion of receivable into Intercorporate Deposit			
HCC Infrastructure Company Limited	Subsidiary	145.79	319.00
Lavasa Corporation Limited	Subsidiary	21.35	98.78
HCC Real Estate Limited	Subsidiary	24.50	29.90
Highbar Technologies Limited	Subsidiary	-	0.30
HCC Concessions Limited	Joint Venture	3.64	18.00
Total		<u>195.28</u>	<u>465.98</u>
Transactions with related parties:			
Inter Corporate Deposit recovered			
HCC Infrastructure Company Limited	Subsidiary	6.25	-
HCC Concessions Limited	Joint Venture	3.64	18.00
Total		<u>9.89</u>	<u>18.00</u>
Inter Corporate Deposit taken during the year			
Western Securities limited	Subsidiary	0.25	0.87
Total		<u>0.25</u>	<u>0.87</u>
Advance consideration received for sale of shares outstanding			
HCC Concessions Limited	Joint Venture	27.70	27.70
Total		<u>27.70</u>	<u>27.70</u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions (Contd.)

Outstanding balances:

		As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Outstanding Receivables				
HCC Real Estate Limited	Subsidiary	402.57	351.51	294.46
Lavasa Corporation Limited	Subsidiary	152.78	131.57	93.79
HCC Mauritius Enterprises Limited	Subsidiary	120.28	119.45	109.71
Panchkutir Developers Limited	Subsidiary	56.83	56.83	56.83
Charosa Winnereis Limited	Subsidiary	6.04	6.04	5.97
Western Securities Limited	Subsidiary	-	1.58	0.50
HCC Construction Limited	Subsidiary	0.01	0.01	0.01
Highbar Technologies Limited	Subsidiary	6.37	3.93	3.78
Lakeview Club Limited	Subsidiary	0.05	0.05	0.05
HCC Mauritius Investment Limited	Subsidiary	0.69	0.70	0.63
Steiner AG	Subsidiary	1.72	1.71	0.99
HCC Infrastructure Company Limited	Subsidiary	1,267.97	1,130.61	954.46
Steiner India Limited	Subsidiary	1.08	0.98	0.67
HCC Operation and Maintenance Limited	Subsidiary	14.15	13.15	12.65
Vikhroli Corporate Park Private Limited	Associate	-	-	9.86
HCC Concessions Limited	Joint Venture	-	3.06	18.98
Badarpur Faridabad Tollway Limited	Joint Venture	6.83	6.76	15.39
Baharampore -Farakka Highway Limited	Joint Venture	104.54	121.68	19.57
Farakka -Raiganj Highway Limited	Joint Venture	190.30	177.94	22.22
Nirmal BOT Limited	Joint Venture	-	-	0.44
Dhule Palesner Tollways Limited	Joint Venture	-	-	4.40
Hincon Finance Limited	Other related party	1.72	1.08	0.59
Total		2,333.93	2,128.64	1,625.95

Outstanding Payables

Western Securities Limited	Subsidiary	0.62	0.40	-
Highbar Technocrat Limited	Associate	0.15	-	-
HCC Concessions Limited	Joint Venture	1.74	-	0.58
Raiganj-Dalkhola Highways Limited	Joint Venture	87.58	87.60	88.09
Narmada Bridge Tollway Limited	Joint Venture	-	-	4.40
Hincon Holdings Limited	Other related party	1.08	0.73	0.45
Total		91.17	88.73	93.52

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions (Contd.)

Outstanding balances:

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
		₹ crore	₹ crore	₹ crore
Bank Guarantees given and outstanding as at the end of the year				
Highbar Technologies Limited	Subsidiary	1.00	1.00	1.00
Badarpur Faridabad Tollway Limited	Joint Venture	14.70	14.70	14.70
Baharampore -Farakka Highway Limited	Joint Venture	2.01	6.63	10.52
Farakka -Raiganj Highway Limited	Joint Venture	12.33	12.85	14.02
Total		30.04	35.18	40.24

Corporate Guarantees given and outstanding at the end of the year

Lavasa Corporation Limited	Subsidiary	300.29	336.10	419.64
HCC Mauritius Enterprises Limited	Subsidiary	42.98	42.81	58.03
HCC Infrastructure Company Limited	Subsidiary	-	200.00	200.00
HCC Mauritius Investment Limited	Subsidiary	180.21	173.34	138.31
HCC Concessions Limited	Joint Venture	-	-	100.00
Total		523.48	752.25	915.98

Corporate Guarantees taken and outstanding

HCC Real Estate Limited	Subsidiary	8,346.08	8,800.11	8,464.98
Total		8,346.08	8,800.11	8,464.98

D. (i) Details of transactions relating to persons referred to in item (B) above

	Year ended 31 March 2017	Year ended 31 March 2016
	₹ crore	₹ crore
Remuneration for the year		
Mr. Ajit Gulabchand	3.57	10.66
Ms. Shalaka Gulabchand Dhawan	1.38	1.11
Mr. Rajgopal Nogja	7.65	5.43
Mr. Arun Karambelkar	3.36	3.23
Mr. Praveen Sood	3.09	3.48
Mr. Sangameshwar Iyer	0.52	0.36
Mr. V.P Kulkarni	-	0.73
Total	19.57	25.00
Salary of Ms. Shalaka Gulabchand Dhawan	-	0.16
Salary of Mr. Arjun Dhawan	2.88	3.35
Total	22.45	28.51

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 39 Disclosure in accordance with Ind-AS 24 Related Party Transactions (Contd.)

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Outstanding as at			
Mr. Ajit Gulabchand	12.22	11.44	10.66
Ms. Shalaka Gulabchand Dhawan	0.12	0.09	0.09
Mr. Rajgopal Nogja	0.64	0.40	0.36
Mr. Arun Karambelkar	0.28	0.35	0.31
Mr. Praveen Sood	0.26	0.94	0.17
Mr. Sangameshwar Iyer	0.04	0.04	-
Mr. V.P. Kulkarni	-	-	0.76
Mr. Arjun Dhawan	0.24	0.34	0.20
Total	13.80	13.60	12.55

The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

- (ii) Options granted to key management personnel under employees stock option scheme

Name	Number of Options outstanding		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Rajgopal Nogja	-	102,960	188,760
Praveen Sood	-	164,700	301,950
V.P. Kulkarni	-	-	150,920
Arun Karambelkar	-	164,700	301,950

- (iii) Refer notes 16.2 and 19.1 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowing by the Company or the related parties.

- (iv) Refer notes 5.3 and 12.2 for pledge of shares for facilities taken by joint venture.

Note 40 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a Interest rate risk

Majority of the long-term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

b Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 40 Financial risk management objectives and policies (Contd.)

The following table analysis foreign currency risk from financial instruments as at 31 March 2017:

Particulars	USD	EUR	AUD	GBP	SEK
Assets					
Inter corporate deposits and interest thereon	1.76	-	-	-	-
Advance to suppliers	-	0.11	-	-	-
Trade receivables	-	0.23	-	-	-
Bank balances	0.003	0.003	-	-	-
Unbilled work-in-progress	-	0.44	-	-	-
	<u>1.76</u>	<u>0.79</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities					
Loans from banks	2.51	-	-	-	-
Buyers' credit	0.01	0.13	-	-	-
Advance from contractee	0.16	0.65	-	-	-
Trade payables	0.04	0.56	-	-	0.16
Interest on loans	0.09	-	-	-	-
	<u>2.81</u>	<u>1.34</u>	<u>-</u>	<u>-</u>	<u>0.16</u>
Net assets / (liabilities)	<u>(1.05)</u>	<u>(0.55)</u>	<u>-</u>	<u>-</u>	<u>(0.16)</u>

The following table analysis foreign currency risk from financial instruments as at 31 March 2016:

Assets					
Inter corporate deposits and interest thereon	1.70	-	-	-	-
Advance to suppliers	0.04	0.51	0.001	-	0.002
Trade receivables	-	0.21	-	-	-
Bank balances	0.001	0.03	-	-	-
Unbilled work-in-progress	-	0.62	-	-	-
	<u>1.74</u>	<u>1.37</u>	<u>0.001</u>	<u>-</u>	<u>0.002</u>
Liabilities					
Loans from banks	2.85	-	-	-	-
Buyers' credit	-	0.30	-	-	-
Advance from contractee	-	0.69	-	-	-
Trade payables	0.02	0.66	-	-	0.21
Interest on loans	0.03	-	-	-	-
	<u>2.90</u>	<u>1.65</u>	<u>-</u>	<u>-</u>	<u>0.21</u>
Net assets / (liabilities)	<u>(1.16)</u>	<u>(0.28)</u>	<u>0.001</u>	<u>-</u>	<u>(0.21)</u>

The following table analysis foreign currency risk from financial instruments as at 1 April 2015:

Assets					
Inter corporate deposits and interest thereon	1.65	-	-	-	-
Advance to suppliers	-	0.001	-	-	-
Trade receivables	-	0.16	-	-	-
Bank balances	0.002	0.001	-	-	-
Unbilled work-in-progress	-	0.40	-	-	-
	<u>1.65</u>	<u>0.56</u>	<u>-</u>	<u>-</u>	<u>-</u>

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 40 Financial risk management objectives and policies (Contd.)

Particulars	USD	EUR	AUD	GBP	SEK
Liabilities					
Loans from banks	3.25	-	-	-	-
Buyers' credit	-	0.05	-	-	-
Advance from contractee	-	0.35	-	-	-
Trade payables	0.02	0.49	-	0.004	0.10
Interest on loans	0.04	-	-	-	-
	<u>3.31</u>	<u>0.89</u>	<u>-</u>	<u>0.004</u>	<u>0.10</u>
Net assets / (liabilities)	<u>(1.66)</u>	<u>(0.33)</u>	<u>-</u>	<u>(0.004)</u>	<u>(0.10)</u>

Sensitivity analysis

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact of the operating profits of the Company.

c Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

As at 31 March 2017, the exposure to listed equity securities at fair value was ₹ 2.65 crore. A decrease of 10% on the NSE market index could have an impact of approximately ₹ 0.27 crore on the OCI or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have a material effect on the profit or loss of the Company.

ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

- a Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. For other customers, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

Particulars	31 March 2017	31 March 2016
	%	%
Revenue from government promoted agencies	89.33	84.55
Revenue from others	10.67	15.45
	<u>100.00</u>	<u>100.00</u>

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

	31 March 2017	31 March 2016
	₹ crore	₹ crore
Revenue from top customer	605.29	619.47
Revenue from top five customers	2,209.67	2,262.49

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 40 Financial risk management objectives and policies (Contd.)

For the year ended 31 March 2017, four (31 March 2016: three) customers, individually, accounted for more than 10% of the revenue.

The movement of the allowance for lifetime expected credit loss is stated below: ^

Balance at the beginning of the year	-	-
Balance at the end of the year	-	-

^ The Company has written off ₹ 35.97 crore and ₹ 98.64 crore towards amounts not recoverable during the years ended 31 March 2017 and 31 March 2016, respectively.

- b Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

iii Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	₹ crore
					Total
As at 31 March 2017					
Borrowings	1,137.49	11.09	3,248.11	-	4,396.69
Trade payables	515.74	1,100.66	-	-	1,616.40
Interest accrued	195.46	102.68	-	-	298.14
Other financial liabilities	218.38	4.16	12.14	2.09	236.77
Total	2,067.07	1,218.59	3,260.25	2.09	6,548.00
As at 31 March 2016					
Borrowings	2,025.75	23.89	2,985.32	-	5,034.96
Trade payables	604.45	833.42	-	-	1,437.87
Interest accrued	115.00	31.59	-	-	146.59
Other financial liabilities	195.86	4.16	14.22	4.17	218.41
Total	2,941.06	893.06	2,999.54	4.17	6,837.83
As at 1 April 2015					
Borrowings	1,952.30	3.95	3,179.38	-	5,135.63
Trade payables	601.55	983.91	-	-	1,585.46
Interest accrued	130.74	35.70	-	-	166.44
Other financial liabilities	184.83	5.01	15.43	6.23	211.50
Total	2,869.42	1,028.57	3,194.81	6.23	7,099.03

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital plus total debt.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹ crore	₹ crore	₹ crore
Total debt	4,396.69	5,034.96	5,135.63
Total equity	2,689.98	1,803.32	1,327.19
Total debt to equity ratio (Gearing ratio)	1.63	2.79	3.87

In the long run, the Company's strategy is to maintain a gearing ratio of less than 1.25.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings as stated in note 16, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

Note 42 The Company is principally engaged in a single business segment viz. "Engineering and Construction". Also, refer note 40(ii) for information on revenue from major customers.

Note 43 Disclosure of unhedged foreign currency exposure as at 31 March 2017

Particulars	Currency	31 March 2017		31 March 2016		1 April 2015	
		Foreign currency in crore	₹ crore	Foreign currency in crore	₹ crore	Foreign currency in crore	₹ crore
Assets							
Inter corporate deposits and interest thereon							
- Non-current	USD	1.51	97.56	1.51	99.70	1.51	94.11
- Current	USD	0.25	16.38	0.19	12.69	0.14	8.59
Advance to suppliers	USD	-	-	0.04	2.64	-	-
	EUR	0.11	7.62	0.51	37.95	0.001	0.04
	AUD	-	-	0.001	0.04	-	-
	SEK	-	-	0.002	0.02	-	-
Trade receivables	EUR	0.23	16.07	0.21	15.79	0.16	10.95
Bank balances	USD	0.003	0.19	0.001	0.10	0.002	0.13
	EUR	0.003	0.17	0.03	2.57	0.001	0.09
Unbilled work-in-progress	EUR	0.44	31.60	0.62	46.47	0.40	28.99

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2017

Note 43 Disclosure of unhedged foreign currency exposure as at 31 March 2017 (Contd.)

Particulars	Currency	31 March 2017		31 March 2016		1 April 2015	
		Foreign currency in crore	₹ crore	Foreign currency in crore	₹ crore	Foreign currency in crore	₹ crore
Liabilities							
Loans from banks							
- Non-current	USD	0.93	60.55	2.30	153.31	2.76	172.26
- Current	USD	1.58	103.24	0.55	37.09	0.49	31.97
Buyers' credit	USD	0.01	0.59	-	-	-	-
	EUR	0.13	8.80	0.30	22.44	0.05	3.37
Advance from contractee	USD	0.16	10.65	-	-	-	-
	EUR	0.65	45.32	0.69	52.06	0.35	23.55
Trade payables	USD	0.04	2.47	0.02	1.04	0.02	0.98
	EUR	0.56	38.83	0.66	49.96	0.49	33.39
	GBP	-	-	-	-	0.004	0.35
	SEK	0.16	1.17	0.21	1.68	0.10	0.70
Interest accrued on loans	USD	0.09	5.62	0.03	1.79	0.04	2.79
Net assets / (liabilities)			<u>(107.65)</u>		<u>(101.40)</u>		<u>(126.46)</u>

Note 44 * represents amount less than ₹ 1 lakh.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandio & Co LLP		For and on behalf of the Board of Directors			
Chartered Accountants Firm Registration No. 001076N / N500013		AJIT GULABCHAND	DIN: 00010827	} Directors	
		SHALAKA GULABCHAND	DIN: 00011094		
		DHAWAN			
		ARJUN DHAWAN	DIN: 01778379		
ADI P. SETHNA	PRAVEEN SOOD	RAJAS R. DOSHI	DIN: 00050594	} Directors	
Partner	Group Chief Financial Officer	RAM P. GANDHI	DIN: 00050625		
Membership No.: 108840	FCA 072412	SHARAD M. KULKARNI	DIN: 00003640		
	SANGAMESHWAR IYER	ANIL C. SINGHVI	DIN: 00239589		
	Company Secretary	N. R. ACHARYULU	DIN: 02010249		
Place : Mumbai,	ACS 6818				
Dated : 4 May 2017					

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2017
[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	4,458.14	4,458.14
	2	Total Expenditure	4,398.73	Not Ascertainable (Refer II (a) below)
	3	Net Profit/(Loss)	59.41	Not Ascertainable (Refer II (a) below)
	4	Earnings per Share	0.71	Not Ascertainable (Refer II (a) below)
	5	Total Assets	11,203.98	Not Ascertainable (Refer II (a) below)
	6	Total Liabilities	8,514.00	8,514.00
	7	Net Worth	2,689.98	Not Ascertainable (Refer II (a) below)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification		
a.	Details of Audit Qualification:	<p>Auditor's Qualification</p> <p>(i) Auditor's qualification on the Financial Results (Standalone) As stated in Note 11 to the standalone financial results, the Company's non-current investments as at 31 March 2017 include investments aggregating ₹ 630.83 crore in two of its subsidiaries; and non-current loans, other non-current financial assets and other current financial assets as at that date include dues from such subsidiaries aggregating ₹ 512.42 crore, ₹ 38.17 crore and ₹ 4.77 crore, respectively, being considered good and recoverable by the management considering the factors stated in the aforesaid note including valuation report from an independent valuer. However, these subsidiaries have accumulated losses and their net worth is fully eroded. Further, these subsidiaries are facing liquidity constraints due to which it may not be possible to realize projections made as per business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these investments and recoverability of the aforesaid dues and the consequential impact, if any, on the accompanying standalone financial results. Our audit opinion on the standalone financial results for the year ended 31 March 2016 was also qualified in respect of this matter.</p> <p>(ii) Auditor's Qualification on the Internal Financial Controls relating to above matter In our opinion, according to the information and explanations given to us and based on our audit procedure performed, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2017: The Company's internal financial controls in respect of supervisory and review controls over process of determining of (a) carrying value of the Company's non-current investments in its subsidiaries; and (b) recoverability of non-current loans, other non-current financial assets and other current financial assets due from such subsidiaries were not operating effectively. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investments in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, could also impact the profit (financial performance including other comprehensive income) after tax. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial results will not be prevented or detected on a timely basis.</p>

		We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2017 standalone financial statements of the Company, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.
b.	Type of Audit Qualification:	Qualified Opinion
c.	Frequency of Qualification:	This is the second year of qualification
d.	For Audit Qualification (s) where the impact is quantified by the auditor, Management views:	Not Applicable
e.	For Audit Qualification (s) where the impact is not quantified by the auditor: i) Management's estimation on the impact of audit qualification:	Nil. While the said entities have incurred losses during their initial years and consolidated net-worth of both entities as at 31 March 2017 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. The net-worth of these subsidiaries does not represent their true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is substantially higher. Therefore, based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realizable amount of these subsidiaries is substantially higher than the carrying value of the investments, non-current loans, other non-current financial assets and other current financial assets due to which these are considered as good and recoverable. Thus management believes that the Company's internal financial control in respect of assessment of the carrying value of investments, recoverability of non-current loans, other non-current financial assets in subsidiaries were operating effectively and there is no material weakness in such controls and procedures.
	ii) If management is unable to estimate the impact, reasons for the same:	Not Applicable
	iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualification.

For **Hindustan Construction Company Limited**

Ajit Gulabchand
Chairman & Managing Director

Sharad M. Kulkarni
Audit Committee Chairman

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Praveen Sood
Group Chief Financial Officer

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 4 May 2017

Independent Auditors' Report

To The Members of Hindustan Construction Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Hindustan Construction Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates and joint ventures are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters paragraph below, insufficient and appropriate to provide a basis for our qualified audit opinion on these consolidated financial statements.

Basis for Qualified Opinion

8. a) We draw attention to Note 35.2 to the consolidated financial statements, relating to the Group's carrying value of net assets (capital employed) aggregating ₹ 4,124.40 crore, goodwill on consolidation amounting to ₹ 95.04 crore and non-controlling interest amounting to ₹ 208.01

crore as at 31 March 2017 in Lavasa Corporation Limited (LCL), being considered good and recoverable by the management. However, this subsidiary has accumulated operational losses and its net worth is fully eroded as at 31 March 2017. Further, this subsidiary is facing liquidity constraints due to which it may not be able to realize projections made as per its business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these assets and the consequential impairment losses, if any, on the accompanying consolidated financial statements. Our opinion on the consolidated financial statements for the year ended 31 March 2016 was also qualified in respect of this matter.

- b) The Independent Auditors of certain subsidiaries have qualified their audit report on the financial statements for the year ended 31 March 2017 reproduced by us as under:
- (i) The impairment testing carried out by LCL, during the year ended 31 March 2016 which did not indicate any impairment and according to the contention of LCL, since there is no change in the business conditions, no impairment testing was carried out during the year ended 31 March 2017. In our opinion, the LCL may not be able to achieve the business plans based on which the impairment testing has been carried out. The consequential impairment losses, if any, cannot be ascertained.
 - (ii) As stated in Note 35.1 to the consolidated financial statements, in respect of matter relating to LCL, the liability, if any, in respect of the compliance of the terms and conditions laid down by the Ministry of Environment and Forests granting the Environment Clearances for development of the Hill Station Township vide its order dated 9 November 2011 to LCL, cannot be ascertained. Our opinion on the consolidated financial statements for the year ended 31 March 2016 was also qualified in respect of this matter.
 - (iii) As stated in Note 35.3 to the consolidated financial statements, in respect of matter relating to HCC Real Estate Limited (HREL) group's current and non-current borrowings including finance charges, disclosure in respect of defaults and terms of repayment of borrowings, maturity analysis of financial instruments, trade payables, trade receivables, advances to suppliers and certain balances

with banks are subject to confirmation, reconciliation and consequential adjustment, if any.

- (iv) As stated in Note 35.4 to the consolidated financial statements, in respect of matter relating to, provision for expected credit loss, have not been ascertained and accounted for by Charosa Wineries Limited, a subsidiary company.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, its associates and joint ventures as at 31 March 2017, and their consolidated loss (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw attention to:
- a) Note 34 to the consolidated financial statements regarding uncertainties relating to recoverability of unbilled work-in-progress (other current financial assets), non-current trade receivable and current trade receivables aggregating ₹ 911.80 crore, ₹ 123.39 crore and ₹ 90.30 crore, respectively, as at 31 March 2017, raised in the earlier years in respect of projects suspended or substantially closed and where the claims are currently under negotiations/ discussion/ arbitration. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements.
 - b) Note 33.1 to the consolidated financial statements, regarding Group's non-current investment in HCC Concessions Limited (HCL), a joint venture company of HCC Infrastructure company Limited (HICL), and other current financial assets due from such joint venture company aggregating ₹ 315.39 crore and ₹ 4.97 crore, respectively, as at 31 March 2017. The consolidated net-worth of the aforesaid

joint venture has been fully eroded; however, based on certain estimates and other factors, including joint venture's future business plans, growth prospects and valuation report from an independent valuer, as described in the said note, management believes that the realizable amount is higher than the carrying value of the investments and other current financial assets due to which these are considered as good and recoverable.

- c) Notes 26.1 and 26.3 to the consolidated financial statements regarding remuneration of ₹ 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director (CMD), which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review / an application, respectively with the Central Government; however approval in this regard is pending till date.

Our opinion is not qualified in respect of these matters.

11. The Independent Auditor of certain subsidiaries in its audit report on the financial statements for the year ended 31 March 2017 have drawn emphasis of matter paragraphs reproduced by us as under :
- a) We draw attention to Note 36 to the consolidated financial statements, in respect of Raiganj-Dalkhola Highways Limited (RDHL) a joint venture company of HCC Infrastructure Company Limited (HICL), where National Highway Authority of India (NHAI) has served notice of termination of contract to RDHL on 31 March 2017 due to delay in re-start of work at project. For the reasons mentioned in the note, as per terms of the contract RDHL is confident of being entitled to claims from Arbitration or termination benefits exceeding possible loss. Hence no provision for such loss is considered necessary.
- b) We draw attention to Note 37 to the consolidated financial statements, in respect of Badarpur Faridabad Tollways Limited (BFTL), a joint venture company of HICL, in respect of notice issued by BFTL vide letter dated 31 March 2017 to NHAI of its intention to issue termination notice pursuant to the article 34.8 of the Concession Agreement (CA) due to imposition of environmental compensation charges and other restrictions on commercial vehicles entering in to Delhi, in accordance with the Supreme Court orders and vehicular traffic having reduced significantly, causing substantial loss to the revenues of BFTL. Due to Force Majeure event BFTL has issued this notice and has granted 15 days' time to NHAI to make

representation, if any, pursuant to article 34.8 of the CA. Subsequently, the NHAI vide letter dated 12 April 2017 has refuted the contents of BFTL'S notice. The next course of action will be decided by BFTL at appropriate time.

- c) We draw attention to Note 33.2 to the consolidated financial statements, in respect of HICL group's accumulated losses exceeding its equity by ₹1,321.36 crore. The HICL Group has incurred current loss of ₹ 257.78 crore. Despite negative net worth of the group, the consolidated financial statements of HICL group have been prepared on going concern basis for the reasons mentioned in the aforesaid note. The appropriateness of the same basis is inter alia dependent upon Group's ability to generate higher fair market value by HICL of its investment in joint venture, namely HCC Concessions Limited and ongoing incubation of other infrastructure businesses which will create further value for the Group. These conditions, along with other matters as set forth in aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about HICL group's ability to continue as going concern.
- d) We draw attention to Note 35.5 to the consolidated financial statements, in respect of HREL group's accumulated losses exceeding its equity by ₹ 1,083.34 crore and its net worth fully eroded. The HREL Group has incurred current net loss of ₹ 533.91 crore and ₹ 210.37 crore during previous year end and HREL group's liability and minority interests in its subsidiaries exceeded its total assets as at 31 March 2017 by ₹ 1,017.14 crore. These conditions, along with other matters as set forth in paragraph 8(b) (i), indicate the existence of a material uncertainty that may cast significant doubt about the HREL group's ability to continue as a going concern. However the financial statements of the HREL groups have been prepared in a going concern basis for the reasons stated in the note.

Our opinion is not qualified in respect of these matters.

Other Matters

12. (a) We did not audit the financial statements / financial information of fifty six subsidiaries, whose financial statements / financial information reflect total assets of ₹ 9,264.53 crore and net assets of ₹ (2,164.14) crore as at 31 March 2017, total revenues of ₹ 5,747.85 crore and net cash inflows amounting to ₹ 10.81crore for the year ended on that date, as considered in these consolidated financial statements. The consolidated financial statements also include the Group's share of

net loss (including other comprehensive income) of ₹ 92.45 crore for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of two associates and eight joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statement is not qualified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors. Our opinion is not qualified in respect of this matter.

- (b) Further consolidated financial statements include financial statements/information of six joint operations, whose financial statements reflect total assets of ₹ 53.93 crore and net assets of ₹ 16.14 crore as at March 31, 2017 and total revenues of ₹ 45.58 crore and net cash inflows amounting to ₹ 4.23 crore for the year ended on that date. The Holding Company had prepared separate set of financial statement of these joint operations for the years ended March 31, 2017, March 31, 2016 and March 31, 2015 in accordance with accounting principles generally accepted in India and which have been audited by other auditors under generally accepted auditing standards applicable in India. These financial statement have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS.

Our opinion in so far as it relates to the amounts and disclosures in respect of these joint operations is solely based on report of the other auditors and the conversion adjustments prepared by the management of the Company, which have been audited by us.

13. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 52.79 crore and net assets of ₹ (37.57) crore as at March 31, 2017, total revenues of ₹ 0.84 crore and net cash inflows amounting to ₹ 0.01 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss

(including other comprehensive income) of ₹ 2.21 crore for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of two associates and three joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements / financial information certified by the management.

14. The Holding Company had prepared separate sets of consolidated financial statements for the years ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) included in these consolidated financial statements, on which we issued auditor's reports dated 28 April 2016 and 30 April 2015, respectively. These consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to the Ind AS, which have also been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

15. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:
- a) We have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs;
- c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act;
- e) The matters described in paragraphs 8, 10(a), 10(b) and 11 under the Basis for Qualified Opinion / Emphasis of Matters paragraphs, in our opinion, may have an adverse effect on the functioning of the Holding Company, HREL group and HICL group, subsidiaries of the Holding Company;
- f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and joint ventures companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies, covered under the Act, are disqualified as at 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 8 of the Basis for Qualified Opinion paragraph with respect to the Holding Company and HREL group, a subsidiary of the Holding Company.
- h) With respect to the adequacy of the internal controls over financial reporting of the Holding Company, its subsidiary companies, associate companies, joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate Report in 'Annexure I';
- i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries, associates and joint ventures:
- i. except for the possible effects of the matter described in paragraph 8 (b)(ii) of the Basis for Qualified Opinion paragraph, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Notes 6.1, 32 (i) to (iii), 34, 35.1, 36 and 37 to the consolidated financial statements;
 - ii. except for the possible effects of the matters described in paragraph 8 of the Basis for Qualified Opinion paragraph, provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts, as detailed in Note 18.1 to the consolidated financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies and joint venture companies covered under the Act;
 - iv. these consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on the consideration of the reports of the other auditors on separate financial statements and other financial information of its subsidiary companies, associate companies and joint venture companies, in our opinion, these disclosures are in accordance with the books of accounts maintained by the respective companies.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**
Partner

Place : Mumbai
Date : 4 May 2017

Membership No.: 108840

Annexure to Auditors' Report

Annexure I

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of the Hindustan Construction Company Limited ('the Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and its joint ventures as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, associate companies and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, associate companies and joint venture companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems on financial reporting and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the IFCoFR of the Holding Company, its subsidiary companies, associate companies and joint venture companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2017:

The Company internal financial controls in respect of supervisory and review controls over process of determining of the carrying value of subsidiary's net assets (capital employed), goodwill on consolidation and non-controlling interest were not operating effectively. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of aforesaid assets and consequently, also impact the loss (financial performance including other comprehensive income) after tax.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, except for the possible effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, have, in all material respects, maintained adequate IFCoFR as at 31 March 2017, based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI and the IFCoFR were operating effectively as at 31 March 2017.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statement of the Group as at and for the year ended 31 March 2017, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Other Matters

12. We did not audit the IFCoFR insofar as it relates to forty six subsidiary companies which are companies incorporated in India, whose financial statements reflect total assets of ₹ 5,882.97 crore and net assets of ₹ (2,546.63) crore as at 31 March 2017, total revenues of ₹ 218.65 crore and net cash outflows amounting to ₹ 10.69 crore for the year ended on that date, as considered in these consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 95.49 crore for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of two associates and eight joint ventures, whose financial statements/ financial information have not been audited by us. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, associate companies and joint venture companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, associates and joint venture, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**
Partner

Place : Mumbai
Date : 4 May 2017

Membership No.: 108840

Consolidated Balance Sheet as at 31 March 2017

Particulars	Note No.	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
ASSETS				
Non-current assets				
Property, plant and equipment	3	1,561.35	1,706.46	1,963.27
Capital work-in-progress	3	1,890.42	1,696.49	1,537.83
Investment property		1.94	2.06	1.93
Intangible assets	4	25.22	31.40	20.07
Goodwill	4	124.49	126.69	120.90
Intangible assets under development	4	-	-	1.72
Financial assets				
Investments	5	443.24	539.54	786.18
Trade receivables	6	1,429.09	2,161.35	1,494.15
Loans	7	-	0.19	3.04
Other financial assets	8	32.49	49.73	34.06
Deferred tax assets (net)	9	26.10	57.15	62.94
Other non current assets	10	300.01	317.09	312.68
Total non-current assets		5,834.35	6,688.15	6,338.77
Current assets				
Inventories	11	2,473.02	2,409.09	2,131.62
Financial assets				
Investments	12	33.23	59.32	57.42
Trade receivables	6	2,307.70	592.21	1,042.96
Cash and cash equivalents	13	227.74	193.45	323.92
Other bank balances	14	531.40	530.63	459.47
Loans	7	56.29	79.36	120.11
Other financial assets	8	5,298.80	4,902.63	4,940.20
Assets included in disposal group classified as held for sale	3.1	2.00	2.00	2.00
Other current assets	10	417.55	330.77	381.12
Total current assets		11,347.73	9,099.46	9,458.82
TOTAL ASSETS		17,182.08	15,787.61	15,797.59
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	101.07	77.91	64.58
Other equity		(475.34)	(560.02)	(534.96)
Equity attributable to owners of the parent		(374.27)	(482.11)	(470.38)
Non-controlling interests		(207.09)	17.49	105.11
Total equity		(581.36)	(464.62)	(365.27)
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	5,632.80	5,513.88	6,102.23
Other financial liabilities	17	522.58	466.91	108.77
Provisions	18	184.00	246.41	225.37
Deferred tax liabilities (net)	9	238.96	359.82	162.52
Total non-current liabilities		6,578.34	6,587.02	6,598.89
Current liabilities				
Financial liabilities				
Borrowings	19	1,240.36	2,149.69	2,082.93
Trade payables	20	3,516.62	2,951.88	3,385.22
Other financial liabilities	17	3,438.25	2,387.00	1,965.54
Other current liabilities	21	2,835.87	2,012.04	1,951.41
Provisions	18	154.00	164.60	178.87
Total current liabilities		11,185.10	9,665.21	9,563.97
TOTAL EQUITY AND LIABILITIES		17,182.08	15,787.61	15,797.59

Notes 1 to 46 form an integral part of the consolidated financial statements
This is the consolidated balance sheet referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

Place : Mumbai,
Dated : 4 May 2017

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

For and on behalf of the Board of Directors

AJIT GULABCHAND DIN: 00010827
SHALAKA GULABCHAND DIN: 00011094
DHAWAN
ARJUN DHAWAN DIN: 01778379

RAJAS R. DOSHI DIN: 00050594
RAM P. GANDHI DIN: 00050625
SHARAD M. KULKARNI DIN: 00003640
ANIL C. SINGHVI DIN: 00239589
N. R. ACHARYULU DIN: 02010249

Chairman & Managing Director
Whole-Time Director
Group Chief Executive Officer &
Whole-Time Director

Directors

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Note No.	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Income			
Revenue from operations	22	9,866.78	8,540.16
Other income	23	81.07	82.91
Total income		<u>9,947.85</u>	<u>8,623.07</u>
Expenses			
Cost of construction materials consumed	24	870.27	1,002.85
Purchase of traded goods		0.83	0.99
Subcontracting expenses		6,278.55	4,464.66
Construction expenses	25	518.12	608.58
Employee benefits expense	26	988.71	965.12
Finance costs	27	1,542.87	1,220.30
Depreciation and amortisation expense	28	205.82	250.48
Other expenses	29	448.96	460.10
Total expenses		<u>10,854.13</u>	<u>8,973.08</u>
Profit/(loss) before exceptional items and tax		(906.28)	(350.01)
Exceptional items	30	(21.22)	159.36
Profit/(loss) before share of (profit)/loss of associates and joint ventures and tax		(927.50)	(190.65)
Share of profit / (loss) of associates and joint ventures		(94.66)	(113.84)
Profit/(loss) before tax		(1,022.16)	(304.49)
Tax expense/ (credit)			
Current income tax	9	50.25	29.76
Deferred income tax	9	(89.81)	203.09
		<u>(39.56)</u>	<u>232.85</u>
Profit/(loss) for the year		<u>(982.60)</u>	<u>(537.34)</u>
Other comprehensive income/(loss) (OCI)			
(a) Items not to be reclassified subsequently to profit or loss			
- Gain on fair value of defined benefit plans as per actuarial valuation		57.39	25.67
- Income tax effect on above		-	-
- Gain/ (loss) on fair value of equity instruments		20.13	(12.36)
- Income tax effect on above		-	-
(b) Items to be reclassified subsequently to profit or loss			
- Gain/(loss) on exchange fluctuations		(17.40)	34.27
Other comprehensive income for the year, net of tax		<u>60.12</u>	<u>47.58</u>
Total comprehensive income for the year, net of tax		<u>(922.48)</u>	<u>(489.76)</u>
Total comprehensive income for the year attributable to:			
Non controlling interest		(224.58)	(87.62)
Owners of the parent		<u>(697.90)</u>	<u>(402.14)</u>
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	31	(9.12)	(5.80)

Notes 1 to 46 form an integral part of the consolidated financial statements

This is the consolidated statement of profit and loss referred to in our audit report of even date

For Walker Chandio & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 4 May 2017

For and on behalf of the Board of Directors

AJIT GULABCHAND
SHALAKA GULABCHAND
DHAWAN
ARJUN DHAWAN

DIN: 00010827
DIN: 00011094
DIN: 01778379

RAJAS R. DOSHI
RAM P. GANDHI
SHARAD M. KULKARNI
ANIL C. SINGHVI
N. R. ACHARYULU

DIN: 00050594
DIN: 00050625
DIN: 00003640
DIN: 00239589
DIN: 02010249

Chairman & Managing Director
Whole-Time Director

Group Chief Executive Officer &
Whole-Time Director

Directors

Consolidated Cash Flow Statement for the year ended 31 March 2017

	Year ended 31 March 2017	Year ended 31 March 2016
	₹ crore	₹ crore
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax		(1022.16)
Adjustments for		
Depreciation and amortisation expense	205.82	250.48
Finance costs	1,542.87	1,220.30
Interest income	(6.68)	(14.41)
Profit on sale of non-current investments	-	(70.61)
Trade receivables and work in progress written off	35.97	98.64
Gain on restructuring of debts	(14.75)	(187.39)
Impairment loss provision on financial / non-financial assets	65.91	7.76
Impairment loss provision on property, plant and equipment	-	31.33
Provision for foreseeable losses	(5.61)	(16.44)
Provision for warranty	(12.10)	5.24
Share issue expenses	4.02	-
Dividend income	(1.19)	(1.40)
Foreign currency monetary translation (net)	(0.68)	(5.46)
Unrealised foreign exchange loss/ (gain) (net)	(9.34)	1.39
Loss on sale of property, plant and equipment (net)	2.35	1.94
Excess provision no longer required written back	(2.37)	(4.95)
	<u>1804.22</u>	<u>1316.41</u>
Operating profit before working capital changes	782.06	1011.92
Adjustments for changes in working capital:		
(Increase) / Decrease in trade receivables	(1,085.11)	(361.04)
(Increase) / Decrease in loans and advances / other advances	(485.69)	136.68
(Increase) / Decrease in inventories	(63.94)	(277.46)
Increase / (Decrease) in trade and other payables	825.65	(512.03)
Increase / (Decrease) in advance from contractees	775.40	83.00
	<u>(33.69)</u>	<u>(930.85)</u>
Cash generated from operations	748.37	81.07
Direct taxes paid (net of refunds received)	(25.79)	5.73
Net cash generated from operating activities	722.58	86.80
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(246.21)	(95.34)
Proceeds from sale of property, plant and equipment	24.71	22.13
Proceeds from sale of non-current investments	-	302.98
Net investments in bank deposits (having original maturity of more than three months)	(0.76)	(71.16)
Interest received	9.43	19.77
Dividend received	1.19	1.40
Net cash generated from/ (used in) investing activities	(211.64)	179.77
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (including securities premium)	808.56	399.99
Proceeds from issue of preference shares	-	525.00
Proceeds from/ (repayments of) non-current borrowings (net)	639.04	(88.58)
Proceeds from/ (repayments of) current borrowings (net)	(909.34)	66.76
Interest and other finance charges	(1,010.71)	(1,290.46)
Share issue expenses	(4.02)	(9.71)
Dividend paid	(0.18)	(0.13)
Net cash used in financing activities	(476.65)	(397.13)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	34.29	(130.55)
Cash and cash equivalents at the beginning of the year	193.37	323.92
Unrealised foreign exchange gain	(0.08)	(0.08)
Cash and cash equivalents at the end of the year (Refer note 13)	<u>227.74</u>	<u>193.45</u>
	<u>227.66</u>	<u>193.37</u>
	<u>34.29</u>	<u>(130.55)</u>

Notes 1 to 46 form an integral part of the consolidated financial statements
This is the Consolidated Cash Flow Statement referred to in our audit report of even date

For Walker Chandiook & Co LLP

Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 4 May 2017

For and on behalf of the Board of Directors

AJIT GULABCHAND DIN: 00010827
SHALAKA GULABCHAND DIN: 00011094
DHAWAN
ARJUN DHAWAN DIN: 01778379

RAJAS R. DOSHI DIN: 00050594
RAM P. GANDHI DIN: 00050625
SHARAD M. KULKARNI DIN: 00003640
ANIL C. SINGHVI DIN: 00239589
N. R. ACHARYULU DIN: 02010249

*Chairman & Managing Director
Whole-Time Director*

*Group Chief Executive Officer &
Whole-Time Director*

Directors

Consolidated Statement of Change in Equity for the year ended 31 March 2017

a) Equity share capital		Number	₹ crore									
Particulars												
Equity shares of ₹ 1 each issued, subscribed and paid												
As at 1 April 2015	645,787,331		64.58									
Issue of equity shares [Refer note 15(g)(ii)]	133,332,800		13.33									
As at 31 March 2016	779,120,131		77.91									
Issue of equity shares [Refer note 15(g)(iii)]	231,544,729		23.15									
As at 31 March 2017	1,010,664,860		101.07									
b) Other equity												
Particulars	Reserves and surplus			Other comprehensive income			Non-controlling interest	Total equity attributable to equity holders				
	Capital reserve	Forfeited debentures account	Securities premium reserve	Debt redemption reserve	Foreign currency monetary translation account	General reserve	Retained earnings	Net gain on fair value of defined benefit plans	Net gain/ (loss) on fair value of equity instruments	Gain/ (loss) on exchange fluctuations		
As at 1 April 2015	53.05	0.02	946.30	65.46	4.06	180.24	(1,678.98)	-	-	-	105.11	(534.96)
Profit for the year	-	-	-	-	-	-	(537.34)	-	-	-	(87.62)	(449.72)
Other comprehensive income for the year	-	-	-	-	-	-	-	25.67	(12.36)	34.27	-	475.8
- Issue of share capital [Refer note 15(g)(ii)]	-	-	386.66	-	-	-	-	-	-	-	-	386.66
- Share issue expenses	-	-	(9.71)	-	-	-	-	-	-	-	-	(9.71)
- Transfer from / to debenture redemption reserve	-	-	-	20.00	-	-	(20.00)	-	-	-	-	-
- Restatement of foreign currency monetary translation items	-	-	-	-	5.59	-	-	-	-	-	-	5.59
- Amortization of foreign currency monetary translation items	-	-	-	-	(5.46)	-	-	-	-	-	-	(5.46)
As at 31 March 2016	53.05	0.02	1,323.25	85.46	4.19	180.24	(2,236.32)	25.67	(12.36)	34.27	17.49	(560.02)
Profit for the year	-	-	-	-	-	-	(982.60)	-	-	-	(224.58)	(758.02)
Other comprehensive income for the year	-	-	-	-	-	-	-	57.39	20.13	(17.40)	-	60.12
- Issue of share capital [Refer note 15(g)(iii)]	-	-	785.40	-	-	-	-	-	-	-	-	785.40
- Share issue expenses	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer from / to debenture redemption reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Restatement of foreign currency monetary translation items	-	-	-	-	(2.14)	-	-	-	-	-	-	(2.14)
- Amortization of foreign currency monetary translation items	-	-	-	-	(0.68)	-	-	-	-	-	-	(0.68)
As at 31 March 2017	53.05	0.02	2,108.65	85.46	1.37	180.24	(3,218.92)	83.06	7.77	16.87	(207.09)	(475.34)

Consolidated Statement of Change in Equity for the year ended 31 March 2017

Nature and purpose of reserves

i. Capital reserve

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

ii. Forfeited debentures account

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own debentures to forfeited debentures account.

iii. Securities premium reserve

Securities premium is used to record the premium on issue of shares or debentures. The reserve will be utilised in accordance with the provisions of the Act.

iv. Debenture redemption reserve

The Group is required to create a debenture redemption reserve out of the profits which are available for payment of dividend to be utilised for the purpose of redemption of debentures in accordance with the provisions of the Act.

v. Foreign currency monetary translation account

Exchange difference arising on translation of the long term monetary asset is accumulated in separate reserve within equity. The cumulative amount is reclassified to the Statement of Profit and Loss over the life of the monetary asset on a straight line basis.

vi. Net gain on fair value of defined benefit plans

The Group has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

vii. Net gain/ (loss) on fair value of equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the OCI reserve within other equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes 1 to 46 form an integral part of the consolidated financial statements

This is the consolidated statement of changes in equity referred to in our audit report of even date

For Walker Chandiook & Co LLP Chartered Accountants Firm Registration No. 001076N / N500013		For and on behalf of the Board of Directors		
		AJIT GULABCHAND	DIN: 00010827	<i>Chairman & Managing Director Whole-Time Director</i>
		SHALAKA GULABCHAND DHAWAN	DIN: 00011094	
		ARJUN DHAWAN	DIN: 01778379	<i>Group Chief Executive Officer & Whole-Time Director</i>
ADI P. SETHNA	PRAVEEN SOOD	RAJAS R. DOSHI	DIN: 00050594	
Partner	<i>Group Chief Financial Officer</i>	RAM P. GANDHI	DIN: 00050625	} <i>Directors</i>
Membership No.: 108840	FCA 072412	SHARAD M. KULKARNI	DIN: 00003640	
	SANGAMESHWAR IYER	ANIL C. SINGHVI	DIN: 00239589	
Place : Mumbai,	<i>Company Secretary</i>	N. R. ACHARYULU	DIN: 02010249	
Dated : 4 May 2017	ACS 6818			

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 1 Corporate Information

Hindustan Construction Company Limited ("the Company" or "Parent" or "HCC") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India - the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India. The financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and its associates and joint arrangements. The Group is principally engaged in the business of providing engineering and construction services, real estate, infrastructure and urban development and management. These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2017 were authorised for issue in accordance with resolution of the Board of Directors on 4 May 2017.

Note 2.1 Significant Accounting Policies

i Basis of Preparation

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015

The financial statements for all periods upto and including year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 March 2017 are the first financial statements prepared by the Group in accordance with Ind AS. Refer note 2.3 for information on how the Group adopted Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and share based payments which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

The Group's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest crores (INR 0,000,000), except when otherwise indicated.

ii Principles of Consolidation

The financial statements have been prepared on the following basis:

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(c) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy described in note (ix)(a)

(e) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as

transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

- (f) The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.
- (g) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

iii Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recoverability of claims

The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion

with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims.

Deferred tax assets

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv Property, Plant and Equipment

"Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure."

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 April 2015.

v Investment Property

"Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its investment properties and used that carrying value as the deemed cost of the investment properties on the date of transition i.e. 1 April 2015."

vi Intangible Assets

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2015.

vii Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure.

The fair value, at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible assets is measured at cost, less any accumulated amortisations and accumulated impairment losses.

viii Depreciation/ Amortisation

a Depreciation/ amortisation is provided:

- (i) In respect of buildings and sheds, on the written down value basis considering the useful lives prescribed in Schedule II to the Act.
- (ii) In respect of furniture and fixtures, office equipment, computers, plant and machinery, heavy vehicles, light vehicles and speed boat on straight line basis at rates determined on the basis of useful lives prescribed in Schedule II to the Act, on a pro-rata basis. However, certain class of plant and machinery used in construction projects are depreciated on a straight line basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets, that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in Schedule II to the Act.
- (iii) In respect of bearer plants (including oak barrels), on straight line basis over the estimated useful life of four to twenty years on pro-rata basis.
- (iv) In respect of certain subsidiaries incorporated in India, on building, plant and machinery, computers, office equipment, furniture and fixtures and motor vehicles is provided on written down value basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in Schedule II to the Act.
- (v) In respect of helicopter and aircraft, on straight line basis considering the useful life, that is a period of eighteen years and fourteen years, respectively, determined based on the technical evaluation and the management's experience of use of the assets, as against the period of twenty years as prescribed in Schedule II to the Act.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

- (vi) Leasehold improvements are amortised over the useful lives prescribed in Schedule II to the Act or the period of lease, whichever is lower.
- (vii) Software and implementation costs including users license fees and other application software costs are amortised on a straight line basis, from the date they are available for use, over their estimated useful lives that is a period of three to five years.
- (viii) Trademark and design cost are amortised over their estimated useful lives that is a period of ten years.

b The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The change in estimated useful lives is a change in an accounting estimate and is applied prospectively.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

c For overseas subsidiaries, associates and joint arrangements, depreciation is provided based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, associates and joint arrangements. In view of different sets of environment in which such entities operate in their respective countries, depreciation is provided based on the management experience of use of assets in respective geographies and local laws. These entities follow straight line method of depreciation spread over the useful life of each individual asset.

d Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and wherever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operation results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating unit is determined based on higher of value-in-use and fair value less cost to sell.

ix Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial Assets

Initial Recognition

Financial assets, not recorded at fair value through profit or loss (FVPL), are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Group has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Group on

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.
Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between after contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

De-recognition of Financial Assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of

ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received."

b Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Group issues optionally convertible debentures, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

Where the terms of a financial liability is re-negotiated and the Group issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference

between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

x Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees of the Company and its Indian subsidiaries is made to a government administered fund, and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Group. Accordingly, the contribution paid or payable

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Group also provides for gratuity which is a defined benefit plan the liabilities of which are determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

In case of foreign subsidiaries, the post-employment benefit plan, in the form of a pension, qualify as defined benefit plans. For the purposes of determining the defined benefit obligation at the reporting date, the total defined benefit obligations, made by an independent actuary using the projected unit credit method, are compared to the fair value of the plan assets and resultant surplus or shortfall is recognised as an asset or liability, respectively. Re-measurement, comprising of actuarial gains and losses, in respect of this pension plan are recognised in the OCI, in the period in which they occur.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

xi Inventories

(a) Raw material, Stores, Spares, Fuel

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value ('NRV'), whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

(b) Finished Goods (including Traded and Semi-finished goods)

Finished Goods, traded goods and semi-finished goods are valued at the lower of the cost and NRV. Cost is determined on weighted average basis and include all applicable cost of bringing the goods in their present location and condition. NRV is the estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

(c) Land and Floor Space Index (FSI) Development Right

(i) Cost of Land and FSI are determined on a weighted average basis and include along with related purchase / acquisition price, all direct and indirect expenditure incurred in connection with the purchase of land. Borrowing costs and overhead expenditure on sectorial / nodal / city level infrastructure, in respect of FSI under development are treated as an element of cost in view of substantial period of time required for development. Land and FSI are valued at the lower of cost and NRV. Land or FSI utilized for own construction is transferred to Property, Plant and Equipment at carrying value.

(ii) Inventory in Real Estate projects

Real estate projects are valued based on the lower of the construction cost and the sale price until the project is handed over to the purchaser by means of the transfer of title or the transfer of material risks and rewards. Construction / development expenditure includes all direct and indirect expenditure incurred on development of land and/ or construction at site, overheads relating to site management and administration, less incidental revenues arising from site operations. Indirect expenses are allocated

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

to the respective items at the time of their completion or capitalization into Property, Plant and Equipment. Borrowing costs relating to qualifying real estate projects are capitalized over the entire duration of the project.

Undeveloped land (including development costs) and finished units which are held for sale are valued at the lower of cost and NRV.

(d) Project work in progress

Project work-in-progress is valued at the contract rates and site mobilisation expenditure of incomplete contracts are stated at the lower of cost and net realisable value.

xii Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xiii Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment are allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments are disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment and all other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

xiv Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted unless that period is a necessary part of the process for the construction of the asset"

xv Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximate is the actual rate at the date of the transactions.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the Group has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

d Group companies

The results and financial position of foreign operations (none of which has the currency of a

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. assets and liabilities are translated at the closing rate at the date of the balance sheet
2. income, expenses and cash flow items are translated at average exchange rates for the respective periods; and
3. All resulting exchange differences are recognised in OCI.

When a subsidiary is disposed off, in full, the relevant amount is transferred to the Statement of Profit and Loss. However, when change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other financial instrument designated as hedges of such investment, are recognised in OCI. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

xvi Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented with other income.

xvii Revenue Recognition

- a Accounting of Construction Contracts
The Group follows the percentage completion

method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11, Construction Contracts, and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

- In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.
- In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

Advance payments received from contractee for which no services are rendered are presented as 'Advance from contractee'.

b Accounting of Supply Contracts-Sale of Goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

c Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other operating revenue on receipt of favourable arbitration award.

d Dividend Income

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

e Finance and Other Income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

f Software service contracts

Revenue from software development (fixed price, fixed time frame contracts, including system development and integration contracts) is recognised as per percentage of completion method where there is no uncertainty as to measurement or collectability.

In case of sales of services, revenue is recognised in the accounting year in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided. The stage of completion is measured by reference to the proportion that service cost incurred for the work performed to date bears to the estimated total service cost. Service cost incurred to date excludes cost that relate to future activity on the contract. Such cost are recognised as an asset and classified under unbilled work-in-progress.

Annual maintenance service contracts are recognised proportionately over the year in which the services are rendered.

Revenue for sale of user license for software application is recognised on the transfer of title/ products, in accordance with the sales contract.

g Revenue from sale of land and FSI

Income from sale of land (including on a long-term lease basis) is recognised on the transfer of all significant risks and rewards of ownership to the buyer and a reasonable expectation of collection of the sale consideration from the buyer exists.

h Revenue from sale of constructed units

Revenue from sale of constructed units is recognised when the substantial risk and reward is transferred to the buyer, which is generally on execution of sale agreement, and the collectability is reasonably measured.

i Revenue from Real Estate projects

Revenue from Total and General Contracting (TC/GC)

Long-term contracts for the construction of third-party real estate are accounted for using the percentage of completion (POC) method. The degree of completion is determined on the basis of the physical measurement of work performed on the construction site. The different executed

activities of the project are measured based on available units in comparison to the total quantities needed for the completion (surveys of the work performed-method). With the application of the surveys of the work performed method, the difference between contract costs incurred and contract cost recognised (billed) is adjusted to the "cost incurred on GC/TC project" under unbilled / work in progress.

Contract costs are recognized as an expense in the year in which they are incurred. Contracts and groups of contracts for which the degree of completion or the outcome cannot be reliably estimated are capitalized/inventorised only to the extent of the amount of the contract costs that are likely to be recoverable. Anticipated losses from construction contracts are covered in full by valuation allowances. In accounting for contracts in progress, contractual revenue comprises the contractually agreed revenue and amendments / variations and claims that have been confirmed by the customer or for which payment is considered highly probable. "

Revenue from Real Estate Development

Revenue from the sale of real estate projects is recognised on the transfer of title or the transfer of material risks and rewards to the purchaser. Real estate investor projects are accounted for as construction contracts based on POC. Accordingly, revenue and the gains of development is recognised along the construction of the project.

The separate sale of project development rights and plans is accounted for as sale and gains are realised at the time of the transfer of risks and rewards. Revenue from sale of real estate development projects with multiple buyers (i.e. condominium projects) is recognised if the POC is above 25%.

j Project management consultancy fees

Revenue from project management consultancy fees is recognised on accrual basis, as per terms of the agreement with the customer.

k Revenue from rent

Rent is recognised on time proportionate basis.

l Revenue from services (Room rent and allied services)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Revenue comprises of revenue from room rent and other allied services relating to hotel operation. Revenue is recognised upon rendering of services and the collectability is reasonably measured.

m Other miscellaneous incomes (Tuition fees, Installation and other services)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

xviii Interest in Joint Arrangements

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. The Group classifies its Joint Arrangements as Joint Operations.

The Group recognises its direct right to assets, liabilities, revenue and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings."

xix Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the applicable income tax rate for each jurisdiction. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities

and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

xx Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xxi Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

"Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss."

xxii Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xxiii Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is

not due within the normal operating cycle after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xxiv Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxv Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

xxvi Provision for warranty

In case of real estate projects of a subsidiary, the estimated liability for warranty is recorded on the building and its components during the construction period. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions during the construction period under warranty phase.

xxvii Resurfacing expenses

Resurfacing costs are recognised and measured in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at each reporting date.

xxviii Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities premium reserve.

xxix Share Based Payments

Certain employees of the Group are entitled to remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. The stock compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest using fair value in accordance with Ind-AS 102, Share based payment.

xxx Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

Note 2.2 Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by

International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from 1 April 2017.

i Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

ii Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

Note 2.3 Disclosures as required by Indian Accounting standard (Ind AS) 101 First time adoption of Indian accounting standard

The Group has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

restated accordingly.

i Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions:

- a Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS. Accordingly, the Group has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.
- b Since, there is no change in the functional currency of the Group, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.
- c The Group has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.
- d The Group has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign currency monetary translation account" and amortised over the remaining life of the concerned monetary item.
- e Share-based payment transactions: Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based payment to equity instruments that were granted on or before the date of transition to Ind AS. The Group

has elected not to apply Ind AS 102 to awards that vested prior to 1 April 2015.

- f Fair value measurement of financial assets or liabilities at initial recognition: The Group has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.
- g Designation of previously recognised financial instruments: The Group does not have any financial assets or liabilities as of the transition dates which were required to be designated, and which met the required criteria given in Ind AS 101, as a financial asset or financial liability at FVPL.

ii Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a Estimates

The estimates as at 1 April 2015 and 31 March 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

- (i) Impairment of financial assets based on the expected credit loss model; and
- (ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Group to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c Classification and movement of financial assets and liabilities

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

iii Reconciliation of equity as previously reported under previous GAAP to Ind AS:

₹ crore

Particulars	Refer note	Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	2.3 (iii) 12	1,809.64	(103.18)	1,706.46	2,011.99	(48.72)	1,963.27
Capital work-in-progress	2.3 (iii) 12	1,709.02	(12.53)	1,696.49	1,518.87	18.96	1,537.83
Investment property	2.3 (iii) 13	-	2.06	2.06	-	1.93	1.93
Intangible assets	2.3 (iii) 12	1,625.42	(1,594.02)	31.40	2,357.21	(2,337.14)	20.07
Intangible assets under development	2.3 (iii) 12	2,029.88	(2,029.88)	-	1,616.31	(1,614.59)	1.72
Goodwill	2.3 (iii) 12	126.88	(0.19)	126.69	124.78	(3.88)	120.90
Financial assets							
Investments	2.3 (iii) 1, 2, 6 and 12	109.63	429.91	539.54	220.80	565.38	786.18
Trade receivables	-	2,161.35	-	2,161.35	1,494.16	(0.01)	1,494.15
Loans	2.3 (iii) 13	-	0.19	0.19	-	3.04	3.04
Other financial assets	2.3 (iii) 3,4 and 12	64.14	(14.41)	49.73	129.13	(95.07)	34.06
Deferred tax assets (net)	2.3 (iii) 9	16.78	40.37	57.15	18.46	44.48	62.94
Other non-current assets	2.3 (iii) 12	426.97	(109.88)	317.09	491.54	(178.86)	312.68
Total non-current assets		10,079.71	(3,391.56)	6,688.15	9,983.25	(3,644.48)	6,338.77
Current assets							
Inventories	2.3 (iii) 12	6,702.26	(4,293.17)	2,409.09	6,873.39	(4,741.77)	2,131.62
Financial assets							
Investments	2.3 (iii) 12	21.05	38.27	59.32	52.08	5.34	57.42
Trade receivables	2.3 (iii) 12	480.02	112.19	592.21	734.06	308.90	1,042.96
Cash and cash equivalents	2.3 (iii) 12	315.15	(121.70)	193.45	350.08	(26.16)	323.92
Other bank balances	2.3 (iii) 12	526.55	4.08	530.63	464.22	(4.75)	459.47
Loans	2.3 (iii) 12	30.50	48.86	79.36	53.21	66.90	120.11
Other financial assets	2.3 (iii) 4 and 12	41.42	4,861.21	4,902.63	58.07	4,882.13	4,940.20
Assets included in disposal group classified as held for sale		-	2.00	2.00	-	2.00	2.00
Other current assets	2.3 (iii) 12	316.56	14.21	330.77	391.66	(10.54)	381.12
Total current assets		8,433.51	665.95	9,099.46	8,976.77	482.05	9,458.82
TOTAL ASSETS		18,513.22	(2,725.61)	15,787.61	18,960.02	(3,162.43)	15,797.59

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Particulars	Refer note	₹ crore					
		Balance sheet as at 31 March 2016			Opening balance sheet as at 1 April 2015		
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital	-	77.91	-	77.91	64.58	-	64.58
Other equity	2.3 (iii) 4, 11 and 12	625.10	(1,185.12)	(560.02)	459.34	(994.30)	(534.96)
Non-controlling interests	2.3 (iii) 12	202.45	(184.96)	17.49	219.82	(114.71)	105.11
Total equity		905.46	(1,370.08)	(464.62)	743.74	(1,109.01)	(365.28)
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	2.3 (iii) 5 and 12	7,190.81	(1,676.91)	5,513.88	8,236.20	(2,133.96)	6,102.23
Other financial liabilities	2.3 (iii) 6 and 12	549.39	(82.48)	466.91	48.97	59.80	108.77
Provisions	2.3 (iii) 8	127.22	119.19	246.41	93.62	131.75	225.37
Deferred tax liabilities (net)	2.3 (iii) 9	116.17	243.65	359.82	87.46	75.06	162.52
Total non-current liabilities		7,983.59	(1,396.55)	6,587.02	8,466.25	(1,867.35)	6,598.89
Current liabilities							
Financial liabilities							
Borrowings	2.3 (iii) 12	2,148.79	0.90	2,149.69	2,095.80	(12.87)	2,082.93
Trade payables	2.3 (iii) 12	2,862.48	89.40	2,951.88	3,511.77	(126.55)	3,385.22
Other financial liabilities	2.3 (iii) 6 and 12	2,619.63	(232.63)	2,387.00	2,222.79	(257.26)	1,965.54
Other current liabilities	2.3 (iii) 12	1,831.25	180.79	2,012.04	1,726.71	224.70	1,951.41
Provisions	2.3 (iii) 8 and 12	162.02	2.58	164.60	192.96	(14.09)	178.87
Total current liabilities		9,624.17	41.04	9,665.21	9,750.03	(186.07)	9,563.97
TOTAL EQUITY AND LIABILITIES		18,513.22	(2,725.61)	15,787.61	18,960.02	(3,162.43)	15,797.59

Reconciliation of net profit as previously reported under previous GAAP to Ind AS

Particulars	Refer note	₹ crore		
		Year ended 31 March 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS
Income				
Revenue from operations	2.3 (iii) 12	8,768.08	(227.92)	8,540.16
Other income	2.3 (iii) 3, 6 and 12	84.45	(1.54)	82.91
Total income		8,852.53	(229.46)	8,623.07
Expenses				
Cost of construction materials consumed	2.3 (iii) 12	1,000.88	1.97	1,002.85
Purchase of traded goods	-	3.51	(2.52)	0.99
Subcontracting expenses	2.3 (iii) 12	4,538.26	(73.60)	4,464.66
Construction expenses	2.3 (iii) 12	612.97	(4.39)	608.58

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Particulars	Refer note	Year ended 31 March 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS
Employee benefits expense	2.3 (iii) 7 and 12	937.82	27.30	965.12
Finance costs	2.3 (iii) 3, 4, 5 and 12	1,354.74	(134.44)	1,220.30
Depreciation and amortisation expense	2.3 (iii) 12	343.21	(92.74)	250.48
Other expenses	2.3 (iii) 12	456.02	4.08	460.10
Total expenses		9,247.41	(274.34)	8,973.08
Profit before exceptional items and tax				
Exceptional items	2.3 (iii) 1	75.93	83.43	159.36
Profit/(loss) before share of (profit)/loss of associates and joint ventures and tax		(318.95)	128.30	(190.65)
Share of profit / (loss) of associates and joint ventures		12.52	(126.37)	(113.84)
Profit/(loss) before tax		(306.43)	1.93	(304.49)
Tax expense				
Current income tax	2.3 (iii) 9 and 12	0.72	29.04	29.76
Deferred income tax (including MAT)	2.3 (iii) 9 and 12	30.40	172.68	203.09
		31.12	201.72	232.85
Profit for the year (A)		(337.55)	(199.79)	(537.34)
Other comprehensive income	2.3 (iii) 10			
(a) Items not to be reclassified subsequently to profit or loss				
- Gain on fair value of defined benefit plans as per actuarial valuation	2.3 (iii) 7	-	25.67	25.67
- Income tax effect on above	2.3 (iii) 9	-	-	-
- Gain/ (loss) on fair value of equity instruments	2.3 (iii) 1	-	(12.36)	(12.36)
- Income tax effect on above	2.3 (iii) 9	-	-	-
(b) Items to be reclassified subsequently to profit or loss				
- Gain/(loss) on exchange fluctuations		-	34.27	34.27
Other comprehensive income for the year, net of tax (B)		-	47.58	47.58
Total comprehensive income for the year, net of tax (A+B)		(337.55)	(152.21)	(489.76)

Explanation for reconciliation

1. Investment

Under Ind AS, investments in debentures and certain equity instruments are carried at fair value through OCI as compared to being carried at cost under previous GAAP. The adjustment represents the difference in the fair value and the cost of investments in debenture/ equity instruments.

2. Loans

Under Ind AS, loans are valued at present value as compared to being carried at cost in the previous GAAP. This adjustment includes the difference between the book value and the present value of an interest free loan or loan below market rate given to associate and joint venture company, which is treated as investment. The interest on the present value of this loan is recognised over the tenure of the loan using the EIR method.

3. Other financial assets - Security deposits

Under Ind AS, interest free lease deposits are valued at present value as compared to being carried at transaction value in the previous GAAP. The adjustment includes the difference between the book value and present value of interest free security deposits which has been recognised as deferred rent expense. This amount is subsequently

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

charged to the Statement of Profit and Loss on a straight line basis as an interest expense. Further, interest income computed on the present value of the security deposit is recognised over the tenure of the security deposit using the EIR method.

4. Other financial assets - Financial guarantees

Under Ind AS, the financial guarantee given by associate and joint venture company to the lender of the Group for its borrowings are recognised initially as an asset at fair value which is subsequently amortised as an interest expense to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

5. Borrowings

Ind AS 109 requires transaction cost incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the EIR method.

As stated in note 16, the Company had restructured its debt in 2012 which was determined to be a substantial modification. This resulted into extinguishment of the old liabilities and recognition of new liabilities as on the transition date. For the loans which were not substantially modified, the loans were carried at book value less transaction costs, if any. Under Ind AS, loans are valued at present value as against cost in the previous GAAP. The difference between the present value and cost is recognised in the opening retained earnings.

6. Other financial liabilities - Financial guarantees

Under Ind AS, financial guarantees given by the Group for its associate and joint venture company are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

7. Defined benefits obligations

Under Ind AS, actuarial gains and losses are recognised in the OCI as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

8. Provisions

Under the previous GAAP, discounting of provisions was not permitted. Under Ind AS, provisions are measured at discounted amounts if the effect of time value is material. As the effect of time value is not material, provisions have not been discounted.

9. Income tax

Current income tax

Tax component on the gain/ (loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

Deferred income tax (including MAT)

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

10. Other comprehensive income

Under the previous GAAP, the Group has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

11. Other equity

Adjustments to retained earnings and OCI have been made in accordance with Ind AS, for the above mentioned transition items.

12. Subsidiary consolidated under Indian GAAP classified as joint venture

The Group has assessed that it does not have power, exposure to variable returns in respect of the subsidiary as per Ind AS 110. The Group concluded that it has joint control and hence equity method of accounting has been followed under Ind AS.

13. Recognition of investment property

Under Ind AS, the investment properties are reclassified from PPE and presented separately.

iv Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 3 Property, plant and equipment

Particulars	₹ crore											Total
	Freehold land	Leasehold improvements	Building and sheds	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Helicopter/ Aircraft	Speed boat	Computers	Biological Assets	
Gross carrying value (at deemed cost)												
As at 1 April 2015	38.58	19.59	1,061.56	1,842.09	46.11	190.69	138.21	182.27	1.49	36.53	2.52	3,559.64
Additions	1.13	-	-	18.80	0.03	1.12	7.81	3.14	-	1.40	-	33.43
Disposals	-	-	3.83	76.95	0.14	12.21	9.50	-	-	1.39	-	104.01
Adjustments	-	-	-	8.43	-	-	-	-	-	-	-	8.43
As at 31 March 2016	39.71	19.59	1,057.73	1,792.37	46.00	179.60	136.52	185.41	1.49	36.54	2.52	3,497.49
Additions	-	2.85	28.67	39.24	-	0.16	2.90	-	-	0.59	-	74.41
Disposals	1.31	-	-	49.45	1.37	2.26	6.97	-	-	1.96	-	63.33
Adjustments	-	(18.37)	-	(2.17)	18.37	-	-	(1.05)	-	-	-	(3.22)
As at 31 March 2017	38.40	4.07	1,086.40	1,779.99	63.00	177.50	132.45	184.36	1.49	35.17	2.52	3,505.35
Accumulated depreciation												
As at 1 April 2015	0.20	9.90	208.44	1,055.26	30.25	144.01	59.52	55.62	0.44	32.09	0.65	1,596.37
Depreciation charge	0.03	2.13	49.10	147.91	3.03	14.21	14.06	10.37	0.11	2.23	0.13	243.30
Accumulated depreciation on disposals	-	-	0.36	64.47	0.04	10.86	2.82	-	-	1.39	-	79.95
Impairment loss	-	-	13.36	17.13	0.81	-	-	-	-	-	-	31.30
As at 31 March 2016	0.23	12.03	270.54	1,155.83	34.05	147.36	70.76	65.99	0.55	32.93	0.78	1,791.03
Depreciation charge	0.05	2.17	46.49	117.64	2.26	10.55	9.26	10.55	0.11	1.11	0.13	200.32
Accumulated depreciation on disposals	0.18	-	-	35.46	1.28	2.12	6.52	-	-	1.79	-	47.35
Adjustments	-	(13.23)	-	-	13.23	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	0.10	0.97	317.03	1,238.01	48.26	155.79	73.50	76.54	0.66	32.25	0.90	1,944.00
Net carrying value												
As at 1 April 2015	38.38	9.69	853.12	786.83	15.87	46.67	78.69	126.65	1.04	4.44	1.87	1,963.27
As at 31 March 2016	39.48	7.56	787.19	636.54	11.94	32.24	65.76	119.42	0.93	3.61	1.74	1,706.46
As at 31 March 2017	38.30	3.10	769.37	541.98	14.73	21.71	58.95	107.82	0.82	2.92	1.61	1,561.35

Net carrying value	31 March 2017	31 March 2016	1 April 2015
Property, plant and equipment	1,561.35	1,706.46	1,963.27
Capital work-in-progress	1,890.42	1,696.49	1,537.83

Note 3.1 Assets included in disposal group classified as held for sale

Net carrying value	31 March 2017	31 March 2016	1 April 2015
Building	2.00	2.00	2.00
TOTAL	2.00	2.00	2.00

The Group intends to dispose off the Building as it is not intended to be utilized for business purpose in future. Building has been depreciated till 31 March 2015 and thereafter classified as Assets included in disposal group classified as held for sale with no depreciation charged from 1 April 2015. Some component of the building which was under construction has also been earmarked as held for sale in "as is where is" basis. Buyer for these assets has been identified with the terms of sale being under negotiation. Loss to the tune of ₹ 5.03 crores was recognized on reclassification. As at 31 March, 2017, the Group believes that the fair value of these assets exceeds the carrying amount.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 4 Intangible assets

Particulars				₹ crore
	Computer software	Trade marks	Total	Goodwill
Gross carrying value (at deemed cost)				
As at 1 April 2015	61.33	0.75	62.08	120.90
Additions	17.82	0.71	18.53	5.79
Disposals	-	-	-	-
As at 31 March 2016	79.15	1.46	80.61	126.69
Additions	1.83	0.13	1.96	-
Disposals	3.83	-	3.83	-
As at 31 March 2017	77.16	1.59	78.74	126.69
Accumulated amortisation				
As at 1 April 2015	41.27	0.73	42.00	-
Amortisation charge	6.46	0.72	7.18	-
Impairment loss	0.03	-	0.03	-
As at 31 March 2016	47.76	1.45	49.21	-
Amortisation charge	5.50	-	5.50	-
Accumulated amortisation	1.16	-	1.16	-
Adjustment	-	-	-	(2.20)
As at 31 March 2017	52.10	1.45	53.55	2.20
Net carrying value				
As at 1 April 2015	20.06	0.02	20.07	120.90
As at 31 March 2016	31.39	0.01	31.40	126.69
As at 31 March 2017	25.06	0.14	25.22	124.49
Net carrying value		31 March 2017	31 March 2016	31 April 2015
Intangible assets		25.22	31.40	20.07
Intangible assets under development		-	-	1.72

Note 4.1 Impairment testing for goodwill

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount of such assets. For the purpose of impairment testing, individual entities business is considered as one CGU. The recoverable amount of the CGU is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used. The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins. Based on the above, no impairment provision considered necessary as the recoverable value of the CGU exceeded the carrying value.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 31 March 2015 ₹ crore
Note 5 Non-current investments			
I. Investments valued at deemed cost, fully paid up			
Investment in equity shares			
In associates in India	15.43	29.37	25.91
In associates outside India	18.70	41.73	46.59
In joint venture in India	356.52	444.70	534.23
II. Investments valued at amortised cost			
Investments in debentures			
In an associate in India (ceased to be an associate w.e.f. 10 July 2015)	-	-	78.89
III. Investments in equity shares in others carried at fair value through OCI, fully paid up			
In India	48.42	20.09	32.44
Outside India	4.17	3.65	68.12
	443.24	539.54	786.18

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017		As at 31 March 2016	
	Unquoted ₹ crore	Quoted ₹ crore	Unquoted ₹ crore	Quoted ₹ crore
Note 5.1 Detailed list of non-current investments				
I. Investments valued at deemed cost, fully paid up				
a) Investments in equity shares:				
i) In associate in India				
Knowledge Vistas Limited	13.45	-	14.50	-
310,481 (31 March 2016: 310,481) equity shares of ₹ 10 each				
Warasgaon Lakeview Hotels Limited (upto 28 February 2017)	-	-	14.87	-
109,646 (31 March 2016: 140,957) equity shares of ₹ 10 each				
Highbar Technocrat Limited	1.98	-	-	-
49,940 (31 March 2016: Nil) equity shares of ₹ 10 each				
	<u>15.43</u>	<u>-</u>	<u>29.37</u>	<u>-</u>
ii) In associates outside India				
Evostate AG, Zurich	5.87	-	37.93	-
30 (31 March 2016: 30) equity shares of CHF 1,000 each				
Projektentwicklungsges. Parking AG Basel	3.48	-	3.80	-
850 (31 March 2016: 850) equity shares of CHF 1,000 each				
MCR Managing Corp	9.35	-	-	-
30 (31 March 2016: Nil) equity shares of CHF 1,000 each				
	<u>18.70</u>	<u>-</u>	<u>41.73</u>	<u>-</u>
iii) In joint venture in India				
HCC Concessions Limited	315.40	-	403.23	-
2,917,151 (31 March 2016: 2,917,151) equity shares of ₹ 10 each				
Ecomotel Hotel Limited	6.57	-	5.51	-
10,132,240 (31 March 2016: 8,632,300) equity shares of ₹ 10 each				
Green Hills Residences Limited	0.00*	-	0.00*	-
53,319 (31 March 2016: 53,319) equity shares of ₹ 10 each				
WhistlingThrush Facilities Services Limited	0.00*	-	0.32	-
27,540 (31 March 2016: 27,540) equity shares of ₹ 10 each				
Spotless Laundry Services Limited	0.00*	-	0.00*	-
96,437 (31 March 2016: 96,437) equity shares of ₹ 10 each				
Bona Sera Hotels Limited	0.00*	-	0.00*	-
122,563 (31 March 2016: 42,900) equity shares of ₹ 10 each				
Starlit Resort Limited	3.93	-	3.82	-
49,400 (31 March 2016: 49,400) equity shares of ₹ 10 each				
Andromeda Hotels Limited	2.95	-	2.97	-
61,070 (31 March 2016: 61,070) equity shares of ₹ 10 each				
Apollo Lavasa Health Corporation Limited	27.67	-	28.85	-
6,26,808 (31 March 2016: 6,26,808) equity shares of ₹ 10 each				
	<u>356.52</u>	<u>-</u>	<u>444.70</u>	<u>-</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017		As at 31 March 2016	
	Unquoted ₹ crore	Quoted ₹ crore	Unquoted ₹ crore	Quoted ₹ crore
II. Investment in equity shares in others carried at fair value through OCI, fully paid up				
a) In India				
Punjab National Bank Limited 4,715 (31 March 2016: 943) equity shares of ₹ 2 each	-	0.05	-	0.04
Hubtown Limited 10 (31 March 2016: 10) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Ansal Housing and Construction Limited 30 (31 March 2016: 10) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Ansal Properties and Infrastructure Limited 10 (31 March 2016: 10) equity shares of ₹ 5 each	-	0.00*	-	0.00*
Ashiana Housing Limited 175 (31 March 2016: 35) equity shares of ₹ 2 each	-	0.00*	-	0.00*
DLF Limited 10 (31 March 2016 : 10) equity shares of ₹ 2 each	-	0.00*	-	0.00*
Housing Development Infrastructure Limited 12 (31 March 2016 : 12) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Indiabulls Real Estate Limited 10 (31 March 2016 : 10) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Indiabulls Wholesale Services Limited 1 (31 March 2016 : 1) equity share of ₹ 2 each	-	0.00*	-	0.00*
Mahindra Lifestyle Limited 10 (31 March 2016 : 10) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Orbit Corporation Limited 20 (31 March 2016 : 20) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Parshwanath Developers Limited 20 (31 March 2016 : 20) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Peninsula Land Limited 50 (31 March 2016: 50) equity shares of ₹ 2 each	-	0.00*	-	0.00*
Shoba Developers Limited 10 (31 March 2016: 10) equity shares of ₹ 10 each	-	0.00*	-	0.00*
Unitech Limited 10 (31 March 2016: 10) equity shares of ₹ 2 each	-	0.00*	-	0.00*
D S Kulkarni Developers Limited 10 (31 March 2016: 10) equity shares of ₹ 10 each	-	0.03	-	0.00*
Hindustan Kohinoor Co Op Society 45 (31 March 2016: 45) equity shares of ₹ 50 each	-	0.00*	-	0.00*
Khandwala Securities Limited 3,332 (31 March 2016: 3,332) equity shares of ₹ 10 each	-	0.01	-	0.01
Housing Development Finance Corporation Limited 15,220 (31 March 2016: 15,220) equity shares of ₹ 2 each	-	2.28	-	1.68
HDFC Bank Limited 2,500 (31 March 2016: 2,500) equity shares of ₹ 10 each	-	0.37	-	0.27

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017		As at 31 March 2016	
	Unquoted ₹ crore	Quoted ₹ crore	Unquoted ₹ crore	Quoted ₹ crore
Walchand Co-op. Housing Society Limited 5 (31 March 2016: 5) equity shares of ₹ 50 each	0.00*	-	0.00*	-
Shushrusha Citizens Co-Op. Hospitals Limited 100 (31 March 2016 : 100) equity shares of ₹ 100 each	0.00*	-	0.00*	-
Hincon Finance Limited 120,000 (31 March 2016 : 120,000) equity shares of ₹ 10 each	36.68	-	18.09	-
Vikhroli Corporate Park Private Limited (VCPPL) (Refer note 5.2) 260 (31 March 2016: 260) equity shares of ₹ 10 each	0.00*	-	0.00*	-
Osprey Hospitality Limited 60 (31 March 2016: 50,000) equity shares of ₹ 10 each	0.00*	-	0.00*	-
Warasgaon Lakeview Hotels Limited (w.e.f 1 March 2017) 109,646 (31 March 2016: 140,957) equity shares of ₹ 10 each	9.00	-	-	-
	<u>45.68</u>	<u>2.74</u>	<u>18.09</u>	<u>2.00</u>
a) Outside India				
Radio- und Fernsehgenossenschaft Zürich-Schaffhausen 50 (31 March 2016 : 50) equity shares	0.00*	-	0.00*	-
Opernhaus Zürich AG 10 (31 March 2016 : 10) equity shares of CHF 900 each	0.04	-	0.04	-
Genossenschaft Theater für den Kt. Zürich 300 (31 March 2016 : 300) equity shares	0.00*	-	0.00*	-
Betriebsges. Kongresshaus Zürich AG 30 (31 March 2016 : 30) equity shares of CHF 1,000 each	0.26	-	0.31	-
AG Hallenstadion Zürich 10 (31 March 2016 : 10) equity shares of CHF 100 each	0.00*	-	0.03	-
MTZ Medizinisches Therapiezentrum 50 (31 March 2016 : 50) equity shares of CHF 1,000 each	0.32	-	0.34	-
Mobimo Holding AG 720 (31 March 2016 : 720) equity shares of CHF 29 each	-	1.23	-	1.10
Goldbach Media AG 6,000 (31 March 2016 : 6,000) equity shares of CHF 1.25 each	-	1.35	-	0.95
MCH Group AG 2,100 (31 March 2016 : 2,100) equity shares of CHF 10 each	-	0.97	-	0.88
	<u>0.62</u>	<u>3.55</u>	<u>0.72</u>	<u>2.93</u>
Total Non Current investments	<u>436.95</u>	<u>6.28</u>	<u>534.61</u>	<u>4.93</u>
		<u>443.24</u>		<u>539.54</u>
Details:				
Aggregate of non-current investments:				
(i) Book value of investments	436.95	6.28	534.61	4.93
(ii) Market value of investments	-	6.28	-	4.93
	<u>436.95</u>	<u>6.28</u>	<u>534.61</u>	<u>4.93</u>
(i) Investments carried at cost	390.65	-	515.80	-
(ii) Investments carried at amortised cost	-	-	-	-
(iii) Investments carried at fair value through OCI	46.30	6.29	18.81	4.93
	<u>436.95</u>	<u>6.29</u>	<u>534.61</u>	<u>4.93</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 5.2 During the year ended 31 March 2016, the Group divested 26% equity stake in VCPPL for an aggregate consideration of ₹ 90.03 crore out of which the Company received ₹ 77.03 crore resulting in gain of ₹ 70.61 crore. Balance ₹ 13 crore will be realised and accounted for on fulfilment of certain conditions.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore
Note 5.3 The Group's share of loss from equity accounted investments is as follows:		
In joint venture		
HCC Concessions Limited	(544.08)	(456.23)
Ecomotel Hotel Limited	(1.29)	(0.82)
Green Hills Residences Limited	(2.36)	(2.36)
Whistling Thrush Facilities Services Limited	(0.23)	0.09
Spotless Laundry Services Limited	(7.08)	(7.08)
Bona Sera Hotels Limited	-	-
Starlit Resort Limited	0.40	0.21
Andromeda Hotels Limited	1.11	1.13
Apollo Lavasa Health Corporation Limited	(19.55)	(18.39)
In associate		
Highbar technologies Limited	1.93	-
Knowledge Vistas Limited	(0.87)	0.18
Warasgaon Lakeview Hotels Limited (upto 28 February 2017)	1.96	1.96
Evostate AG	15.32	15.32
MCR Managing Corp	3.00	-
Projektentwicklungsges. Parking AG Basel	(0.23)	(0.08)
	<u>(551.97)</u>	<u>(466.07)</u>

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 31 March 2015 ₹ crore
Note 6 Trade receivables			
Unsecured, considered good			
Non-current			
Trade receivables (Refer notes 6.1 and 34) ^	1,429.09	2,161.35	1,494.15
[Including retention ₹ 0.79 crore (31 March 2016: ₹ 32.69 crore, 1 April 2015: ₹ 0.79 crore)]			
Total non-current trade receivables	<u>1,429.09</u>	<u>2,161.35</u>	<u>1,494.15</u>
Current			
a) Trade receivables (Refer notes 6.1 and 34) ^^			
- Unsecured considered good	2,293.04	553.93	959.01
[including retention of ₹ 364.80 crore (31 March 2016: ₹ 279.25 crore, 1 April 2015: ₹ 270.35 crore)]			
- Unsecured considered doubtful	1.74	1.86	1.67
- Less: Impairment loss provision	(1.74)	(1.86)	(1.67)
b) Receivables from related parties ^^^ (Refer note 39)			
- Unsecured considered good	14.66	38.28	83.95
[including retention of ₹ 13.76 crore (31 March 2016: ₹ 13.76 crore, 1 April 2015: ₹ 16.69 crore)]			
- Unsecured considered doubtful	3.35	-	-
- Less: Impairment loss provision	(3.35)	-	-
Total current trade receivables	<u>2,307.70</u>	<u>592.21</u>	<u>1,042.96</u>
Total trade receivables	<u>3,736.79</u>	<u>2,753.56</u>	<u>2,537.11</u>

^ Net off advance received against work bill / claims ₹ 110.91 crore (31 March 2016: ₹ 353.71 crore, 1 April 2015: ₹ 211.56 crore)

^^ Net off advance received against work bill ₹ 332.82 crore (31 March 2016: ₹ 270.9 crore, 1 April 2015: ₹ 3.26 crore)

^^^ Net off advance received against work bill ₹ 460.97 crore (31 March 2016: ₹ 264.01 crore, 1 April 2015: ₹ 0.88 crore)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 6.1 Trade receivable includes ₹ 3,317.74 crore (31 March 2016: ₹ 2,668.90 crore; 1 April 2015: ₹ 1,772.16 crore) on account of claims awarded in arbitration in favour of the Company which have been challenged by the client in High Courts/ Supreme Court.

Note 6.2 There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Note 6.3 Trade receivables, except receivables on account of claims awarded in arbitration in favour of the Group, are non-interest bearing and are generally on terms of 30 to 90 days.

Note 6.4 As decided by the Cabinet Committee on Economic Affairs (CCEA) (Government of India), in respect of claims where arbitration awards have been decided in favour of the Company but further challenged by customers, the customers shall pay 75% of the arbitral award amount to the Company, in an escrow account, against a bank guarantee (BG). As at 31 March 2017, the Company's receivables include ₹ 2,948.32 crore (net of advances of ₹ 443.64 crore) on account of such awards.

The Company has received letters from its customers conveying release of 75% of the arbitral award amount resulting in a payout aggregating ₹ 1,882 crore, of which the Company has realised ₹ 380.19 crore till date (including ₹ 148.39 crore realised during the year ended 31 March 2017). The balance amount is presently pending on account of completion of certain formalities by the Company. The Company is pursuing with customers for issuance of similar payout letters for the balance amounts.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 7 Loans			
Unsecured, considered good			
Non-current			
Loans to employees	-	0.19	3.04
Total non-current loans	-	0.19	3.04
Current			
Loans to employees	-	0.02	0.02
Loans to related parties			
- Unsecured considered good	56.29	79.34	120.09
- Unsecured considered doubtful	63.77	15.75	7.88
Less: Impairment loss provision	(63.77)	(15.75)	(7.88)
Total current loans	56.29	79.36	120.11
Total loans	56.29	79.55	123.15

Note 8 Other financial assets

Non-current

Security and other deposits

- related parties (Refer note 39)	-	-	4.12
- others	25.04	26.59	17.94
Margin money deposits	7.45	23.14	12.00
Total non-current financial assets	32.49	49.73	34.06

Current

Unbilled work-in-progress ^ (Refer note 34)	5,253.31	4,816.46	4845.68
Security and other deposits	27.09	17.98	20.83
Interest accrued on deposits/ advances	2.63	5.38	10.73
Other assets	15.77	62.81	62.96
Total current financial assets	5,298.80	4,902.63	4,940.20
Total other financial assets	5,331.30	4,952.36	4,974.26

^ Net off advance received against work bill ₹ 213.28 crore (31 March 2016: ₹ 145.97 crore, 1 April 2015: ₹ 134.12 crore)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 9 Income tax assets (net)			
i. The following table provides the details of income tax assets and liabilities:			
a) Income tax assets	353.28	357.74	362.52
b) Current income tax liabilities	200.21	180.22	149.50
Net balance (Refer note 10)	<u>153.07</u>	<u>177.52</u>	<u>213.02</u>
		Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
ii. The gross movement in the current tax asset/ (liability) for the years ended is as follows:			
Net current income tax asset at the beginning		177.52	213.01
Income tax paid		(74.70)	(65.25)
Current income tax expense		50.25	29.76
Income tax on other comprehensive income		-	-
Net current income tax asset at the end		<u>153.07</u>	<u>177.52</u>
iii. Income tax expense in the Statement of Profit and Loss comprises:			
Current income taxes		50.25	29.76
Deferred income taxes charge/(credit) ^		(89.81)	203.09
Income tax expenses (net)		<u>(39.56)</u>	<u>232.85</u>
^ Entire deferred income taxes for the years ended 31 March 2017 and 31 March 2016 relates to origination and reversal of temporary differences and is net of MAT credit entitlement of ₹ 33.27 crore (31 March 2016: ₹ 30.13 crore)			
iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit/(loss) before income taxes is as below:			
Profit/(loss) before income tax		(1,022.17)	(304.49)
Enacted tax rates in India		34.61%	34.61%
Computed expected tax expense		<u>(353.77)</u>	<u>(105.38)</u>
Tax expense of jointly controlled operations		(4.03)	(7.69)
Tax effect of overseas taxes		29.03	(2.01)
Effect of expenses not allowed for tax purpose		365.44	(118.88)
Effect of income not considered for tax purpose		2.89	1.11
Income tax expense credit/(charge) to the Statement of Profit and Loss		<u>39.56</u>	<u>(232.85)</u>
v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:			
	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Deferred income tax liability			
Timing difference on tangible and intangible assets depreciation and amortisation	151.99	772.59	646.13
Claims/arbitration awards	1,217.24	943.56	680.43
Deemed equity investment	353.04	343.79	90.28
Impacts of recognition of financial instruments measured initially at fair value and subsequently at amortised cost	1,042.50	382.19	252.29
Others	179.05	180.33	85.51

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Deferred income tax asset			
Business loss/ unabsorbed depreciation	(1,813.80)	(1,435.74)	(1,178.29)
Provision for impairment of doubtful trade receivables	(0.03)	(0.01)	(0.01)
Deemed equity investment by holding company	(0.16)	(0.12)	(0.16)
Impacts of recognition of financial instruments measured initially at fair value and subsequently at amortised cost	(437.42)	(414.61)	(223.63)
Pension assets	(12.33)	(24.11)	(20.60)
Others	(340.70)	(335.51)	(152.81)
MAT credit entitlement	(126.52)	(109.69)	(79.56)
Total deferred tax liabilities / (assets) (net)	<u>212.86</u>	<u>302.67</u>	<u>99.58</u>
Note 10 Other assets			
Non-current			
Capital advances	13.54	36.42	0.78
Balances with government authorities	128.24	96.15	95.26
Income tax balances [Refer note 9 (i)]	156.20	180.65	213.12
Deferred rent expense	1.16	2.50	1.63
Prepaid expenses	0.87	1.37	1.89
Total other non-current assets	<u>300.01</u>	<u>317.09</u>	<u>312.68</u>
Current			
Advance to suppliers and sub-contractors			
- Unsecured considered good	225.43	150.44	194.35
- Unsecured considered doubtful	12.19	0.04	0.34
Less: Impairment loss provision	(12.19)	(0.04)	(0.34)
Advance for purchase of land			
- Unsecured considered good	52.48	60.57	68.51
- Unsecured considered doubtful	15.20	12.70	12.70
Less: Impairment loss provision	(15.20)	(12.70)	(12.70)
Balances with government authorities	74.52	72.38	45.89
Prepaid expenses	16.64	18.35	15.86
Deferred rent expense	-	0.70	0.70
Other assets	48.48	28.33	55.81
Total other current assets	<u>417.55</u>	<u>330.77</u>	<u>381.12</u>
Total other assets	<u>717.56</u>	<u>647.86</u>	<u>693.80</u>
Note 11 Inventories			
Land and development rights	2,236.88	2,232.50	1,899.64
Stores, spares and embedded goods	226.28	169.08	221.61
Fuel	9.29	7.24	8.33
Materials in transit	0.32	-	0.56
Finished units	0.26	0.27	1.48
Total inventories	<u>2,473.02</u>	<u>2,409.09</u>	<u>2,131.62</u>
Note 11.1 In case of LCL, cost of land includes:			
a) ₹ 12.71 crore (31 March 2016 ₹ 12.71 crore; 1 April 2015 ₹ 12.71 crore) in respect of which sale deed is yet to be executed in favour of LCL.			
b) ₹ 0.11 crore (31 March 2016 ₹ 0.11 crore; 1 April 2015 ₹ 0.11 crore) in respect of which irrevocable Power of Attorney is obtained in favour of LCL.			
c) ₹ 0.36 crore (31 March 2016 ₹ 0.36 crore; 1 April 2015 ₹ 0.36 crore) not covered by the Master Plan in respect of which sale deed is yet to be executed in the name of LCL.			
Note 12 Current investments			
Investments accounted for using the equity method			
Investment in joint venture	28.77	37.53	47.54
Investments in others carried at fair value through OCI			
Investment in mutual funds	4.46	21.79	9.88
Total current investments	<u>33.23</u>	<u>59.32</u>	<u>57.42</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017	As at 31 March 2016
	₹ crore	₹ crore
Note 12.1 Detailed list of current investments		
The Group's share of loss from equity accounted investments is as follows:		
In joint venture in India		
- Raiganj Dalkhola Highways Limited (Refer note 12.2)	-	-
- Baharampore Farakka Highways Limited (Refer note 12.2)	(15.39)	(9.93)
- Farakka Raiganj Highways Limited (Refer note 12.2)	(3.38)	(0.08)
Total share of loss from equity accounted investments	(18.77)	(10.01)

Note 12.2 The Group has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies and joint ventures as indicated below:

Name of the Company	No. of equity shares pledged	
	As at 31 March 2017	As at 31 March 2016
	₹ crore	₹ crore
Raiganj Dalkhola Highways Limited	510,000	510,000
Baharampore Farakka Highways Limited	510,000	510,000
Farakka Raiganj Highways Limited	510,000	510,000

Note 12.3 Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HIL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HIL/ BOT SPVs.

The Company has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highways Limited, Farakka - Raiganj Highways Limited., Dhule Palesner Tollways Limited and Raiganj - Dalkhola Highways Limited to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into sale agreement with HCL to sell these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI. The Company has received full consideration of ₹ 27.70 crore (31 March 2016: ₹ 27.70 crore; 1 April 2015: ₹ 45.58 crore) for transfer of the above shares at book value from HCL, subject to necessary approvals and consents to the extent required in the following BOT SPV's. During the year ended 31 March 2016, the Company has transferred 17,882,700 equity shares in Dhule Palesner Tollways Limited to HCL at book value.

Note 12.4 The Group has received ₹ 10 crore (31 March 2016: ₹ 10 crore, 1 April 2015: ₹ 10 crore) as advance towards sale of investment in Panchkutir Developers Limited

Name of the BOT SPV	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	₹ crore	No. of shares	₹ crore	No. of shares	₹ crore	No. of shares
Baharampore Farakka Highways Limited	11.70	11,700,000	11.70	11,700,000	11.70	11,700,000
Farakka Raiganj Highways Limited	13.00	13,000,000	13.00	13,000,000	13.00	13,000,000
Raiganj Dalkhola Highways Limited	3.00	3,000,000	3.00	3,000,000	3.00	3,000,000
Dhule Palesner Tollways Limited	0.00	100	0.00	100	17.88	17,882,800
Total	27.70	27,700,100	27.70	27,700,100	45.58	45,582,800

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 13 Cash and cash equivalents			
a) Balances with banks			
- Current accounts in Indian rupees	81.33	84.67	80.67
- Current accounts in foreign currency	136.16	107.78	232.15
b) Cash on hand	1.09	0.96	0.97
c) Cheques on hand	9.16	0.04	10.13
Total cash and cash equivalents	<u>227.74</u>	<u>193.45</u>	<u>323.92</u>

Note 13.1 Disclosure on specified bank notes (SBNs)

- (i) During the year, the Group had SBNs/ other denomination notes (other notes) as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017. The denomination wise details of the SBNs and other notes held and 'transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs ^ ₹ crore	Other notes ₹ crore	Total ₹ crore
Closing cash on hand as at 8 November 2016	1.28	0.53	1.81
(+) Permitted receipts	-	2.19	2.19
(-) Permitted payments	-	1.08	1.08
(-) Amount deposited in banks	1.28	1.19	2.47
Closing cash on hand as at 30 December 2016	<u>-</u>	<u>0.45</u>	<u>0.45</u>

- (ii) Following are the consolidated details [including coventurer(s) share] of the SBNs and other notes held and transacted in respect of jointly controlled entities of the Holding Company.

Particulars	SBNs ^ ₹ crore	Other notes ₹ crore	Total ₹ crore
Closing cash on hand as at 8 November 2016	0.02	0.01	0.03
(+) Permitted receipts	-	0.03	0.03
(-) Permitted payments	0.01	0.03	0.04
(-) Amount deposited in banks	0.01	-	0.01
Closing cash on hand as at 30 December 2016	<u>-</u>	<u>0.01</u>	<u>0.01</u>

^ For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the Government of India notification S.O. 3407 (E), dated 8 November 2016.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 14 Other bank balances			
Earmarked balances with banks for:			
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	47.49	29.55	26.50
Earmarked bank balances for specific projects	483.50	500.49	432.25
Balances with bank for unpaid dividend	0.41	0.59	0.72
Total other bank balances	<u>531.40</u>	<u>530.63</u>	<u>459.47</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore	
Note 15 Equity share capital				
Authorised share capital				
1,250,000,000	Equity shares of ₹ 1 each [Refer note g(i)] (31 March 2016: 900,000,000, 1 April 2015: 900,000,000 equity shares of ₹ 1 each)	125.00	90.00	90.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each (31 March 2016: 10,000,000, 1 April 2015: 10,000,000 preference shares of ₹ 10 each)	10.00	10.00	10.00
Total authorised equity share capital		<u>135.00</u>	<u>100.00</u>	<u>100.00</u>

Issued, subscribed and paid-up equity share capital:

1,010,651,635	Equity shares of ₹ 1 each fully paid up (31 March 2016: 779,106,906, 1 April 2015: 645,774,106 equity shares of ₹ 1 each)	101.06	77.90	64.57
	Add : 13,225 Forfeited equity shares (31 March 2016: 13,225, 1 April 2015: 13,225 equity shares)	0.01	0.01	0.01
Total issued, subscribed and paid-up equity share capital		<u>101.07</u>	<u>77.91</u>	<u>64.58</u>

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	₹ crore
As at 1 April 2015	645,787,331	64.58
Issued during the year [Refer note g(ii)]	<u>133,332,800</u>	<u>13.33</u>
As at 31 March 2016	779,120,131	77.91
Issued during the year [Refer notes g(iii) and 16.1]	<u>231,544,729</u>	<u>23.15</u>
As at 31 March 2017	<u>1,010,664,860</u>	<u>101.07</u>

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	% held	No. of shares	% held	No. of shares	% held	No. of shares
Promoter						
Hincon Holdings Limited	21.37%	216,023,600	27.73%	216,023,600	33.45%	216,023,600
Hincon Finance Limited	6.16%	62,261,186	7.99%	62,261,186	9.64%	62,261,186
Non-promoter						
HDFC Trustee Company Limited	6.93%	70,021,087	8.94%	69,621,087	-	-
Siwa Holding Limited	3.57%	36,082,151	4.63%	36,082,151	5.59%	36,082,151

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

d. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

As at 31 March 2017, there are 120,180 (31 March 2016: 1,654,630; 1 April 2015: 3,239,330) stock options outstanding convertible into equal number of equity shares of ₹ 1 each convertible at an exercise price of ₹ 52.03 per share.

During the year ended 31 March 2017, none of the options were exercised / converted into equity shares and 1,534,450 (31 March 2016: 1,584,700; 1 April 2015: 1,455,470) stock options got lapsed.

i. Options granted

- a) The Company offered 4,458,800 Stock Options on 25 April 2008 (each option carrying entitlement for one equity share of the face value of ₹ 1 each) at a price of ₹132.50 per equity share.

In accordance with the approval of the board of directors and shareholders of the Company, the ESOP compensation committee at its meeting held on 20 July 2009 reprised 4,131,600 options at ₹ 104.05 per equity share.

- b) The ESOP Compensation Committee of the Company at its Meeting held on 12 August 2010 decided to double the number of employee stock options (vested and unvested), not exercised and in-force, as on the Record Date i.e. 11 August 2010 and halved the exercise price on account of issuance and allotment of Bonus Equity Shares in the proportion of 1:1.

Accordingly, 3,553,760 employee stock options in-force granted by the Company on 25 April 2008 were doubled i.e. 7,107,520 and the exercise price in respect of the same was reduced from ₹ 104.05 to ₹ 52.03 per equity share.

- ii. Settlement Through Equity Shares

- iii. Options vested 120,180 number of options remain vested and outstanding as at 31 March 2017

e. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

- (i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

- (ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

- (iii) Aggregate number and class of shares bought back - Nil

- f. Pursuant to bonus issue of equity shares in the proportion of 1:1, outstanding 95,146 Global Depository Shares (outstanding as of Record Date i.e. 11 August 2010) increased to 190,292. Out of the total Global Depository Shares (GDR) issued, Nil (31 March 2016: Nil, 1 April 2015: 17,300) GDR's are outstanding as at 31 March 2017.

- g. (i) On 5 January 2017, the shareholders of the Company at its Extra-ordinary General Meeting approved the increase in authorised equity share capital from 900,000,000 equity shares of ₹ 1 each to 1,250,000,000 equity shares of ₹ 1 each.

- (ii) 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 (including ₹ 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.

- (iii) Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting held on 5 January 2017, the allotment committee of the Board of Directors at its meetings held on 6 January 2017/ 19 January 2017 allotted collectively to the lenders 231,544,729 equity shares of face value of ₹ 1 at a premium of ₹ 33.92 per share aggregating ₹ 808.55 crore and 14,414,874 Optionally Convertible Debentures (OCDs) of face value of ₹ 1,000 each at par (carrying coupon rate of 0.01% p.a.) aggregating ₹ 1,441.49 crore on preferential basis as part of the S4A Scheme. The implementation of S4A Scheme and consequent allotment of equity shares/ OCDs have been made in respect of all the lenders except where the approvals are awaited from few lenders for number of shares aggregating 12,360,383, which would be completed in due course. Also, refer note 16.1.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	Effective interest rate		As at	As at	As at
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	1 April 2015
			₹ crore	₹ crore	₹ crore
Note 16 Borrowings					
Non-current portion:					
I. Secured					
Non-Convertible Debentures	10.14% - 15.73%	10.13% - 15.68%	114.03	275.90	310.34
0.01% Optionally Convertible Debentures (OCDs)					
(i) From Banks	11.50%	-	1,167.59	-	-
(ii) From Others	11.50%	-	261.96	-	-
Term loans from banks					
(i) Rupee loans	9.77% - 14.17%	10.16% - 14.09%	2,831.94	3,616.81	4,117.13
(ii) Foreign currency term loans	2.05% - 5.00%	1.47% - 4.49%	60.55	153.31	229.69
Term loans from others	9.76% - 11.75%	10.17% - 11.75%	912.10	1,158.88	1,044.48
Subtotal (I)			5,348.17	5,204.90	5,701.64
II. Unsecured					
Convertible Debentures	12%	12%	19.07	-	14.47
Term loans from others	9.50% - 11.75%	10.25% - 11.75%	265.56	308.98	386.11
Subtotal (II)			284.63	308.98	400.59
Total non-current borrowings (I+II)			5,632.80	5,513.88	6,102.23
Current maturities of long-term borrowings:					
I. Secured					
Non-Convertible Debentures			773.52	556.11	475.38
Term loans from banks					
(i) Rupee loans			1,237.34	968.51	816.84
(ii) Foreign currency term loans			103.24	37.09	31.97
Term loans from others			271.12	253.09	163.33
Subtotal (I)			2,385.22	1,814.80	1,487.52
II. Unsecured					
Non-Convertible Debentures			-	16.62	-
Term loans from others			-	-	29.13
Subtotal (II)			-	16.62	29.13
Total current maturities of long-term borrowings (I+II)			2,385.22	1,831.42	1,516.65
Total borrowings			8,018.02	7,345.30	7,618.88

Note: For security details and terms of repayment, refer notes 16.2 and 16.4 below.

Note 16.1

Restructuring of borrowings under Corporate Debt Restructuring Scheme (CDR Scheme) and Scheme for Sustainable Structuring of Stressed Assets (S4A Scheme):

The Company received Letter of Approval (LOA) on 29 June 2012 issued by the Corporate Debt Restructuring Empowered Group (CDREG) approving the CDR Scheme. The CDR related documents had been executed and creation of security was completed. During the current year, the Company has implemented the S4A Scheme. The Joint Lender's Forum (JLF) adopted the S4A Scheme with reference date as 12 July 2016. The S4A Scheme was duly approved by the Reserve Bank

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

of India's mandated Overseeing Committee (OC) on 4 November 2016. Under the S4A Scheme, the Company's total debts amounting to ₹ 5,107 crores as at 1 October 2016 have been bifurcated into sustainable debt, to be serviced as per existing terms and conditions of those debts, and remainder debts (to the extent of 47.5% of the fund based exposure of the Company) have been converted into fully paid up equity shares in favour of the lenders and balance in OCDs collectively in favour of the lenders.

16.2 Details of security and terms of repayment

I. Secured

(A) Non-convertible debentures aggregating ₹ 144.69 crores (31 March 2016: ₹ 189.68 crores)

i) Axis

On restructuring by the CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

ii) LIC

On restructuring by the CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 16.2.1 for security details.

(B) Optionally Convertible Debentures (OCDs) aggregating ₹ 1,429.55 crores (31 March 2016: Nil)

OCDs have been issued to the lenders as part of the S4A Scheme with a tenor of 10 years and a coupon of 0.01% with an interest yield of 11.50% p.a. in yield equalization compounded on a quarterly basis. After the expiry of eighteen months from the date of issuance, the OCDs will be converted into non-convertible debentures in case of non occurrence of event of default as per the guidelines of S4A Scheme. The repayment of the OCD commences from the 6th anniversary of the allotment date. Refer note 16.2.2 for security details.

(C) Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2) aggregating ₹ 1,315.22 crores (31 March 2016: ₹ 2,314.08 crores)

RTL - 1 and RTL - 2 carry an interest yield of 11.50% p.a. and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 16.2.1 for security details.

(D) Working Capital Term Loan (WCTL-1) aggregating ₹ 17.63 crores (31 March 2016: ₹ 40.98 crores)

Working Capital Term Loan (WCTL -1) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 16 quarterly instalments commencing 15 April 2014 and ending on 15 January 2018. Refer note 16.2.1 for security details.

(E) Working Capital Term Loan (WCTL-2) aggregating ₹ 19.98 crores (31 March 2016: ₹ 64.98 crores)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer note 16.2.1 for security details.

(F) Other Term Loans

(i) Standard Chartered Bank - External Commercial Borrowings (ECB) USD 13.36 million

As at 31 March 2017, the ECB loan from Standard Chartered Bank carries an interest rate of 4.65% p.a. (3 month LIBOR plus 350 basis points). This loan is repayable in 17 quarterly instalments commencing 15 April 2014 and ending on 15 March 2018. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

(ii) Development Bank of Singapore - ECB USD 10.18 million

As at 31 March 2017, the ECB loan from Development Bank of Singapore carries an interest rate of 5% p.a. (3 month LIBOR plus 385 basis points). This loan is repayable in 17 quarterly instalments commencing 5 October 2014 and ending on 5 October 2018. The facility is secured by first charge by way of hypothecation of plant and machinery and heavy vehicles acquired under the facility described in the schedule I (2) to the deed of hypothecation executed on 29 April 2010.

(iii) Export Import Bank of United States - ECB USD 9.36 million

As at 31 March 2017, the ECB loan from Export Import Bank of United States carries an interest rate of 2.35% (3 month LIBOR plus 120 basis points). This loan is repayable in 35 equal quarterly instalments commencing 16 March 2011 and ending on 16 September 2019. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on one Hawker model 4000 airframe bearing manufacture's serial number RC-26 together with two installed model PW208 engines more particularly described under Clause 2.1 as per the Aircraft Charge Agreement executed on 6 January 2011.

(G) Funded Interest Term Loan (FITL)

FITL, carried an interest rate of 11.50% p.a., and was fully repaid during the year ended 31 March 2016.

(H) Rupee Term Loans (RTL-A) aggregating ₹ 157.25 crores (31 March 2016: ₹ 185.20 crores)

RTL-A carries interest rate of 11.75% p.a. (Individual Bank's Base Rate + Applicable Spread), payable monthly, to be reset annually with a two years moratorium and repayment terms of five years starting from financial year 2017-18. The said facility is having same security as RTL-1 lenders under the CDR Scheme.

II. Unsecured

A) Term Loan - other than Banks

The loan carried an interest rate of 11.50% p.a. and was fully repaid during the year ended 31 March 2016.

B) FITL from Other Parties

FITL, carried an interest rate of 11.50% p.a. and was fully repaid during the year ended 31 March 2016.

Note 16.2.1 RTL-1, RTL-2, WCTL-1 and WCTL-2 are secured in the form of:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL1, WCTL1 and RTL-A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL2 and WCTL2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with all CDR lenders:

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹ 9,477.60 crore, against which HREL's outstanding amount is ₹ 8,513.37 crore (31 March 2016: ₹ 8,929.32 crore, 1 April 2015: ₹ 8,714.11 crore).
2. First pari-passu charge on 154,151,669 shares of the Company and second charge on 85,767,617 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company.

Note 16.2.2 Optionally Convertible Debentures (OCDs) are secured in the form of:

1. First ranking pari passu charge on all of the Company's Property, plant and equipment (both immovable and movable) [excluding the Specified Assets and Excluded Assets]; and
2. Second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties as specified in the mortgage deed. The security creation would be done as per stipulated time frame.

Collateral security pari-passu with all S4A lenders:

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹ 9,477.60 crore, against which HREL's outstanding amount is ₹ 8,513.37 crore (31 March 2016: ₹ 8,929.32 crore, 1 April 2015: ₹ 8,714.11 crore).
2. First pari-passu charge on Pledge of 85,767,617 equity shares of the Company and second charge on 154,151,669 equity shares of the Company held by Hincon Holdings Limited and Hincon Finance Limited.
3. Personal guarantee of the Chairman and Managing Director of the Company

Note 16.2.3 As at 31 March 2017, contractual loan principal amounting to ₹ 70.12 crore (31 March 2016: ₹ 34.11 crore, 31 March 2015: ₹ 66.38 crore) and contractual interest amounting to ₹ 66.77 crore (31 March 2016: ₹ 36.48 crore, 31 March 2015: ₹ 66.83 crore) are due and outstanding pertaining to the period 1 October 2016 to 31 March 2017. Subsequent to the year end, the Company has paid ₹ 234.55 crore to various lenders which is pending appropriation between principal and interest. In case of the subsidiaries, loan principal amounting to ₹ 916.70 crore (31 March 2016: ₹ 654.04 crore, 31 March 2015: ₹ 357.38 crore) and interest amounting ₹ 737.82 crore (31 March 2016: ₹ 377.89 crore, 31 March 2015: ₹ 74.05 crore) is due and outstanding to be paid as at 31 March 2017.

Note 16.3 Master Restructuring Agreement (MRA) as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, provide a right to the CDR lenders to get a recompense of their waiver and sacrifices made as part of the CDR proposal. The recompense payable by the Company depends on various factors including improved performance of the Company and other conditions. In view of subsequent implementation of S4A scheme, wherein total debts of the Company as of 1 October 2016 have been bifurcated into sustainable debt, to be serviced as per existing terms and conditions of those debts, and remainder converted into fully paid up equity shares and OCDs, the aggregate present value of the recompense amount payable to erstwhile CDR lenders as per the MRA is likely to undergo major changes and would be ascertained post completion of discussions with the Monitoring Institution.

Note 16.4 Security details, repayment terms and other particulars in respect of loans availed by the subsidiary companies:

Non convertible debentures (NCD) include loan availed by LCL, a subsidiary company, aggregating ₹ 44.89 crore (31 March 2016: ₹ 39.31 crore), having interest yield of 14% secured by pari passu charge created on english mortgage deed on Land of Lavasa Project admeasuring 30 Hecter The said NCD issued for the tenor of 5 years and 9 months from the date allotment. HREL, a subsidiary company, has given corporate guarantee to the extent 100% of outstanding balance.

NCD include loan availed by LCL, a subsidiary company, aggregating ₹ 99.45 crore (31 March 2016: ₹ 99.45 crore), having interest yield of 14% secured by pari passu charge created on english mortgage deed on Land of Lavasa Project admeasuring 6,860.97 acres and premises, buildings constructed or to be constructed thereon including all the present and future moveable assets. The said NCD issued for the tenor of 5 years and 9 months from the date allotment. Corporate guarantee to the extent 50% of outstanding balance have been given by promoter's and other shareholder's of LCL.

NCD include loan availed by LCL, a subsidiary company, aggregating ₹ 131.21 crore (31 March 2016: ₹ 116.33 crore), having interest yield of 14% secured by pari passu charge created on english mortgage deed on Land of Lavasa Project admeasuring 1 Hecter situated at Village Dhamanhol Taluka Mulshi and further secured by second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon including all the present & future moveable assets. The said NCD issued for the tenor of 5 years from the date allotment and put option to

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

the extent 100% of outstanding given by the Company.

Term loan from banks include loan availed by HCC Power Limited, a subsidiary company, aggregating ₹ 274 crore (31 March 2016: ₹ 89 crore), carrying interest rate of 11.25% p.a. This loan is repayable in 20 quarterly instalments commencing from the third year of the disbursement of the loan. This loan is secured by (i) first pari passu charge on all the assets of the borrower (ii) extension of pledge of shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Limited already pledged with Yes Bank Limited (iii) unconditional and irrevocable guarantee from HICL and Company (iv) extension of the second pari passu charge over entire assets of HICL

Term loans from banks include loan availed by HCC Operations & Maintenance Limited, a subsidiary company, aggregating ₹ 72.71 crore (31 March 2016: ₹ 87.14 crore) carrying interest rate in the range between 10.75% to 11.25% p.a. These loans repayable in 16 quarterly instalments commencing from the third year of the disbursement of the loan. This loan is secured by (i) first pari passu charge on all the assets of the borrower (ii) extension of pledge of shares of HCC Infrastructure Company Limited (HICL) in HCC Concessions Limited already pledged with Yes Bank Limited (iii) unconditional and irrevocable guarantee from HICL (iv) extension of the second pari passu charge over entire assets of HICL (including movable and immovable fixed assets and current assets), excluding investments, both present and future provided for the Yes Bank facility in HICL.

Term loans from banks include loan availed by HCC Infrastructure Company Limited, a subsidiary company, aggregating ₹ Nil (31 March 2016: ₹ 10.70 crore) carrying interest 12.5% p.a. This loan is repayable in 5 years with a moratorium period of 24 months followed by structured equal quarterly repayment commencing from 1 January 2014. This loan is secured by way of: (i) second charge on entire assets of the borrower (including moveable and immovable, fixed assets and current assets), excluding investments, both present and future (ii) residual charge over identified receivables of HCC (iii) irrevocable and unconditional corporate guarantee given by HCC (iv) an irrevocable and unconditional undertaking given by HCC and the borrower to Yes Bank Limited with respect to liquidity events conditions and conditions related to accelerated repayments (v) a pledge by the borrower of 636,100 equity shares and 56,006,020 0.001% Compulsory Convertible Cumulative Preference shares held by it in HCC Concessions Limited, in favour of Yes Bank Limited (vi) irrevocable and unconditional corporate guarantee of Charosa Wineries Limited.

Term loans from banks include loan availed by Highbar Technologies Limited, a subsidiary company, aggregating ₹ 9.5 crore (31 March 2016: ₹ 10 crore), carrying interest rate of ICICI Base Rate (9.25% p.a.) plus 2.25% p.a. This loan is repayable in 10 years in 28 structured quarterly instalments commencing from 15 April 2016 and ending on 15 January 2023. This term loan is secured by (i) first exclusive charge on the current assets and fixed assets of the borrower (ii) mortgage over land situated at Kavsar, Thane, Maharashtra (32 acres) of HRL (Thane) Real Estate Limited on first pari-passu basis (iii) pledge over 30% shareholding of HREL in HRL (Thane) Real Estate Limited. (iv) Escrow over differential rent receivables from DHL (v) pledge over 30% shareholding of HCC in Highbar Technologies Limited. (vi) Corporate Guarantee of HRL (Thane) Real Estate Limited. (vii) Non disposal undertaking for 70% shares of HRL (Thane) Real Estate Limited held by promoters (viii) Non disposal undertaking for 70% shares of Highbar Technologies Limited held by promoters.

Term loans from bank availed by Dasve Retail Limited (DRL), a subsidiary company, aggregating ₹ 18.39 crore (31 March 2016: ₹ 16.04 crore), carrying interest rate of 13.5 % p.a.. This loan is repayable in 28 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2025 and has moratorium period till 31 March 2018. The term loan is secured by (i) All premises admeasuring 58,342.75 sq ft. of retail shops situated on ground and first floor in Portofino D and Retail Square B in Dasve (ii) First charge over all present and future moveable assets, immovable and movable fixed assets, current assets, receivables, investments and all bank accounts including escrow account of the borrower (iii) negative lien over net block of the fixed assets of the borrower (vi) corporate guarantee issued by LCL for 100% of loan outstanding.

Term loans from bank availed by Lavasa Hotel Limited (LHL), a subsidiary company, aggregating ₹ 4.00 crore (31 March 2016: ₹ 4.50 crore), carrying interest rate of 15.25 % p.a.. This loan is repayable in 28 structured quarterly instalments ending on 31 March 2021. The term loan is secured by (i) first charge over all present and future moveable assets, immovable and movable fixed assets, current assets, receivables, investments of the borrower (ii) mortgage of land admeasuring 4.085 Ha Land in Sakhari in Lavasa Project.

Term loans from banks availed by LCL, a subsidiary company, aggregating ₹ 838.28 crore (31 March 2016: ₹ 986.78 crore) carrying interest 14% p.a. These loans have moratorium period upto 2 years and are repayable in 20 to 44 structured quarterly instalments from the date of disbursement. These loans are to be repaid by 31 March 2019. These term loans

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

are secured by (i) charge created by English Mortgage Deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. (ii) All present & future immovable & movable fixed assets, current assets, receivables, Investments, and all bank accounts including TRA Account of LCL (iii) Corporate guarantee to the extent 50% of outstanding balance have been given by LCL's promoters and other shareholders of LCL to the extent of their equity share in LCL. (iv) non disposal undertaking by the company, Hincon Finance Limited (HFL) & HREL for maintaining at least 51% of the total holding in LCL.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 225 crore (31 March 2016: ₹ 225 crore), carrying interest rate of 14.3% p.a. This loan is repayable in 5 years with a moratorium period of 24 months followed by structured equal annual repayment in 3rd, 4th and 5th year, commencing from 31 March 2017. These term loans are secured by a charge created by mortgage deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 97.58 crore (31 March 2016: ₹ 97.52 crore), carrying interest rate of 14.15 % p.a. These loans have moratorium period till 31 March 2018 and is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 135 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance have been given by LCL promoter's.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 65 crore (31 March 2016: ₹ 64.93 crore), carrying interest rate of 13.45 % p.a. These loans have moratorium period till 31 March 2018 and is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 56 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 50% of outstanding balance given by LCL promoter's.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 44 crore (31 March 2016: ₹ 44 crore), carrying interest rate of 13.55 % p.a. These loans have moratorium period till 31 March 2018 and is repayable in 6 structured quarterly instalments commencing from 30 June 2018 and ending on 30 September 2019. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 46 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 147.99 crore (31 March 2016: ₹ 147.99 crore), carrying interest rate of 13.1% p.a. These loans have moratorium period till 31 March 2018 and is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 46 acres, first pari pasu charged over 649 acres on pari pasu charge basis together with loans taken by its subsidiary, second charge by way of mortgage deed on Land on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's and other shareholders of LCL to the extent of their equity share in LCL.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 12 crore (31 March 2016: ₹ 12 crore), carrying interest rate of 14.75 % p.a. These loans have moratorium period till 31 March 2018 and is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 19 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 36.90 crore (31 March 2016: ₹ 36.90 crore), carrying interest rate of 14.35% p.a. These loans have moratorium period till 31 March 2018 and is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 43 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 58.76 crore (31 March 2016: ₹ 58.76 crore), carrying interest rate of 13.95% p.a. These loans have moratorium period till 31 March 2018 and is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 99 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Term loans from bank availed by LCL, a subsidiary company, aggregating ₹ 75.07 crore (31 March 2016: ₹ 94.00 crore), carrying interest rate of 10.65 % p.a.. This loans is repayable in 14 structured quarterly instalments and has moratorium period of 18 months and the loan to be repaid by 08 August 2019. The term loan is secured by (i) exclusive registered mortgage of Land admeasuring 6 acres or thereabout being Lot No. 202 situated on Thicket Street, Survey No. 113, Hissa No. 1, Survey No. 103, Hissa No. 1, of Village Dasve, Talula Mulshi, District Pune, Maharashtra, and the said twenty two (22) Buildings admeasuring not more than 160,000 sq ft. built up area equivalent to 14869.88 sq metres or thereabout to be constructed on the said land (ii) second charge by way of mortgage deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon. All present and future moveable assets. (iii) Corporate guarantee to the extent 100% of outstanding balance given by LCL.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 10.20 crore (31 March 2016: ₹ 10.20 crore), carrying interest rate of 14.45% p.a. These loan is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021 and has moratorium period till 31 March 2018. These term loans are secured by exclusive mortgage deed on Land of Lavasa Project admeasuring 17 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 0.69 crore (31 March 2016: ₹ 0.69 crore), carrying interest rate of 15.85% p.a. These loan is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021 and has moratorium period till 31 March 2018. These term loans are secured by exclusive mortgage deed on Land of Lavasa Project admeasuring 5 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Term loans from banks include loan availed by LCL, a subsidiary company, aggregating ₹ 4.97 crore (31 March 2016: ₹ 4.97 crore), carrying interest rate of 13.4% p.a. These loan is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021 and has moratorium period till 31 March 2018. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 6 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 50% of outstanding balance have been given by LCL promoter's and other shareholders of LCL to the extent of their equity share.

Term loans from banks availed by Warasgaon Assets Maintenance Limited (WAML), a subsidiary company, aggregating ₹ 606.23 crore (31 March 2016: ₹ 306.01 crore), carrying interest rate of 12 % p.a. These loans are repayable in 72 structured quarterly instalments commencing from 31 December 2018 and ending on 30 September 2035 and has moratorium period till 30th September 2017. The term loans are secured by (i) first pari-passu charge on immovable and movable fixed assets, current assets, receivables, investments and all bank accounts including escrow account of WAML, (ii) assignment of rights over concession agreement in favour of lenders (iii) pledge of entire shareholding of HREL and Mr. Vinay Maniar in LCL (iv) pledge of entire shareholding of LCL in WAML (v) pledge of entire shareholding of LCL in Sahyadri City Management Limited (SCML), (vi) pledge of entire shareholding of Venkateshwara Hatcheries Private Limited (VHPL) and Avantha Realty Limited (ARL) in LCL (vii) second pari passu charge over 3,366.18 hectares land owned by LCL (viii) corporate guarantee for 100% of loan outstanding by HREL and LCL.

Term loans from banks include loan availed by WAML, a subsidiary company, aggregating ₹ 264.30 crore (31 March 2016: ₹ 225.80 crore), carrying interest rate of 12 % p.a. These loan is repayable in 72 structured quarterly instalments commencing from 31 December 2018 and ending on 30 September 2036 and has moratorium period till 30 September 2017. The term loans are secured by (i) first pari-passu charge on immovable and movable fixed assets, current assets, receivables, investments and all bank accounts including Escrow account of WAML (ii) assignment of rights over concession agreement in favour of lenders (iii) pledge of entire shareholding of HREL and Mr. Vinay Maniar in LCL (iv) pledge of entire shareholding of LCL in WAML (v) pledge of entire shareholding of LCL in SCML (vi) pledge of entire shareholding of VHPL and ARL in

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

LCL (vi) second pari passu charge over 3,366.18 hectares Land owned by LCL (vii) Corporate Guarantee for 100% of loan outstanding by HREL and LCL.

Term loans from banks availed by WAML, a subsidiary company aggregating ₹ 46.10 crore (31 March 2016: ₹ 7.11 crore), carrying interest rate of 12 % p.a. This loan is repayable in 72 structured quarterly instalments commencing from 31 December 2018 and ending on 30 September 2035 and has moratorium period till 30 September 2017. The term loan is secured by (i) first pari-passu charge on immovable and movable fixed assets, current assets, receivables, investments and all bank accounts including escrow account of WAML, (ii) assignment of rights over concession agreement in favour of lenders (iii) pledge of entire shareholding of HREL and Mr. Vinay Maniar in LCL (iv) pledge of entire shareholding of LCL in WAML (v) pledge of entire shareholding of LCL in SCML, (vi) pledge of entire shareholding of VHPL and ARL in LCL (vii) second pari passu charge over 3,366.18 hectares land owned by LCL (viii) Corporate guarantee for 100% of loan outstanding by HREL and LCL.

Foreign currency term loans include loan availed by HCC Mauritius Investment Limited, a subsidiary company, aggregating ₹ 161.78 crore (31 March 2016: ₹ 165.33 crore) carrying interest rate of 6.15 % p.a (3 months LIBOR plus 500 basis points) as at 31 March 2017. This loan is repayable in 21 equal quarterly instalments commencing after a moratorium of 24 months from the date of first withdrawal. These term loans are secured by pledge of 13,600 equity shares of Steiner AG.

Foreign currency loans include loan availed by HCC Mauritius Enterprise Limited, a subsidiary company, aggregating ₹ 38.48 crore (31 March 2016: ₹ 40.70 crore) carrying interest rate of 5.42% (6 months USD LIBOR + 400 basis points) as at 31 March 2017. This loan is repayable in 10 quarterly instalments commencing after a moratorium of thirty months from the date of disbursement of the loan. This loan is secured by exclusive charge on (i) pledge of equity shareholding of the borrower held by HCC (ii) a first charge over specific fixed assets of HCC having written down value of ₹ 50 crore (iii) pledge of 33% equity share holding of Steiner AG, a subsidiary company (iv) undertaking for non-disposal of shareholding in Steiner AG.

Term loan from others include loan availed by HREL, a subsidiary company, aggregating ₹ 22.41 crore (31 March 2016: ₹ 22.41 crore) carrying interest rate of 14%. These loans are repayable in 4 quarterly instalments after the 8 months from 30 September 2012. These term loan secured by second pari passu charge over 18.99 acres of Land of Lavasa Project.

Term loan from others include loan availed by Charosa Wineries Limited a subsidiary company, aggregating ₹ 70.68 crore (31 March 2016: ₹ 86.96 crore) carrying interest rate of 11.65%. These loans are repayable in 7 years in quarterly instalments commencing from March 2016. These term loans are secured by (i) all the fixed and current assets including future assets of the company (ii) pledge of 2,100,000 no of equity shares held by HREL (iii) corporate guarantee to the extent 100% of outstanding balance given by HREL.

Term loan from others includes loan availed by WAML, a subsidiary company, aggregating ₹ 193.32 crore (31 March 2016: ₹ 66.00 crore), carrying interest rate of 12 % p.a. This loan is repayable in 72 structured quarterly instalments commencing from 31 December 2018 and ending on 30 September 2035 and has moratorium period till 30 September 2017. The term loan is secured by (i) first pari-passu charge on immovable and movable fixed assets, current assets, receivables, investments and all bank accounts including escrow account of WAML, (ii) assignment of rights over concession agreement in favour of lenders (iii) pledge of entire shareholding of HREL and Mr. Vinay Maniar in LCL (iv) pledge of entire shareholding of LCL in WAML (v) pledge of entire shareholding of LCL in SCML, (vi) pledge of entire shareholding of VHPL and ARL in LCL (vii) second pari passu charge over 3,366.18 hectares land owned by LCL (viii) Corporate guarantee for 100% of loan outstanding by HREL and LCL.

Term loans from others includes loans availed by Warasgaon Power Supply Limited (WPSL), a subsidiary company, aggregating ₹ 264.00 crore (31 March 2016: ₹ 269.16 crore), carrying interest rate of 12.25 % p.a. This loan is repayable in 44 structured quarterly instalments commencing from 31 December 2015 and ending on 31 March 2024 and has moratorium period till 30 September 2015. The term loan is secured by (i) first pari-passu charge on immovable and movable fixed assets, current assets, receivables, investments and all bank accounts including escrow account of WPSL (ii) assignment of rights over concession agreement in favour of L&T Infrastructure Finance Limited (iii) second charge over 259.6622 hectares of Land in Lavasa Project. (vi) Corporate guarantee for 100% of loan outstanding given by LCL.

Term loan from others include loan availed by LCL, a subsidiary company, aggregating ₹ 467.30 crore (31 March 2016: ₹ 387.22 crore), 2500 - 16 % having total face value of ₹ 250 Crore secured by pari passu charge created on english mortgage deed on Land of Lavasa Project admeasuring 747 hectares of land of the LCL. The said loan issued for a tenor of 3 years from the date allotment and put option to the extent 100% of outstanding given by HCC.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Term loans from others include loan availed by LCL, a subsidiary company, aggregating ₹ 20.45 crore (31 March 2016: ₹ 20.45 crore), carrying interest rate of 14% p.a. These loan is repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021 and has moratorium period till 31 March 2018. These term loans are secured by a exclusive mortgage deed on Land of Lavasa Project admeasuring 6 acres, second charge on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL promoter's.

Term loans from others include loan availed by LCL, a subsidiary company, aggregating ₹ 89.75 crore (31 March 2016: ₹ 89.75 crore), carrying interest rate of 14% p.a. These loans are repayable in 16 structured quarterly instalments commencing from 15 April 2014 and ending on 15 January 2018. These term loan secured by second pari passu charge over 26 acres of Land of Lavasa Project and corporate guarantee to the extent of 100% of outstanding balance given by HCC.

Term loans from others availed by LCL, a subsidiary company, aggregating ₹ 75.71 crore (31 March 2016: ₹ 125.71 crore), carrying interest rate of 12% p.a. These loans are repayable in 12 structured quarterly instalments commencing from 30 June 2018 and ending on 31 March 2021. This loan is secured by exclusive registered mortgage of Land of Lavasa Project admeasuring 57.4022 Hectares and second charge by way of mortgage deed on Land of Lavasa Project admeasuring 6,806.69 acres and premises, buildings constructed or to be constructed thereon and corporate guarantee to the extent 100% of outstanding balance given by LCL's promoter.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 17 Other financial liabilities			
Non-current			
Security deposits	0.66	0.97	0.40
Cumulative redeemable preference shares	117.67	112.72	108.37
Compulsory convertible preference shares	403.91	352.76	-
Others	0.34	0.46	-
Total non-current financial liabilities	522.58	466.91	108.77
Current			
Current maturities of long-term borrowings (Refer note 16)	2,385.22	1,831.42	1,516.65
Interest accrued but not due	114.85	44.46	47.12
Interest accrued and due	564.02	203.79	138.67
Unpaid dividends ^	0.41	0.59	0.72
Advance towards sale of investments (Refer note 12.3)	37.70	37.70	55.58
Security deposits	4.95	7.05	4.86
Financial guarantees	1.83	4.13	5.19
Others			
Due to employees	89.10	66.95	61.59
Interest payable on contractee advances	128.69	78.52	63.91
Liability for capital goods	16.81	18.93	20.76
Other liabilities	94.67	93.46	50.49
Total current financial liabilities	3,438.25	2,387.00	1,965.54
Total other financial liabilities	3,960.83	2,853.91	2,074.31
^ Not due for credit to Investor Education and Protection Fund			
Other financial liabilities carried at amortised cost	3,923.13	2,816.21	2,018.73
Other financial liabilities carried at FVPL	37.70	37.70	55.58

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 18 Provisions			
Non-current			
Provision for employee benefits			
- Gratuity	31.19	30.95	31.59
- Pension fund	71.55	127.19	107.70
- Leave entitlement and compensated absences	11.14	10.79	11.74
Provision for warranty	70.12	77.48	74.34
Total non-current provisions	184.00	246.41	225.37
Current			
Provision for employee benefits			
- Gratuity	4.13	3.26	5.38
- Leave entitlement and compensated absences	5.69	6.81	7.65
Provision for warranty	36.51	41.25	39.15
Provision for current income tax (Refer note 9)	3.13	3.13	0.10
Provision for foreseeable losses (Refer note 18.1)	104.54	110.15	126.59
Total current provisions	154.00	164.60	178.87
Total provisions	338.00	411.01	404.24

Note 18.1 The Group has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

Note 18.2 Detail of provision in respect of warranty is as stated below:

Particulars	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore
Opening provision as at the beginning of the year	118.73	113.49
Addition during the year	54.51	57.60
Utilized during the year	(43.13)	(52.36)
Unused amount reversed during the year	(23.48)	-
Closing provision as at the end of the year	106.63	118.73
Non current	70.12	77.48
Current	36.51	41.25
Total	106.63	118.73

This provision represent estimates made towards estimated liability arising out of contractual obligations in respect of warranties. After the handover of the building there is a warranty liability, which lasts between 2 and 10 years, depending on the building and its components. During construction the warranty provision is recorded based on past experience and, in general, remains unchanged during construction. Actual warranty costs are recorded against the warranty provision of projects in warranty phase. On reporting date, future warranty costs are estimated and if needed the warranty provisions are increased or released. The timing of outflows will vary as and when the obligations arise.

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 19 Current borrowings			
I. Secured			
Rupee Loan from Banks			
(i) Cash credit facilities (Repayable on demand)	1,114.24	1,975.24	1,908.52
(ii) Working capital demand loan (Repayable on demand)	116.15	149.86	170.47
(iii) Buyer's credit	9.39	22.44	3.37
	1,239.78	2,147.54	2,082.36
II. Unsecured (Repayable on demand)			
Loans from related party (Refer note 39)	0.58	2.15	0.57
Total current borrowings (I+II)	1,240.36	2,149.69	2,082.93

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 19.1 Security for Cash Credit Facilities, Working Capital Demand Loan and Buyer's Credit:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties. The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

The above security having ranking as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.
2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with all CDR lenders are same as indicated in note 16.2.1.

The Company has provided first charge over specific property, plant and equipment (having WDV of ₹ 50 crore) of the Company for the loan extended by Export Import Bank of India (EXIM Bank) to HCC Mauritius Enterprise Limited through Loan Agreement dated 27 September 2010. The same security has also been extended for the loan of USD 25 million given by EXIM Bank to HCC Mauritius Investment Limited.

YES Bank, the lender of HCC Infrastructure Company Limited, a subsidiary company is having subservient charge on identified receivables of the Company. YES Bank issued NOC on 4 September 2012 for ceding first charge in favour of working capital lenders and second charge in favour of term lenders.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Company.

Note 19.2 Security details, repayment terms and other particulars in respect of loans availed by the subsidiary company:

Working Capital Demand Loan from bank include loan facilities availed by Steiner AG, a subsidiary company, aggregating ₹ 83.28 crore (31 March 2016: ₹ 89.99 crore) secured by first charge by way of a (i) mortgage on land in favour of a foreign bank (Project: Vista Nobile) (ii) mortgage on a land in favour of a foreign bank (Project: BASF Wandenswil)

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Note 20 Trade payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	3.55	2.65	1.71
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,513.07	2,949.23	3,383.51
Total trade payables	<u>3,516.62</u>	<u>2,951.88</u>	<u>3,385.22</u>

Note 20.1 Trade payables are non-interest bearing and are normally settled as per the payment terms stated in the contract.

Note 21 Other current liabilities

a) Advance from contractees	2,681.94	1,906.53	1,823.54
b) Statutory dues payable			
- Tax deductible at source	60.05	37.71	33.90
- Others	40.22	20.40	18.88
Advance received against land	5.34	4.27	4.85
Other liabilities	48.32	43.13	70.24
Total other current liabilities	<u>2,835.87</u>	<u>2,012.04</u>	<u>1,951.41</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Note 22 Revenue from operations		
Contract revenue	9,203.41	7,811.54
Sale of products	18.80	22.34
Sale of land	42.80	30.74
Real estate condominium developments	59.28	151.97
Income from sale of software products and licenses	22.43	18.51
Income from software services	0.17	1.79
Other operating revenue	519.89	503.27
Total revenue from operations	<u>9,866.78</u>	<u>8,540.16</u>
Note 23 Other income		
Interest received on financial assets carried at amortised cost	6.68	14.41
Interest received on Income tax refund	12.04	3.66
Dividend from long-term investments	1.20	1.40
Rental Income	17.95	7.01
Exchange gain (net)	10.02	4.07
Excess provision no longer required, written back	2.37	4.97
Miscellaneous	30.81	47.39
Total other income	<u>81.07</u>	<u>82.91</u>
Note 24 Cost of construction materials consumed		
Stock at beginning of the year	169.08	221.61
Add: Purchases	936.40	959.93
	<u>1,105.48</u>	<u>1,181.54</u>
Less: Sale of scrap and unserviceable material	8.93	9.61
	<u>1,096.55</u>	<u>1,171.93</u>
Less: Stock at the end of the year	226.28	169.08
Total cost of construction materials consumed	<u>870.27</u>	<u>1,002.85</u>
Note 25 Construction expenses		
Power, fuel and water	126.08	131.91
Rates and taxes	168.98	215.94
Insurance	50.87	45.95
Rent and hire	60.01	55.18
Transportation	33.94	33.43
Land development charge	52.43	97.58
Others	25.94	30.42
	<u>518.25</u>	<u>610.41</u>
Less : capitalised	(0.13)	(1.83)
Total construction expenses	<u>518.12</u>	<u>608.58</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 25.1 The Group has taken various construction equipment and vehicles under non-cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2017 are as follows:

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
Minimum lease rental payments			
i) Payable not later than one year	45.28	39.21	43.87
ii) Payable later than one year and not later than five years	125.01	129.72	159.12
iii) Payable later than five years	4.26	19.95	32.84
	<u>174.55</u>	<u>188.88</u>	<u>235.83</u>

The lease agreement provides for an option to the Group to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

Further, the Group has entered into cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc.

Lease payments in respect of the above leases are recognised in the Statement of Profit and Loss under the heads "Construction expenses" and "Other expenses" (Refer notes 25 and 29 respectively).

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Note 26 Employee benefits expense (net of recoveries at cost)		
Salaries and wages	858.95	831.13
Contribution to provident and other funds	65.01	72.98
Staff welfare	64.75	61.74
	<u>988.71</u>	<u>965.85</u>
Less : capitalised	-	(0.73)
Total employee benefits expense	<u>988.71</u>	<u>965.12</u>

Note 26.1 In respect of year ended 31 March 2014, the Company's request for remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs (the 'Ministry'), to reconsider their approval of ₹ 1.92 crore against the entire remuneration of ₹ 10.66 crore paid to the Chairman and Managing Director (CMD), is pending with the Ministry.

Note 26.2 In respect of year ended 31 March 2015, the Company has provided for remuneration for CMD of ₹ 10.66 crore. The Company has made an application to 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.

Note 26.3 In respect of year ended 31 March 2016, the Company's application to the Ministry for approval of remuneration paid/ payable ₹ 10.66 crore to the CMD which is in excess of the limit prescribed and held in trust, is pending with the Ministry.

Note 26.4 In respect of year ended 31 March 2017, the Company has paid the remuneration of ₹ 2.19 crore to the CMD in accordance with shareholders' approval obtained in the annual general meeting held on 14 July 2016. The Company has also made an additional provision for increase in remuneration of ₹ 1.38 crore, which is within the limits specified under Schedule V to the Companies Act, 2013, for which shareholders' approval will be sought in the ensuing shareholders' meeting.

Note 27 Finance costs (net of recoveries at cost)

Interest expense on:

- debentures	225.31	115.11
- others	1,201.65	1,188.81
Other borrowing costs		
- guarantee commission	97.13	58.55
- finance charges	19.05	15.87
Less : capitalised	(0.27)	(158.04)
Total finance costs	<u>1,542.87</u>	<u>1,220.30</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Note 28 Depreciation and amortisation expense (Refer notes 3 and 4)		
Depreciation of tangible assets	200.32	243.30
Amortisation of intangible assets	5.50	7.18
Total depreciation and amortisation expense	205.82	250.48
Note 29 Other expenses (net of recoveries at cost)		
Stationery, postage, telephone and advertisement	9.75	10.17
Travelling and conveyance	18.44	19.27
Rent	49.76	56.59
Professional	91.36	48.43
Repairs and maintenance	27.75	27.49
Directors' sitting fees	0.93	0.64
Auditors' remuneration: ^		
i) Audit fees	4.48	4.18
ii) Tax audit fees	0.20	0.20
iii) Limited review fees	0.70	0.70
iv) Certification fees	1.56	0.88
v) Reimbursement of out of pocket expenses	0.01	0.02
	6.95	5.98
Office expenses	38.86	69.50
Operation and maintenance	99.21	109.80
Selling and distribution expenses	9.23	17.23
Computer maintenance expenses	12.74	13.76
Impairment loss provision on financial / non-financial assets	65.91	7.76
Impairment loss provision on property, plant and equipment	-	31.33
Loss on sale of property, plant and equipment (net)	2.35	1.94
Corporate social responsibility (CSR) expenses ^^	0.74	0.41
Miscellaneous	14.98	40.87
	448.96	461.17
Less: capitalised	-	(1.07)
Total other expenses	448.96	460.10

^ Includes remuneration paid/payable to auditors of subsidiaries and joint operations. Auditors remuneration for the year ended 31 March 2016 excludes ₹ 0.65 crore towards fee for miscellaneous certifications relating to Qualified Institutional Placements, which has been charged off against the available balance in the Securities premium reserve.

^^ The Group is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013.

Note 30 Exceptional items

a) Profit on sale of non-current investments (Refer note 5.2)	-	70.61
b) Trade receivables and work in progress written off [Refer note 40(ii)(a)]	(35.97)	(98.64)
c) Gain on restructuring of debts	14.75	187.39
Total exceptional items [Income/ (expense)]	(21.22)	159.36

Note 31 Earnings per share (EPS)

A. Profit/(loss) computation for basic earnings per share of ₹ 1 each			
Net loss as per the Statement of Profit and Loss available for equity shareholders	(₹ crore)	(758.02)	(449.72)
B. Weighted average number of equity shares for EPS computation	(Nos.)	831,548,386	775,828,231
C. Loss per share - Basic and Diluted EPS	(₹)	(9.12)	(5.80)

The options granted to employees under the plan and the optionally convertible debentures do not qualify as potential equity shares outstanding during the periods, based on the present conditions prevalent, and hence have not been considered in the determination of diluted earnings per share.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 32 Contingent liabilities and commitments

	As at 31 March 2017 ₹ crore	As at 31 March 2016 ₹ crore	As at 1 April 2015 ₹ crore
A. Contingent liabilities			
(i) Claims not acknowledged as debts by the Group	325.88	274.84	210.67
(ii) Income tax liability that may arise in respect of which Group is in appeals	80.99	67.98	65.39
(iii) Sales tax liability / works contract tax liability / service tax / customs liability that may arise in respect of matters in appeal	145.97	109.42	92.02
(iv) Corporate guarantee	25.57	26.15	126.76
(v) Counter indemnities given to banks in respect of contracts executed by joint ventures	29.04	34.18	39.24
B. Commitments			
(i) Capital Commitment (net of advances)	1,060.78	996.83	1,035.53
(ii) Put option given to lenders of a subsidiary company to sell debentures to the Company in the event of default (including interest and penal charges thereon)	598.51	494.10	350.00

C. Other commitments:

With regard to land parcels at Vikhroli (East) held by the Company, the Notification under Section 3C(1) under the Maharashtra Slum Area (Improvement & Redevelopment) Act, 1971 declaring the said property at Vikhroli(East) as "Slum Rehabilitation Area" has been challenged by some persons and Appeals preferred by both the parties are pending in the Bombay High Court. Similarly, a suit filed in the High Court by some persons for declaration that they are Lessees of the said property is also pending. Suit filed by the Company for vacant and peaceful possession of part of the said land is pending in the Small Causes Court, Mumbai. No Liability is expected in aforesaid matter.

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in A (iv) above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

Note 33.1 The Group, as at 31 March 2017, has a non-current investment amounting to ₹ 315.39 crore (31 March 2016: ₹ 403.23 crore) and other current financial assets amounting to ₹ 4.97 crore (31 March 2016: ₹ 7.99 crore) in HCC Concessions Limited (HCL), a joint venture Company of HCC Infrastructure Company Limited (HICL) (85.45% holding) having various Build, Operate and Transfer (BOT) SPVs under its fold. While HCL has incurred losses during its initial years and consolidated net-worth as at 31 March 2017 has been fully eroded, the underlying projects are expected to achieve adequate profitability on substantial completion. The net-worth of this entity does not represent its true market value as the value of the underlying investments/ assets, based on valuation report of an independent valuer, is higher. Therefore, based on certain estimates like future business plans, growth prospects and other factors, the management believes that the realizable amount of the entity is higher than the carrying value of the investments, non-current loans, other non-current financial assets and other current financial assets due to which these are considered as good and recoverable.

Note 33.2 The management of HICL in the financial statements of HICL, group have also stated that diminution in the net worth of HICL is temporary in nature given significantly higher fair market value of its investments in Joint Venture, namely HICL and ongoing incubation of other infrastructure businesses (referred in 33.1 above) which will create further value for HICL. During the year ended 31 March 2017, based on valuation done by the Independent valuer HICL has been valued at ₹ 1,909.61 crore. Group owns 85.45% equity stake in HICL. In view of this, the financial statements of HICL group have been prepared on a going concern basis."

Note 34 'Unbilled work-in-progress (Other current financial assets)', 'Non-current trade receivables' and 'Current trade receivables' include ₹ 911.80 crore (31 March 2016: ₹ 977.57 crore), ₹ 123.39 crore (31 March 2016: ₹ 89.14 crore) and ₹ 90.30 crore (31 March 2016: ₹ 116.94 crore), respectively, outstanding as at 31 March 2017 representing various claims raised

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

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. Non-current trade receivables includes 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 and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

Note 35.1 In respect of Lavasa Corporation Limited (LCL), a subsidiary company, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9 November 2011 accorded Environment Clearance (EC) to 2,000 hectare (5,000 acres) which are subject to the compliance of terms and conditions. The LCL has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said Order which is pending before the Tribunal. The management believes that the matter will be decided in its favour. Construction has resumed at project site from 9 November 2011.

Note 35.2 Lavasa Corporation Limited (LCL), a subsidiary company, has incurred losses and consolidated net-worth as at 31 March 2017 has been fully eroded. The underlying projects in such entity 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 and accordingly management, based on valuation report of an independent valuer is of the view that there is no impairment in value of LCL net assets (capital employed) of ₹ 4,124.40 crore (31 March 2016: ₹ 4,157.51 crore). Similarly, no diminution in value of goodwill on consolidation amounting to ₹ 95.04 crore (31 March 2016: ₹ 95.04 crore) and non-controlling interest amounting to ₹ 208.01 crore (31 March 2016: Nil) of LCL is considered necessary.

Note 35.3 In respect of HCC Real Estate Limited (HREL) group's, balances as at and for the year ended 31 March 2017 with respect to current and non-current borrowings including finance charges, disclosure in respect of defaults and terms of repayment of borrowings, maturity analysis of financial instruments, trade payable, trade receivable, advances to suppliers and certain balances with banks, in absence of confirmations, are based on contractual term's and condition with the respective parties. The management believes that the reconciliations/adjustments, if any, are not expected to be material.

Note 35.4 Considering its size of operations and revenue from operations, Charosa Wineries Limited, a subsidiary company, has not ascertained expected credit loss.

Note 35.5 The management of HREL in the financial statements of HREL group have also stated that, considering the positivity in the business sentiments in general, the HREL group looks forward to an early business recovery. The major business is expected from institutional sales which are directly related to general uptrend in the economy and investment decisions to be made by various corporate/business houses. The HREL group is planning to take various measures in terms of arranging financial resources till the business recovers. These steps include replacing the existing debt with long tenure debt and additional infusion of funds through structured debt and equity. As a result, the HREL group is considered as a going concern.

Note 36 On 31 March 2017, National Highway Authority of India (NHAI) has served notice of termination of contract to Raiganj Dalkhola Highway Limited (RDHL), a joint venture entity of HICL, due to delay in re-start of the project. The work has stopped on account of non-provision of land to carry out desired work, some portion of land thereafter has since been provided by NHAI. As the delay was on account of default from NHAI, RDHL has taken up matter with NHAI for re-consideration as well as issued notice of Arbitration to NHAI as per terms of the contract. RDHL is hopeful of termination notice being called off. Further, as per terms of the contract, Article 37.1.3, senior lenders, who have funded the contract, have a right of substitution of concessionaire or curing the defect, after receipt of notice from NHAI within period of 180 days. The said curing period of 180 days is yet to expire. Thus RDHL's management is of the view that it will be premature to consider the contract as terminated this abruptly without senior lenders have exercised their rights available as per the contract. In view of the above, RDHL is not required to recognize any provision on account of this notice of termination, which is beyond contractual provision. Without prejudice to the above, in case termination happens at later date, RDHL is confident of being entitled for claims from Arbitration or termination benefits as per terms of contract, hence no provision is required to be made.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 37 Badarpur Faridabad Tollways Limited (BFTL), a jointly controlled entity of HICL has issued notice vide letter dated 31 March 2017 to NHAI of its intention to issue termination notice pursuant to the Article 34.8 of the Concession Agreement (CA) due to imposition of environmental compensation charges and other restrictions on commercial vehicles entering into Delhi, in accordance with the Supreme Court orders and vehicular traffic reducing significantly, causing substantial loss to the revenue of BFTL. Due to this Force Majeure event, BFTL had issued this notice and granted 15 days' time to NHAI to make a representation, if any, pursuant to the aforesaid Article. Subsequently, the NHAI, vide letter dated 12 April 2017, has refuted the contents of BFTL notice. The next course of action will be decided by BFTL at appropriate time.

Note 38 Details of Employees Stock Option Scheme for LCL, a subsidiary company

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
	Number	Number	Number
a. Outstanding as at beginning of the year	874,064	1,479,191	1,703,317
b. Granted during the year	-	-	-
c. Forfeited during the year	-	-	-
d. Exercised during the year	-	-	-
e. Expired / cancelled / lapsed during the year	443,759	605,127	224,126
f. Outstanding at the end of the year	430,305	874,064	1,479,191
g. Exercisable at the end of the year	430,305	874,064	1,479,191

Note 39 Disclosure in accordance with Ind AS 24 Related Party Transactions

A. Names of related parties and nature of relationship

Name of the entity	Country of incorporation	Company's holding as at (%) ^		
		31 March 2017	31 March 2016	1 April 2015
a) Joint Venture				
Dhule Palesner Tollways Limited (upto 29 October 2015)	India	-	-	37.00
Bona Sera Hotels Limited	India	26.00	26.00	26.00
Green Hills Residences Limited	India	60.00	60.00	60.00
Spotless Laundry Services Limited (upto 13 May 2015)	India	76.02	76.02	76.02
Starlit Resort Limited (w.e.f 14 May 2015)	India	26.00	26.00	100.00
Whistling Thrush Facilities Services Limited	India	51.00	51.00	51.00
Apollo Lavasa Health Corporation Limited (w.e.f 1 October 2015)	India	49.00	49.00	62.50
Ecomotel Hotel Limited (w.e.f. 15 July 2015)	India	51.00	51.00	27.26
Andromeda Hotels Limited	India	40.00	40.00	40.00
HCC Concessions Limited	India	85.45	85.45	85.45
Narmada Bridge Tollways Limited	India	85.45	85.45	85.45
Badarpur Faridabad Tollways Limited	India	85.45	85.45	85.45
Nirmal BOT Limited (upto 22 December 2015)	India	22.22	22.22	85.45
Baharampore-Farakka Highways Limited	India	85.45	85.45	85.45
Farakka-Raiganj Highways Limited	India	85.45	85.45	85.45
Raiganj-Dalkhola Highways Limited	India	85.45	85.45	85.45
b Associates				
Warasgaon Lake View Hotels Limited	India	-	27.00	27.00
Knowledge Vistas Limited	India	49.00	49.00	49.00
Evostate AG	Switzerland	30.00	30.00	30.00

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Name of the entity	Country of incorporation	Company's holding as at (%) ^		
		31 March 2017	31 March 2016	1 April 2015
MCR Managing Corp. Real Estate	Switzerland	30.00	30.00	30.00
Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	38.64	38.64	38.64
Vikhroli Corporate Park Private Limited (upto 10 July 2015)	India	-	-	26.00
Highbar Technocrat Limited (w.e.f. 21 July 2016) (previously known as Osprey Hospitality Limited)	India	49.00	-	-
c) Other Related Parties	Relationship			
Gulabchand Foundation	Other related party			
Hincon Holdings Limited	Other related party			
Hincon Finance Limited	Other related party			
HCC Employee's Provident Fund	Post-employment contribution plan			
Stiftung der Steiner AG (Steiner pension foundation)	Post-employment benefit plan			
d) Key Management Personnel and Relative of Key Management Personnel				
Mr Ajit Gulabchand	Chairman and Managing Director			
Mr Rajgopal Nogja	Group Chief Operating Officer & Whole Time Director (upto 2 May 2016) and Group Chief Executive Officer (from 3 May 2016 to 31 March 2017)			
Ms. Shalaka Gulabchand Dhawan	Whole time director (w.e.f. 30 April 2015)			
Mr Arun Karambelkar	President & Chief Executive Officer - E&C			
Mr Praveen Sood	Group Chief Financial Officer			
Mr V. P. Kulkarni	Company Secretary (upto 30 July 2015)			
Mr Sangameshwar Iyer	Company Secretary (w.e.f. 31 July 2015)			
Mr Arjun Dhawan	Relative of Key Management Personnel (Group Chief Executive Officer and Whole Time Director w.e.f. 1 April 2017)			

B. Nature of Transactions

Transactions with related parties:	₹ crore	
	Year ended 31 March 2017	Year ended 31 March 2016
Rendering of services / finance income		
HCC Concessions Limited	4.52	8.80
Andromeda Hotels Limited	0.04	0.09
Ecomotal Hotel Limited	0.83	0.96
Starlit Resorts Limited	0.18	0.16
Apollo Lavasa Health Corporation Limited	2.58	0.20
Spotless Laundry Services Limited	3.11	2.33
Whistling Thrush Facilities Services Limited	0.06	-
Dhule Palesner Tollway Limited	-	0.75
Knowledge Vistas Limited	0.27	0.27
Bona Sera Hotels Limited	2.30	1.43
Highbar Technocrat Limited	0.24	-
Evostate AG	8.28	4.90
Hincon Finance Limited	0.79	0.76
Total	23.20	20.65

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	₹ crore	
Transactions with related parties:	Year ended 31 March 2017	Year ended 31 March 2016
Receiving of services / interest expense		
HCC Concessions Limited	0.06	0.06
Whistling Thrush Facilities Services Limited	0.01	10.07
Starlit Resorts Limited	0.05	0.06
Bona Sera Hotels Limited	0.00	-
Ecomotal Hotel Limited	0.17	0.33
Appollo Lavasa Health Corporation Limited	0.04	0.22
Spotless Laundry Services Limited	0.00	0.01
Nirmal BOT Limited	-	3.53
Badarpur Faridabad Toll ways Limited	-	0.56
Dhule Palesner Tollway Limited	-	0.05
Baharampore-Farakka Highways Limited	22.18	15.94
Farakka-Raiganj Highways Limited	12.80	-
Highbar Technocrat Limited	15.60	-
Vikhroli Corporate Park Private Limited	-	5.42
Evostate AG	1.01	9.08
Hincon Holding Limited	0.48	0.40
Hincon Finance Limited	0.31	0.31
Total	<u>52.71</u>	<u>46.04</u>
Claim income written off		
Baharampore-Farakka Highway Limited	5.26	-
Total	<u>5.26</u>	<u>-</u>
Work bill receipts including sales of products		
Dhule Palesner Tollway Limited	-	10.89
Narmada Bridge Tollway Limited	-	9.89
Baharampore Farakka Highways Limited	115.18	143.70
Farakka Raiganj Highways Limited	236.21	227.83
Total	<u>351.39</u>	<u>392.31</u>
Purchase of property plant and equipment\ capital advances		
Hincon Finance Limited	-	10.75
Highbar Technocrat Limited	2.84	-
Total	<u>2.84</u>	<u>10.75</u>
Transfer of assets		
Highbar Technocrat Limited	2.81	-
Total	<u>2.81</u>	<u>-</u>
Transfer of liabilities		
Highbar Technocrat Limited	0.79	-
Total	<u>0.79</u>	<u>-</u>
Inter corporate deposit given during year		
Spotless Laundry Service Limited	6.94	0.29
Apollo Lavasa Health Corporation Limited	6.22	-
Bonasera Hotel Limited	5.10	-

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	₹ crore		
	Year ended 31 March 2017	Year ended 31 March 2016	
Transactions with related parties:			
Knowledge Vistas Limited	-	0.74	
Andromeda Hotels Limited	0.03	-	
Ecomotel Hotel Limited	3.30	-	
Whistling Thrush Facilities Services Limited	0.66	-	
Warasgaon Lakeview Hotel Limited	2.81	-	
HCC Concessions Limited	2.59	-	
Total	<u>27.65</u>	<u>1.03</u>	
Inter corporate deposit repaid back			
Ecomotel Hotel Limited	2.71	4.97	
Bona Sera Hotels Limited	-	1.88	
Andromeda Hotels Limited	-	0.03	
Knowledge Vistas Limited	-	5.73	
Total	<u>2.71</u>	<u>12.61</u>	
Security deposit given			
Hincon Finance Limited	-	3.34	
Total	<u>-</u>	<u>3.34</u>	
Conversion of receivable into Inter Corporate deposit			
HCC Concessions Limited	3.64	18.00	
Total	<u>3.64</u>	<u>18.00</u>	
Inter Corporate deposit recovered			
HCC Concessions Limited	3.64	18.00	
Total	<u>3.64</u>	<u>18.00</u>	
Advance consideration received for sale of shares outstanding			
HCC Concessions Limited	27.70	27.70	
Total	<u>27.70</u>	<u>27.70</u>	
Outstanding balances:	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Outstanding Receivables			
HCC Concessions Limited	3.23	7.99	21.52
Nirmal BOT Limited	-	0.36	0.79
Dhule Palesner Tollways Limited	-	-	4.48
Bonasera Hotel Limited	14.93	11.88	13.21
Ecomotel Hotel Limited	3.64	7.88	16.73
Andromeda Hotels Limited	2.70	2.65	4.57
Apollo Lavasa Health Corporation Limited	20.31	22.27	14.52
Spotless Laundry Services Limited	-	-	18.78
Badarpur Faridabad Tollway Limited	7.66	7.58	15.68
Baharampore -Farakka Highway Limited	106.26	123.07	20.89
Farakka -Raiganj Highway Limited	191.94	177.94	22.22
Knowledge Vistas Limited	3.27	1.24	7.73

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Outstanding balances:	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Vikhroli Corporate Park Private Limited	-	-	32.75
Evostate AG	23.55	12.30	48.97
Hincon Finance Limited	5.06	4.42	3.74
Total	382.55	379.58	246.58

Outstanding Payables

Raiganj-Dalkhola Highways Limited	87.49	87.60	88.09
Narmada Bridge Tollway Limited	-	-	4.40
Starlit Resort Limited	0.03	0.23	0.01
Whistling Thrush Facilities Services Limited	1.43	5.97	-
Green Hills Residences Limited	0.89	0.89	-
Hincon Holding Limited	1.09	0.74	0.47
Highbar Technocrat Limited	2.16	-	-
Total	93.09	95.43	92.97

Corporate Guarantees given and outstanding at the end of the year

HCC Concessions Limited	-	-	100.00
Ecomotel Hotel Limited	9.38	12.15	13.95
Knowledge Vistas Limited	16.19	14.00	12.81
Total	25.57	26.15	126.76

Counter indemnities given to banks & outstanding at the end of the year

Badarpur Faridabad Tollway Limited	14.70	14.70	14.70
Baharampore -Farakka Highway Limited	2.01	6.63	10.52
Farakka -Raiganj Highway Limited	12.33	12.85	14.02
Total	29.04	34.18	39.24

Equity Share Contribution during the period :

Andromeda Hotels Limited	-	0.04	1.27
Starlit India Limited	-	3.60	-
Ecomotel Hotel Limited	1.50	-	-
Total	1.50	3.64	1.27

C (i) Details of transactions relating to persons referred to in item (B) above

	Year ended 31 March 2017	Year ended 31 March 2016
Remuneration for the year		
Mr. Ajit Gulabchand	3.57	10.66
Ms. Shalaka Gulabchand Dhawan	1.38	1.11
Mr. Rajgopal Nogja	7.65	5.43
Mr. Arun Karambelkar	0.52	3.23
Mr. Praveen Sood	3.09	3.48
Mr. Sangameshwar Iyer	0.52	0.36
Mr. V.P Kulkarni	-	0.73
Total	16.73	25.00

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	Year ended 31 March 2017	Year ended 31 March 2016
Salary of Ms. Shalaka Gulabchand Dhawan	-	0.16
Salary of Mr. Arjun Dhawan	2.88	3.35
Total	19.61	28.51

Remuneration of Key managerial persons from subsidiary company

Mr. Ajit Gulabchand	2.34	2.29
Mr. Rajgopal Nogja	2.34	2.29
Total	4.68	4.58

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Outstanding as at			
Mr. Ajit Gulabchand	12.22	11.44	10.66
Ms. Shalaka Gulabchand Dhawan	0.12	0.09	0.09
Mr. Rajgopal Nogja	0.64	0.40	0.36
Mr. Arun Karambelkar	0.28	0.35	0.31
Mr. Praveen Sood	0.26	0.94	0.17
Mr. Sangameshwar Iyer	0.04	0.04	-
Mr. V.P Kulkarni	-	-	0.76
Mr. Arjun Dhawan	0.24	0.34	0.20
Total	13.80	13.60	12.55

Outstanding from subsidiary company:

Mr. Ajit Gulabchand	2.34	2.29	2.20
Total	2.34	2.29	2.20

The above figure does not include provisional gratuity liability valued by an actuary, as separate figures are not available.

(ii) Options granted to key management personnel under employees stock option scheme

Name	Number of Options outstanding		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Mr Rajgopal Nogja	-	102,960	188,760
Mr Arun Karambelkar	-	164,700	301,950
Mr Praveen Sood	-	164,700	301,950
Mr V. P. Kulkarni	-	-	150,920

(ii) Options granted to key management personnel under employees stock option scheme of Lavasa Corporation Limited (subsidiary company)

Name	Number of Options outstanding		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Mr. Rajgopal Nogja	1,20,991	2,41,982	4,03,303
Mr. Praveen Sood	13,454	26,908	44,846
Mr. Arun Karambelkar	13,454	26,908	44,846
Mr. V.P.Kulkarni	-	-	22,423

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 40 Interests in other entities

a) Joint operations (unincorporated)

The Group's share of interest in joint operations as at 31 March 2017 is set out below. The principal place of business of all these joint operations is in India except for ARGE Prime Tower having principal place of business in Switzerland

Name of the entity	% of ownership interest held by the Company			Name of the ventures' partner	Principal activities
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015		
HCC-L&T Purulia Joint Venture	57.00	57.00	57.00	Larsen and Toubro Limited	Construction
Nathpa Jhakri Joint venture	40.00	40.00	40.00	Impregilio-Spa, Italy	Construction
Kumagai-Skanska HCC Itochu Joint venture	19.60	19.60	19.60	Skanska, Kumagai, Itochu	Construction
HCC-Alpine-Samsung Joint Venture	33.00	33.00	33.00	Alpine Meyreder Bau, Samsung Corporation	Construction
Alpine - HCC Joint Venture	49.00	49.00	49.00	Alpine Meyreder Bau	Construction
HCC - Samsung Joint Venture CC-34	50.00	50.00	50.00	Samsung Corporation	Construction
ARGE Prime tower	45.00	45.00	45.00	Losinger Construction AG	Construction

i) Classification of joint arrangements

The joint venture agreements in relation to the above mentioned joint operations require unanimous consent from all the parties for all relevant activities. All co-venturers have direct rights to the assets of the joint venture and are also jointly and severally liable for the liabilities incurred by the joint venture. These joint ventures are therefore classified as a joint operation and the Company recognises its direct right to the jointly held assets, liabilities, revenue and expenses. In respect of these contracts (assessed as AOP under the Income tax laws), the services rendered to the joint ventures are accounted as income on accrual basis.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	₹ crore	₹ crore	₹ crore
ii) Summarised balance sheet			
Total assets	61.22	66.67	128.39
Total liabilities	75.00	83.74	132.50
iii) Contingent liability as at reporting date			
Contingent liability	2.54	4.75	23.27
		Year ended 31 March 2017	Year ended 31 March 2016
		₹ crore	₹ crore
iv) Summarised statement of profit and loss account			
Revenue		45.58	124.82
Other income		1.96	0.45
Total expenses (including taxes)		39.88	139.10

b) Joint operations on work sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is set out below. The principal place of business of all these joint operations is in India. The principal place of business of all these arrangements is in India and are engaged in construction business.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

i) HCC Van Oord ACZ Joint Venture	vi) HCC - CEC Joint Venture	xi) HCC - MEIL - SEW - AAG Joint Venture	xvi) HCC - DSD - VNR Joint Venture
ii) Samsung - HCC Joint Venture	vii) HCC - NOVA Joint Venture	xii) HCC - MEIL - SEW Joint Venture	xvii) MEIL - IVRCL - HCC - WPIL Joint Venture
iii) L & T - HCC Joint Venture	viii) HCC - CPL Joint Venture	xiii) HCC - Halcrow Joint Venture	xviii) Alstom Hydro France - HCC Joint Venture
iv) HCC - KBL Joint Venture	ix) HCC - MEIL - CBE Joint Venture	xiv) HCC - Laing - Sadbhav Joint Venture	xix) HCC - MMS (MMRCL) Joint Venture
v) HCC - NCC Joint Venture	x) HCC - MEIL - BHEL Joint Venture	xv) HCC - MEIL - NCC - WPIL Joint Venture	xx) HCC - LCESPL (Bistan Lift) Joint venture

Classification of work executed on sharing basis

Contracts executed in joint venture under work sharing arrangement (consortium) is accounted to the extent work executed by the Company as that of an independent contract.

Note 41 Financial instruments

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments
- Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2017 were as follows:

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value				Total carrying value	Total fair value
			through profit or loss		through OCI			
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investment in debentures	5	-	-	-	-	-	-	-
Investments in equity shares (unquoted)	5,12	-	-	-	46.31	-	46.31	46.31
Investments in equity shares (quoted)	5	-	-	-	6.29	-	6.29	6.29
Investment in mutual funds	12	-	-	-	4.46	-	4.46	4.46
Trade receivables	6	3,736.79	-	-	-	-	3,736.79	3,736.79
Loans	7	56.29	-	-	-	-	56.29	56.29
Others financial assets	8	5,331.30	-	-	-	-	5,331.30	5,331.30
Cash and cash equivalents	13	227.74	-	-	-	-	227.74	227.74
Other bank balances	14	531.40	-	-	-	-	531.40	531.40
Liabilities:								
Borrowings	16, 19	6,873.16	-	-	-	-	6,873.16	6,873.16
Trade payables	20	3,516.62	-	-	-	-	3,516.62	3,516.62
Other financial liabilities	17	3,960.83	-	-	-	-	3,960.83	3,960.83

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

The carrying value and fair value of financial instruments by categories as at 31 March 2016 were as follows:

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investment in debentures	5	-	-	-	-	-	-	-
Investments in equity shares (unquoted)	5,12	-	-	-	18.81	-	18.81	18.81
Investments in equity shares (quoted)	5	-	-	-	4.93	-	4.93	4.93
Investment in mutual funds	12	-	-	-	21.79	-	21.79	21.79
Trade receivables	6	2,753.56	-	-	-	-	2,753.56	2,753.56
Loans	7	79.55	-	-	-	-	79.55	79.55
Others financial assets	8	4,952.36	-	-	-	-	4,952.36	4,952.36
Cash and cash equivalents	13	193.45	-	-	-	-	193.45	193.45
Other bank balances	14	530.63	-	-	-	-	530.63	530.63
Liabilities:								
Borrowings	16, 19	7,663.57	-	-	-	-	7,663.57	7,663.57
Trade payables	20	2,951.88	-	-	-	-	2,951.88	2,951.88
Other financial liabilities	17	2,853.91	-	-	-	-	2,853.91	2,853.91

The carrying value and fair value of financial instruments by categories as at 1 April 2015 were as follows

Particulars	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investment in debentures	5	82.85	-	-	-	-	82.85	82.85
Investments in equity shares (unquoted)	5,12	-	-	-	95.58	-	95.58	95.58
Investments in equity shares (quoted)	5	-	-	-	4.98	-	4.98	4.98
Investment in mutual funds	12	-	-	-	9.88	-	9.88	9.88
Trade receivables	6	2,537.11	-	-	-	-	2,537.11	2,537.11
Loans	7	123.15	-	-	-	-	123.15	123.15
Others financial assets	8	4,974.26	-	-	-	-	4,974.26	4,974.26
Cash and cash equivalents	13	323.92	-	-	-	-	323.92	323.92
Other bank balances	14	459.47	-	-	-	-	459.47	459.47
Liabilities:								
Borrowings	16, 19	8,185.16	-	-	-	-	8,185.16	8,185.16
Trade payables	20	3,385.22	-	-	-	-	3,385.22	3,385.22
Other financial liabilities	17	2,074.31	-	-	-	-	2,074.31	2,074.31

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	₹ crore								
	31 March 2017			31 March 2016			1 April 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets									
Investments in equity shares (quoted)	6.29	-	-	4.93	-	-	4.98	-	-
Investments in equity shares (unquoted)	-	46.31	-	-	18.81	-	-	95.58	-
Investment in mutual funds	4.46	-	-	21.79	-	-	9.88	-	-

Note 42 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a Interest rate risk

Majority of the long term borrowings of the Group bear fixed interest rate, thus interest rate risk is limited for the Group.

b Foreign currency risk

The Group has several balances in foreign currency and consequently the Group is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Group, and may fluctuate substantially in the future. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The following table analysis foreign currency risk from financial instruments as at 31 March 2017:

Particulars	₹ crore				
	USD	EUR	AUD	GBP	SEK
Assets					
Advance to suppliers	-	1.07	-	0.10	-
Trade receivables	1.19	0.23	-	-	-
Bank balances	9.54	0.00	-	-	-
Unbilled work-in-progress	27.24	0.44	-	-	-
	37.97	1.74	-	0.10	-
Liabilities					
Loans from banks	8.88	-	-	-	-
Buyers' credit	0.01	0.13	-	-	-
Advance from contractee	11.04	0.65	-	-	-
Trade payables	26.07	0.82	-	0.01	0.16

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Particulars	₹ crore				
	USD	EUR	AUD	GBP	SEK
Interest on loans	0.66	-	-	-	-
	<u>46.66</u>	<u>1.60</u>	<u>-</u>	<u>0.01</u>	<u>0.16</u>
Net assets / (liabilities)	<u>(8.69)</u>	<u>0.14</u>	<u>-</u>	<u>0.09</u>	<u>(0.16)</u>

The following table analysis foreign currency risk from financial instruments as at 31 March 2016:

Assets

Advance to suppliers	0.04	1.55	0.00	0.11	0.00*
Trade receivables	0.46	0.21	-	-	-
Bank balances	9.05	0.03	-	-	-
Unbilled work-in-progress	18.71	0.62	-	-	-
	<u>28.26</u>	<u>2.41</u>	<u>0.00</u>	<u>0.11</u>	<u>0.00</u>

Liabilities

Loans from banks	9.41	-	-	-	-
Buyers' credit	-	0.30	-	-	-
Advance from contractee	8.62	0.69	-	-	-
Trade payables	19.78	0.94	-	0.01	0.21
Interest on loans	0.37	-	-	-	-
	<u>38.18</u>	<u>1.93</u>	<u>-</u>	<u>0.01</u>	<u>0.21</u>
Net assets / (liabilities)	<u>(9.92)</u>	<u>0.48</u>	<u>0.00</u>	<u>0.10</u>	<u>(0.21)</u>

The following table analysis foreign currency risk from financial instruments as at 1 April 2015:

Particulars	₹ crore				
	USD	EUR	AUD	GBP	SEK
Assets					
Advance to suppliers	-	0.94	-	0.11	-
Trade receivables	0.83	0.16	-	-	-
Bank balances	10.60	0.00	-	-	-
Unbilled work-in-progress	21.16	0.40	-	-	-
	<u>32.59</u>	<u>1.50</u>	<u>-</u>	<u>0.11</u>	<u>-</u>
Liabilities					
Loans from banks	10.36	-	-	-	-
Buyers' credit	-	0.05	-	-	-
Advance from contractee	8.35	0.35	-	-	-
Trade payables	26.99	1.45	-	0.02	0.10
Interest on loans	0.11	-	-	-	-
	<u>45.81</u>	<u>1.85</u>	<u>-</u>	<u>0.02</u>	<u>0.10</u>
Net assets / (liabilities)	<u>(13.22)</u>	<u>(0.35)</u>	<u>-</u>	<u>0.09</u>	<u>(0.10)</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Sensitivity analysis

The Group's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact of the operating profits of the Group.

c Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

As at 31 March 2017, the exposure to listed equity securities at fair value was ₹ 6.28 crore. A decrease of 10% in the value could have an impact of approximately ₹ 0.63 crore on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have a material effect on the profit or loss of the Group.

ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents and receivable from group companies.

- a Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Group mainly consists of the government promoted entities having a strong credit worthiness. For other customers, the Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled work-in-progress. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

Particulars	31 March 2017 %	31 March 2016 %
Revenue from government promoted agencies	46.31	43.98
Revenue from others	53.69	56.02
	<u>100.00</u>	<u>100.00</u>

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

	31 March 2017 ₹ crore	31 March 2016 ₹ crore
Revenue from top customer	605.29	619.47
Revenue from top five customers	2,448.47	2,328.65

For the year ended 31 March 2017, four (31 March 2016: three) customers, individually, accounted for more than 10% of the revenue.

The movement of the allowance for lifetime expected credit loss is stated below: ^

Balance at the beginning of the year	-	-
Balance at the end of the year	-	-

^ The Group has written off ₹ 35.97 crore and ₹ 98.64 crore towards amounts not recoverable during the years ended 31 March 2017 and 31 March 2016, respectively.

- b Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

iii Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	₹ crore
					Total
As at 31 March 2017					
Borrowings	1,230.97	9.39	8,018.02	-	9,258.38
Trade payables	515.74	3,000.88	-	-	3,516.62
Interest accrued	692.70	114.85	-	-	807.55
Other financial liabilities	749.67	4.16	12.14	2.09	768.06
Total	3,189.08	3,129.28	8,030.16	2.09	14,350.61
As at 31 March 2016					
Borrowings	2,127.25	22.44	7,345.30	-	9,494.99
Trade payables	604.45	2,347.43	-	-	2,951.88
Interest accrued	282.31	44.46	-	-	326.77
Other financial liabilities	673.17	4.16	14.22	4.17	695.72
Total	3,672.57	2,418.49	7,359.52	4.17	13,454.75
As at 1 April 2015					
Borrowings	2,079.56	3.37	7,618.89	-	9,701.82
Trade payables	601.55	2,783.67	-	-	3,385.22
Interest accrued	202.58	47.12	-	-	249.70
Other financial liabilities	281.29	5.01	15.43	6.23	307.96
Total	3,164.98	2,839.17	7,634.32	6.23	13,644.70

Note 43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital plus total debt.

In the long run, the Group's strategy is to maintain a gearing ratio of less than 1.25.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. Subsequent to restructuring of the borrowings as stated in note 16, there have been no communications from the banks in this regard which might have a negative impact on the gearing ratio.

Note 44: Interest in other entities

44.1 Subsidiaries

The Group's subsidiaries as at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^			Ownership interest held by non controlling interests (%)			Principal activities
		31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	
Western Securities Limited	India	97.87	97.87	97.87	2.13	2.13	2.13	Insurance auxilliary services
HCC Real Estate Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
Panchkutir Developers Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
HCC Mauritius Enterprises Limited	Mauritius	100.00	100.00	100.00	-	-	-	Investment company
HCC Construction Limited	India	100.00	100.00	100.00	-	-	-	Construction
Highbar Technologies Limited	India	100.00	100.00	100.00	-	-	-	IT Consulting
HCC Infrastructure Company Limited	India	100.00	100.00	100.00	-	-	-	Toll management
HCC Mauritius Investments Limited	Mauritius	100.00	100.00	100.00	-	-	-	Investment company
Lavasa Corporation Limited	India	68.70	68.70	68.70	31.30	31.30	31.30	Township development
HRL (Thane) Real Estate Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
HRL Township Developers Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
Nashik Township Developers Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
Maan Township Developers Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
Charosa Wineries Limited	India	100.00	100.00	100.00	-	-	-	Wineries
Powai Real Estate Developer Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
HCC Realty Limited	India	100.00	100.00	100.00	-	-	-	Real estate development
Pune Paud Toll Road Company Limited ^^	India	100.00	100.00	100.00	-	-	-	Toll management
HCC Aviation Limited	India	100.00	100.00	100.00	-	-	-	Aircraft services

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^			Ownership interest held by non controlling interests (%)			Principal activities
		31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	
Highbar Technologies FZLLC (upto 31 July 2016)	UAE	-	100.00	100.00	-	-	-	IT Consulting
HCC Operation and Maintenance Limited	India	100.00	100.00	100.00	-	-	-	Toll management
Dhule Palesner Operations & Maintenance Limited	India	100.00	100.00	100.00	-	-	-	Toll management
HCC Power Limited	India	100.00	100.00	100.00	-	-	-	Power development
HCC Energy Limited (Incorporated on 11 August 2015)	India	100.00	100.00	-	-	-	-	Power development
Lavasa Hotel Lakeshore Watersports Company Limited	India	100.00	100.00	100.00	-	-	-	Hospitality
Dasve Convention Center Limited	India	100.00	100.00	100.00	-	-	-	Watersport operations
Dasve Business Hotel Limited	India	100.00	100.00	100.00	-	-	-	Hospitality services
Dasve Hospitality Institutes Limited	India	100.00	100.00	100.00	-	-	-	Entertainment and Hospitality
Lakeview Clubs Limited	India	100.00	100.00	100.00	-	-	-	Educational services
Dasve Retail Limited	India	100.00	100.00	100.00	-	-	-	Clubs
Full Spectrum Adventure Limited	India	90.91	90.91	90.91	9.09	9.09	9.09	Retail and leasing business
Lavasa Bamboocrafts Limited	India	100.00	100.00	100.00	-	-	-	Adventure sports
My City Technology Limited	India	63.00	63.00	63.00	37.00	37.00	37.00	Manufacturing
Reasonable Housing Limited	India	100.00	100.00	100.00	-	-	-	Information technology
Future City Multiservices Sez Limited	India	100.00	100.00	100.00	-	-	-	Housing business
Verzon Hospitality Limited	India	100.00	100.00	100.00	-	-	-	Development of SEZ
Rhapsody Commercial Space Limited	India	100.00	100.00	100.00	-	-	-	Hostel services
Valley View Entertainment Limited	India	100.00	100.00	100.00	-	-	-	Leasing business

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^			Ownership interest held by non controlling interests (%)			Principal activities
		31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	
Sirrah Palace Hotels Limited (upto 6 November 2015)	India	-	-	100.00	-	-	-	Hospitality
Warasgaon Tourism Limited	India	100.00	100.00	100.00	-	-	-	Transport and tourism
Our Home Service Apartments Limited	India	100.00	100.00	100.00	-	-	-	Hospitality
Warasgaon Power Supply Limited	India	100.00	100.00	100.00	-	-	-	Infrastructure - BOT basis
Sahyadri City Management Limited	India	100.00	100.00	100.00	-	-	-	City management
Hill City Service Apartments Limited	India	100.00	100.00	100.00	-	-	-	Hospitality
Kart Racers Limited	India	89.90	100.00	100.00	10.10	-	-	Adventure sports
Warasgaon Infrastructure Providers Limited	India	100.00	100.00	100.00	-	-	-	Infrastructure services
Nature Lovers Retail Limited	India	100.00	100.00	100.00	-	-	-	Retail services
Osprey Hospitality Limited (upto 20 July 2016)	India	-	100.00	100.00	-	-	-	Hospitality
Warasgaon Valley Hotels Limited	India	100.00	100.00	100.00	-	-	-	Hospitality
Rosebay Hotels Limited	India	100.00	100.00	100.00	-	-	-	Hospitality
Mugaon Luxury Hotels Limited	India	100.00	100.00	100.00	-	-	-	Hospitality
Warasgaon Assets Maintenance Limited	India	100.00	100.00	100.00	-	-	-	Infrastructure-BOT basis
Hill View Parking Services Limited	India	100.00	100.00	100.00	-	-	-	Parking services
Steiner AG	Switzerland	100.00	100.00	100.00	-	-	-	Real estate development
Steiner Promotions et Participations SA	Switzerland	100.00	100.00	100.00	-	-	-	Real estate development
Steiner (Deutschland) GmbH	Germany	100.00	100.00	100.00	-	-	-	Real estate development
VM + ST AG	Switzerland	100.00	100.00	100.00	-	-	-	Real estate development
Steiner Leman SAS**	France	100.00	100.00	100.00	-	-	-	Real estate development
SNC Valleiry Route de Bloux**	France	-	100.00	100.00	-	-	-	Real estate development
Eurohotel SA	Switzerland	95.00	95.00	95.00	5.00	5.00	5.00	Real estate development

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Name of the entity	Country of incorporation	Ownership interest held by the group (%) ^			Ownership interest held by non controlling interests (%)			Principal activities
		31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	
Steiner India Limited	India	100.00	100.00	100.00	-	-	-	Real estate construction
Starlit Resort Limited (upto 13 May 2015)	India	-	-	100.00	-	-	-	Hospitality
Nirmal BOT Limited (upto 22 December 2015)	India	-	-	100.00	-	-	-	Toll management

^ including through subsidiary companies

** During the year ended 31 March 2017 SNC Valleiry Route de Bloux is merged with Steiner Leman SAS, as part of restructuring process

^^ merger petition with HCC Infrastructure Company Limited filed with National Company Law Tribunal (NCLT) on 31 March 2017. Appointed date for the scheme is 1 April 2016. The transaction is subject to customary closing conditions, including regulatory approvals.

44.2 Non-controlling interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

Particulars	Western Securities Limited			Lavasa Corporation Limited			Full Spectrum Adventure Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Non-current assets	2.50	1.90	2.23	4,054.77	4,012.91	2,881.09	3.45	3.72	4.09
Current assets	0.24	2.42	0.35	2,559.73	2,460.88	2,268.02	0.98	1.06	1.05
Non-current liabilities	0.53	0.51	0.52	2,405.12	3,053.15	2,546.20	0.02	0.02	0.04
Current liabilities	0.22	2.01	0.18	3,273.67	2,318.65	1,770.10	21.30	19.05	17.78
Net assets	1.99	1.80	1.88	935.71	1,102.17	832.80	(16.89)	(14.28)	(12.68)
Net assets attributable to NCI	0.04	0.04	0.04	292.88	344.98	260.67	(1.08)	(0.85)	(0.07)
Revenue	0.32	0.29	*^	64.33	59.21	*^	2.28	2.76	*^
Profit for the year	0.19	0.04	*^	(253.42)	454.08	*^	(2.60)	(1.61)	*^
Other comprehensive income	0.08	(0.05)	*^	0.02	0.13	*^	0.00	0.00	*^
Total comprehensive income	0.19	(0.06)	*^	(166.27)	269.18	*^	(2.60)	(1.61)	*^
Profit/(Loss) allocated to NCI	0.00	(0.00)	*^	(79.32)	84.21	*^	(0.24)	(0.15)	*^
OCI allocated to NCI	0.00	(0.00)	*^	0.00	0.04	*^	0.00	0.00	*^
Total comprehensive income allocated to NCI	0.00	(0.00)	*^	(79.32)	84.25	*^	(0.24)	(0.15)	*^
Cash flow from operating activities	0.44	0.13	*^	849.20	671.61	*^	(7.84)	(0.03)	*^
Cash flow from investing activities	(0.63)	0.20	*^	400.07	(484.50)	*^	-	(0.01)	*^

₹ crore

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Particulars	₹ crore								
	Western Securities Limited			Lavasa Corporation Limited			Full Spectrum Adventure Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Cash flow from financing activities	(2.00)	1.83	*^	(1,249.78)	(188.42)	*^	7.59	(0.03)	*^
Net increase/ (decrease) in cash and cash equivalents	(2.18)	2.16	*^	(0.51)	(1.31)	*^	(0.25)	(0.06)	*^

Particulars	₹ crore								
	Kart Racers Limited			My City Technology Limited			Euro hotel SA		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Non-current assets	-	*^	*^	0.80	2.03	5.26	-	-	-
Current assets	-	*^	*^	14.03	14.68	18.63	0.03	0.06	0.07
Non-current liabilities	-	*^	*^	0.02	0.01	0.07	-	-	-
Current liabilities	0.20	*^	*^	4.39	4.32	4.00	7.16	7.49	6.66
Net assets	(0.20)	*^	*^	10.43	12.38	19.82	(7.13)	(7.43)	(6.59)
Net assets attributable to NCI	(0.02)	*^	*^	3.86	4.58	7.33	(0.36)	(0.37)	
Revenue	0.00	*^	*^	0.59	1.41	*^	-	-	*^
Profit for the year	(0.03)	*^	*^	(1.95)	(7.47)	*^	(0.09)	(0.43)	*^
Other comprehensive income	-	*^	*^	0.01	0.04	*^	-	-	*^
Total comprehensive income	(0.03)	*^	*^	(1.94)	(7.44)	*^	(0.09)	(0.43)	*^
Profit/(Loss) allocated to NCI	(0.00)	*^	*^	(0.72)	(2.77)	*^	(0.00)	(0.02)	*^
Dividend paid to NCI	-	*^	*^	-	-	*^	-	-	*^
OCI allocated to NCI	-	*^	*^	0.00	0.01	*^	-	-	*^
Total comprehensive income allocated to NCI	-	*^	*^	(0.72)	(2.75)	*^	(0.00)	(0.02)	*^
Cash flow from operating activities	(0.04)	*^	*^	(0.14)	(0.16)	*^	(0.03)	0.01	*^
Cash flow from investing activities	-	*^	*^	0.10	0.12	*^	-	-	*^
Cash flow from financing activities	0.04	*^	*^	0.01	-	*^	-	-	*^
Net increase/ (decrease) in cash and cash equivalents	0.00	*^	*^	(0.02)	(0.04)	*^	-	-	*^

*^ Indicates disclosures that are not required

44.3 Interest in associates and joint venture

	Note	₹ crore		
		Carrying amount as at		
		31 March 2017	31 March 2016	1 April 2015
Interest in associates	See (A) below	34.13	71.10	72.50
Interest in joint ventures	See (B) below	385.29	482.23	581.77
		<u>419.42</u>	<u>553.33</u>	<u>654.27</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

(A) Interest in associates

The Group's associates as at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at *			Principal activities
			31 March 2017	31 March 2016	1 April 2015	
			₹ crore			
Warasgaon Lake View Hotels Limited (upto 28 March 2017)	India	27	-	14.87	12.69	Hospitality
Knowledge Vistas Limited	India	49	13.45	14.50	9.25	Education
Vikhroli Corporate Park Private Limited (till 10 July 2015)	India	26	-	-	3.96	Assets management company
Evostate AG	Switzerland	30	5.87	37.93	45.50	Real estate development
MCR Managing Corporate Real Estate AG	Switzerland	30	9.35	-	-	Real estate development
Projektentwicklungsgesellschaft Parking Kunstmuseum Basel AG	Switzerland	39	3.48	3.80	1.10	Real estate development
Highbar Technocrat Limited (w.e.f. 21 July 2016) (previously known as Osprey Hospitality Limited)	India	49	1.98	-	-	IT services
			34.13	71.10	72.50	

* Unlisted entity - no quoted price available

Refer Note 44.4 for the summarised financial information for associates. The information disclosed reflects the amount presented in the financial statement of the relevant associates and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Refer Note 32 for the Group share of capital commitment and contingent liability in relation to its interest in associates

(B) Interest in joint ventures

The Group's joint ventures as at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at *			Principal activities
			31 March 2017	31 March 2016	1 April 2015	
			₹ crore			
Green Hills Residences Limited	India	60.00	-	-	-	Hostel
Whistling Thrush Facilities Services Limited	India	51.00	-	0.32	0.56	Facility management services
Starlit Resort Limited (w.e.f 14 May 2015)	India	26.00	3.93	3.82	-	Hospitality
Ecomotel Hotel Limited	India	51.00	6.57	5.51	-	Hospital health care services

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Name of the entity	Country of incorporation	Ownership interest (%)	Carrying amount as at *			Principal activities
			31 March 2017	31 March 2016	1 April 2015	
			₹ crore			
Andromeda Hotels Limited	India	40.03	2.95	2.97	2.96	Hospitality
Apollo Lavasa Health Corporation Limited	India	49.00	27.68	28.84	58.54	Hospital health care services
Bon Sera Hotels Limited	India	26.00	-	-	-	Hospitality
Spotless Laundry Services Limited	India	76.02	-	-	-	Laundry services
Dhule Palesner Tollways Limited(up to 29 October 2015)	India	0.00	-	-	-	Toll management
HCC Concessions Limited	India	85.45	315.39	403.24	472.17	Concessionaries services
Baharampore-Farakka Highways Ltd	India	85.45	1.34	6.80	16.73	Toll management
Farakka-Raiganj Highways Ltd	India	85.45	22.13	25.43	25.51	Toll management
Raiganj-Dalkhola Highways Ltd	India	85.45	5.30	5.30	5.30	Toll management
			385.29	482.23	581.77	

* Unlisted entity - no quoted price available

Refer Note 44.5 for the table below provide summarised financial information for joint ventures. The information disclosed reflects the amount presented in the financial statement of the relevant associates and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments at the time of acquisition and modifications for difference in accounting policies.

Though the Group's investment in below mentioned entities exceed 50% of the total share capital, these entities have been classified as joint venture. The management has assessed whether or not the group has control over these entities based on whether the group has practical ability to direct relevant activities unilaterally. In these cases, based on specific shareholders agreement, the management concluded that the group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other shareholders. The details in respect these entities are as under :

Name of the entity	(%) of share holding as at 31 March 2017
Spotless Laundry Services Limited	76.02
Green Hills Residences Limited (refer note below)	60.00
Whistling Thrush Facilities Services Limited	26.00
Ecomotel Hotel Limited	51.00
HCC Concessions Limited	85.45
Baharampore-Farakka Highways Limited	85.45
Farakka-Raiganj Highways Limited	85.45
Raiganj-Dalkhola Highways Limited	85.45

Note: In respect of Green Hills Residencies Limited, in earlier years, the cancellation of joint venture agreement by LCL, a subsidiary company, was challenged by the investor and the matter was referred to the arbitration. During the year, joint venturers entered into agreement and the disputes were settled amicably. As per the settlement agreement, equity shares held by investor would be transferred to LCL. However, the process of transfer has not yet been completed, pending with Green Hills Residencies Limited, has been considered as joint venture.

Refer Note 32 for the Group share of capital commitment and contingent liability in relation to its interest in joint venture. The Group has not recognised losses aggregating ₹ 23.46 crore (31 March 2016: ₹ 21.82 crore) in relation to its interests in joint ventures as the Group has no obligation in respect of these losses.

During the years ended 31 March 2017 and 31 March 2016, the Group did not receive dividends from any of its joint ventures

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Note 44.4 Table below provide summarised financial information for associates

Particulars	₹ crore											
	Warasgaon Lake View Hotels Limited			Highbar Technocrat Limited (Earlier known as Osprey Hospitality Limited)			Vikhroli Corporate Park Private Limited			Knowledge Vistas Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Non-current assets	*^	111.79	101.22	2.91	*^	*^	*^	*^	**	**	**	**
Current assets	*^	4.81	6.75	13.61	*^	*^	*^	*^	**	**	**	**
Non-current liabilities	*^	49.30	47.10	0.16	*^	*^	*^	*^	**	**	**	**
Current liabilities	*^	13.41	11.86	11.52	*^	*^	*^	*^	**	**	**	**
Net assets	*^	53.89	49.01	4.84	*^	*^	*^	*^	**	**	**	**
Group share of net assets	*^	12.68	12.69	2.37	*^	*^	*^	*^	**	**	**	**
Revenue	*^	0.00	*^	25.08	*^	*^	*^	*^	*^	**	**	*^
Other Income	*^	-	*^	0.07	*^	*^	*^	*^	*^	*^	*^	**
Construction Cost	*^	-	*^	-	*^	*^	*^	*^	*^	*^	*^	**
Employee cost	*^	-	*^	9.53	*^	*^	*^	*^	*^	*^	*^	**
Finance cost	*^	0.25	*^		*^	*^	*^	*^	*^	*^	*^	**
Depreciation	*^	0.01	*^	0.30	*^	*^	*^	*^	*^	*^	*^	**
Other expenses	*^	0.04	*^	9.38	*^	*^	*^	*^	*^	*^	*^	**
Profit/ (loss) for the year	*^	(0.30)	*^	5.94	*^	*^	*^	*^	*^	**	**	*^
Tax expenses	*^		*^	1.97	*^	*^	*^	*^	*^	*^	*^	**
Profit/ (loss) for the year after tax	*^	(0.30)	*^	3.97	*^	*^	*^	*^	*^	*^	*^	**
Other comprehensive income	*^	-	*^	(0.04)	*^	*^	*^	*^	*^	**	**	*^
Total comprehensive income	*^	(0.30)	*^	3.93	*^	*^	*^	*^	*^	**	**	*^
Group share of profit/ (loss)	*^	(0.01)	*^	1.93	*^	*^	*^	*^	*^	*^	*^	**
Group share of OCI	*^	0.00	*^	-	*^	*^	*^	*^	*^	*^	*^	**
Group share of total comprehensive income	*^	(0.01)	*^	1.93	*^	*^	*^	*^	*^	*^	*^	**
Dividend received	-	-	-	-	-	-	-	-	-	-	-	*^

Particulars	MCR Managing Corporate Real Estate AG			Projektentwicklungsgesellschaft Parking Kunstmuseum Basel AG			Evostate AG		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	Non-current assets	-	-	-	-	-	-	5.58	5.90
Current assets	92.23	217.73	314.26	21.14	15.93	9.65	50.75	0.61	31.83
Non-current liabilities	13.98	-	-	5.47	-	-	-	-	-
Current liabilities	46.91	92.14	194.18	6.67	6.15	6.04	0.06	0.45	0.11
Net assets	31.34	125.59	120.08	9.00	9.78	3.61	56.27	6.06	37.27
Group share of net assets									
Revenue	50.87	291.62	*^	-	-	*^	-	-	*^
Other income	-	0.03	*^	-	-	*^	128.31	0.01	*^
Construction Expenses	42.50	220.30	*^	0.16	-	*^	-	-	*^
Employee cost	-	-	-	-	-	-	-	-	*^
Depreciation and amortisation	-	-	*^	-	-	*^	-	-	*^
Finance cost	0.14	0.02	*^	-	0.06	*^	-	-	*^
Other expenses	0.52	1.35	*^	0.10	0.14	*^	-	0.07	*^
Profit/ (loss) for the year	7.71	69.98	*^	(0.26)	(0.20)	*^	128.31	(0.06)	*^

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Particulars	MCR Managing Corporate Real Estate AG			Projektentwicklungsgesell schaft Parking Kunstmuseum Basel AG			Evostate AG		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Income tax	(1.81)	16.67	*^	-	-	*^	0.03	-	*^
Profit/ (loss) for the year- after tax	9.52	53.31	*^	(0.26)	(0.20)	*^	128.28	(0.06)	-
Other comprehensive income	-	-	-	-	-	-	-	-	*^
Total comprehensive income	9.52	53.31	*^	(0.26)	(0.20)	*^	128.28	(0.06)	*^
Group share of profit/ (loss)	-	-	-	-	-	-	-	-	-
Group share of OCI	-	-	-	-	-	-	-	-	-
Group share of total comprehensive income	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	77.65	-	*^

*^ Indicates disclosures that are not required

** financials not available

Note 44.5 Table below provide summarised financial information for Joint venture

Particulars	₹ crore											
	Raiganj-Dalkhola Highways Ltd			Baharampore-Farakka Highways Ltd			Farakka-Raiganj Highways Ltd			HCC Concessions Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Non-current assets	268.07	252.58	196.45	995.39	846.54	818.47	1,526.33	1,253.72	1,055.49	964.68	908.54	1,068.01
Current assets												
- Cash and cash equivalents	0.05	28.79	0.28	85.27	51.58	3.86	31.74	4.14	7.90	0.72	22.92	0.05
- Other assets	0.01	0.06	0.01	61.05	84.22	45.82	18.37	39.64	2.66	48.30	83.18	92.89
Current assets	0.06	28.85	0.29	146.32	135.80	49.68	50.11	43.78	10.56	49.02	106.10	92.95
Non-current liabilities												
- Financial liabilities (excluding trade payables)	47.32	60.19	15.18	268.18	217.05	146.67	354.15	270.68	188.75	20.58	22.38	10.47
- Other liabilities	0.07	0.93	0.01	7.05	17.03	3.23	9.16	3.61	0.72	0.59	0.42	0.53
Non-current liabilities	47.39	61.12	15.19	275.23	234.08	149.90	363.31	274.29	189.47	21.17	22.80	11.00
Current liabilities												
- Financial liabilities (excluding trade payables)	91.19	90.18	86.00	638.28	542.07	514.89	959.20	767.65	628.25	13.71	13.98	121.92
- Other liabilities	-	-	-	90.29	47.29	11.78	10.67	-	-	1.91	1.63	2.37
Current liabilities	91.19	90.18	86.00	728.57	589.36	526.67	969.87	767.65	628.25	15.62	15.61	124.29
Net assets	129.55	130.13	95.55	137.91	158.90	191.58	243.26	255.56	248.33	976.91	976.23	1,025.66
Group share of net assets	110.70	111.19	81.65	117.84	135.79	163.71	207.87	218.39	212.20	834.76	834.20	876.43
Revenue	15.13	56.11	*^	229.33	211.14	*^	345.66	195.99	*^	15.00	9.61	*^
Depreciation and amortisation	-	-	*^	33.05	33.12	*^	23.01	-	*^	0.86	0.37	*^
Finance cost	-	-	*^	50.99	47.04	*^	34.83	0.12	*^	0.45	9.89	*^
Profit/ (Loss) for the year before tax	(0.57)	(0.07)	*^	(21.01)	(38.18)	*^	(12.31)	(0.32)	*^	0.65	(95.23)	*^
Income tax expenses			*^	-	-	*^	-	-	*^			*^
Profit/ (Loss) for the year	(0.57)	(0.07)	*^	(21.01)	(38.18)	*^	(12.31)	(0.32)	*^	0.65	(95.23)	*^
Other comprehensive income	-	-	*^	-	-	*^	-	-	*^	-	-	*^
Total comprehensive income	(0.57)	(0.07)	*^	(21.01)	(38.18)	*^	(12.31)	(0.32)	*^	0.65	(95.23)	*^
Group share of profit/ (Loss)	(0.49)	(6.02)	*^	(17.95)	(32.62)	*^	(10.52)	(0.28)	*^	0.56	(81.38)	*^
Group share of OCI	-	-	*^	-	-	*^	-	-	*^	-	-	*^
Group share of total comprehensive income	(0.49)	(6.02)	*^	(17.95)	(32.62)	*^	(10.52)	(0.28)	*^	0.56	(81.38)	*^

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

Particulars	₹ crore											
	Andromeda Hotels Limited			Green Hills Residences Limited			Whistling Thrush Facilities Services Limited			Starlit Resort Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Non-current assets	12.70	12.71	13.82	0.01	0.01	0.01	0.01	0.02	0.02	14.26	14.96	*^
Current assets												*^
- Cash and cash equivalents	0.00	0.00	0.13	0.02	0.02	0.07	0.07	0.04	0.12	0.40	0.70	*^
- Other assets	0.53	0.53	0.53	0.01	0.68	0.96	7.48	12.31	10.32	2.31	0.45	*^
Current assets	0.53	0.53	0.66	0.03	0.70	1.03	7.55	12.35	10.44	2.71	1.15	*^
Current liabilities	-	-	-	-	-	-	-	-	-	-	-	*^
- Financial liabilities (excluding trade payables)	5.49	5.40	6.45	27.11	27.11	27.20	7.83	10.60	7.74	1.48	1.35	*^
- Other liabilities	0.11	0.11	0.31	0.00	0.00	0.00	0.96	1.72	1.59	0.55	-	*^
Current liabilities	5.60	5.51	6.76	27.11	27.11	27.20	8.79	12.32	9.33	2.03	1.35	*^
Non-current liabilities												*^
- Financial liabilities (excluding trade payables)	-	-	-	-	-	-	-	-	-	0.01	0.01	*^
- Other liabilities	-	-	-	-	-	-	-	0.00	0.02	0.06	0.03	*^
Total non-current liabilities	-	-	-	-	-	-	-	0.00	0.02	0.07	0.04	*^
Net assets	7.63	7.73	7.72	(27.07)	(26.40)	(26.16)	(1.23)	0.05	1.11	14.87	14.72	*^
Group share of net assets	3.06	3.10	3.09	(16.25)	(15.84)	(15.71)	(0.63)	0.02	0.56	3.86	3.83	*^
Revenue	-	-	*^	-	0.00	*^	0.01	9.98	*^	3.67	4.11	*^
Other income	-	-	*^	-	-	*^	-	-	*^	-	-	*^
Construction Cost	-	-	*^	-	-	*^	-	-	*^	0.95	0.65	*^
Employee cost	-	-	*^	-	-	*^	0.19	0.41	*^	0.86	0.95	*^
Finance cost	0.04	0.04	*^	-	-	*^	0.25	0.20	*^	0.00	0.01	*^
Depreciation and amortisation	0.00	0.00	*^	0.00	0.00	*^	0.00	0.00	*^	0.19	0.23	*^
Other expenses	0.05	0.04	*^	0.68	0.23	*^	0.84	10.43	*^	1.23	1.86	*^
Profit/ (Loss) for the year before tax	(0.09)	(0.08)	*^	(0.68)	(0.22)	*^	(1.27)	(1.06)	*^	0.42	0.43	*^
Income tax expenses	-	-	*^	-	-	*^	-	0.02	*^	-	0.14	*^
Profit/ (Loss) for the year after tax	(0.09)	(0.08)	*^	(0.68)	(0.22)	*^	(1.27)	(1.08)	*^	0.42	0.29	*^
Other comprehensive income	-	-	*^	-	-	*^	-	0.02	*^	-	-	*^
Total comprehensive income	(0.09)	(0.08)	*^	(0.68)	(0.22)	*^	(1.27)	(1.06)	*^	0.42	0.29	*^
Group share of profit/ (Loss)	(0.04)	(0.03)	*^	(0.41)	(0.13)	*^	(0.65)	(0.55)	*^	0.11	0.08	*^
Group share of OCI	-	-	*^	-	-	*^	-	0.01	*^	-	-	*^
Group share of total comprehensive income	(0.04)	(0.03)	*^	(0.41)	(0.13)	*^	(0.65)	(0.54)	*^	0.11	0.08	*^

Particulars	Apollo Lavasa Health Corporation Limited			Spotless Laundry Services Limited			Ecomotel Hotel Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
	Total non-current assets	76.43	77.69	78.88	13.30	14.94	16.92	16.86	18.62
Current assets	-	-	-	-	-	-	-	-	-
- Cash and cash equivalents	0.42	0.12	0.29	0.02	0.03	0.01	0.31	0.53	0.44
- Other assets	0.74	0.707	1.70	0.16	0.19	0.23	1.68	3.10	3.29
Total current assets	1.16	0.83	1.99	0.18	0.22	0.24	1.99	3.63	3.73
Current liabilities	-	-	-	-	-	-	-	-	-
- Financial liabilities (excluding trade payables)	13.82	11.94	11.76	26.16	23.26	21.13	13.31	11.62	17.82
- Other liabilities	7.93	6.57	5.41	1.03	0.71	0.42	0.14	0.46	0.33
Current liabilities	21.75	18.51	17.17	27.19	23.97	21.55	13.45	12.08	18.15

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	Apollo Lavasa Health Corporation Limited			Spotless Laundry Services Limited			Ecomotel Hotel Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
- Financial liabilities (excluding trade payables)	-	-	-	-	-	-	4.05	8.45	11.65
- Other liabilities	0.02	0.02	0.02	-	0.00	0.00	0.08	0.08	0.05
Total non-current liabilities	0.02	0.02	0.02	-	0.00	0.00	4.13	8.53	11.70
Net assets	55.82	59.99	63.68	(13.71)	(8.81)	(4.39)	1.27	1.64	(5.65)
Group share of net assets	27.35	29.40	31.20	(10.42)	(6.71)	-	0.65	0.84	(2.88)
Revenue	0.70	0.72	*^	0.05	0.06	*^	10.90	12.19	*^
Other income	-	-	*^	-	-	*^	0.81	0.00	*^
Construction Cost	0.51	0.56	*^	-	-	*^	0.65	0.76	*^
Employee cost	0.62	0.65	*^	0.01	0.05	*^	3.24	3.15	*^
Finance cost	1.52	1.56	*^	3.08	2.32	*^	2.13	2.32	*^
Depreciation and amortisation	0.96	1.15	*^	1.68	1.93	*^	1.78	2.01	*^
Other expenses	1.00	0.75	*^	0.17	0.17	*^	5.33	5.81	*^
Profit/ (Loss) for the year before tax	(3.91)	(3.95)	*^	(4.89)	(4.41)	*^	(1.42)	(1.86)	*^
Income tax expenses	-	-	*^	-	-	*^	-	-	*^
Profit/ (Loss) for the year	(3.91)	(3.95)	*^	(4.89)	(4.41)	*^	(1.42)	(1.86)	*^
Other comprehensive income	0.01	-	*^	-	-	*^	0.02	0.01	*^
Total comprehensive income	(3.90)	(3.95)	*^	(4.89)	(4.41)	*^	(1.40)	(1.85)	*^
Group share of profit/ (Loss)	(1.91)	(1.93)	*^	(3.72)	(3.36)	*^	(0.72)	(0.95)	*^
Group share of OCI	0.00	-	*^	-	-	*^	0.01	0.01	*^
Group share of total comprehensive income	(1.91)	(1.93)	*^	(3.72)	(3.36)	*^	(0.71)	(0.94)	*^

	Bon Sera Hotels Limited			Dhule Palesner Tollways Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Total non-current assets	*^	9.43	10.58	*^	*^	1,070.27
Current assets	*^	-	-	*^	*^	-
- Cash and cash equivalents	*^	-	-	*^	*^	3.27
- Other assets	*^	4.53	2.32	*^	*^	2.09
Total current assets	*^	4.53	2.32	*^	*^	5.36
Current liabilities	*^			*^	*^	
- Financial liabilities (excluding trade payables)	*^	7.24	7.70	*^	*^	54.24
- Other liabilities	*^	5.42	4.47	*^	*^	2.39
Current liabilities	*^	12.66	12.17	*^	*^	56.63
- Financial liabilities (excluding trade payables)	*^	0.06	0.08	*^	*^	1,383.09
- Other liabilities	*^	0.09	0.07	*^	*^	9.86
Total non-current liabilities	*^	0.15	0.15	*^	*^	1,392.95
Net assets	*^	1.15	0.58	*^	*^	(373.95)
Group share of net assets	*^	0.30	0.15	*^	*^	(138.36)
Revenue	*^	12.47	*^	*^	*^	*^

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	Bon Sera Hotels Limited			Dhule Palesner Tollways Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Other income	*^	-	*^	*^	*^	*^
Construction Cost	*^	5.83	*^	*^	*^	*^
Employee cost	*^	2.61	*^	*^	*^	*^
Finance cost	*^	0.99	*^	*^	*^	*^
Depreciation and amortisation	*^	1.24	*^	*^	*^	*^
Other expenses	*^	1.20	*^	*^	*^	*^
Profit/ (Loss) for the year before tax	*^	0.60	*^	*^	*^	*^
Income tax expenses	*^	0.04	*^	*^	*^	*^
Profit/ (Loss) for the year	*^	0.56	*^	*^	*^	*^
Other comprehensive income	*^	-	*^	*^	*^	*^
Total comprehensive income	*^	0.56	*^	*^	*^	*^
Group share of profit/ (Loss)	*^	0.14	*^	*^	*^	*^
Group share of OCI	*^	-	*^	*^	*^	*^
Group share of total comprehensive income	*^	0.14	*^	*^	*^	*^

*^ Indicates disclosures that are not required

Note 45 The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system. Also, refer note 42(ii) for information on revenue from major customers. The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure', 'Real Estate' and 'Comprehensive Urban Development and Management'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Segment revenue		
Engineering and construction	9,770.43	8,430.21
Infrastructure	36.40	28.63
Real Estate	1.07	24.01
Comprehensive urban development and management	102.09	84.79
Others	28.42	37.96
Less: Inter segment revenue	(71.63)	(65.44)
Total	9,866.78	8,540.16
Segment profit / (loss) before finance cost and tax		
Engineering and construction	699.04	629.75
Infrastructure	8.09	15.78
Real Estate	(16.25)	0.63
Comprehensive urban development and management	(71.30)	205.26
Others	(2.90)	1.69
Less: Un-allocable expenditure net of unallocable income	1,522.96	1,203.12
Profit / (loss) before exceptional items and tax	(906.28)	(350.01)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2017

	Year ended 31 March 2017 ₹ crore	Year ended 31 March 2016 ₹ crore
Exceptional items		
- Engineering and construction	(35.97)	(98.64)
- Unallocable items	14.75	258.00
Profit / (loss) before share of profit/ (loss) of associates and joint ventures and tax	(927.50)	(190.65)
Segment Assets		
- Engineering and construction	10,833.29	9,319.64
- Infrastructure	50.90	28.95
- Real Estate	364.47	309.14
- Comprehensive urban development and management	4,993.59	4,941.41
- Others	49.08	118.30
Unallocable assets	890.75	1,070.17
	17,182.08	15,787.61
Segment Liabilities		
- Engineering and construction	7,038.15	4,474.18
- Infrastructure	509.91	376.90
- Real Estate	14.88	22.16
- Comprehensive urban development and management	869.19	783.90
- Others	18.34	32.28
Unallocable liabilities	9,312.97	10,562.81
	17,763.44	16,252.23

Notes 45.1 Segment asset excludes current and non-current investments, deferred tax assets and advance payment of income tax.

Notes 45.2 Segment liabilities excludes borrowings (including current borrowings) and current maturities of long term borrowing, deferred tax liability, accrued interest and non-controlling interests.

Note 46 * represents amount less than ₹ 1 lakh.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiook & Co LLP		For and on behalf of the Board of Directors		
Chartered Accountants Firm Registration No. 001076N / N500013		AJIT GULABCHAND	DIN: 00010827	Chairman & Managing Director Whole-Time Director
		SHALAKA GULABCHAND DHAWAN	DIN: 00011094	
		ARJUN DHAWAN	DIN: 01778379	Group Chief Executive Officer & Whole-Time Director
		RAJAS R. DOSHI	DIN: 00050594	
ADI P. SETHNA	PRAVEEN SOOD	RAM P. GANDHI	DIN: 00050625	} Directors
Partner	Group Chief Financial Officer FCA 072412	SHARAD M. KULKARNI	DIN: 00003640	
Membership No.: 108840		ANIL C. SINGHVI	DIN: 00239589	
	SANGAMESHWAR IYER	N. R. ACHARYULU	DIN: 02010249	
Place : Mumbai, Dated : 4 May 2017	Company Secretary ACS 6818			

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2017
[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016]

(Amount in ₹ Crore)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	9,947.85	Not Ascertainable (Refer II (e) (ii) below)
	2	Total Expenditure	10,930.45	Not Ascertainable (Refer II (e) (ii) below)
	3	Net Profit/(Loss)	(982.60)	Not Ascertainable (Refer II (e) (ii) below)
	4	Earnings per Share	(9.12)	Not Ascertainable (Refer II (e) (ii) below)
	5	Total Assets	17,182.07	Not Ascertainable (Refer II (e) (ii) below)
	6	Total Liabilities	17,556.34	Not Ascertainable (Refer II (e) (ii) below)
	7	Net Worth	(374.27)	Not Ascertainable (Refer II (e) (ii) below)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification

a.	Details of Audit Qualification:	<p>Auditor's Qualification</p> <p>A. Independent Auditor's report on Financial Results (Consolidated):</p> <p>(i) As stated in Note 9(b) to the consolidated financial results, relating to the Group's carrying value of net assets (capital employed) aggregating ₹ 4,124.40 crore, goodwill on consolidation amounting to ₹ 95.04 crore and non-controlling interest amounting to ₹ 208.01 crore as at 31 March 2017 in Lavasa Corporation Limited (LCL), being considered good and recoverable by the management. However, this subsidiary has accumulated operational losses and its net worth is fully eroded as at 31 March 2017. Further, this subsidiary is facing liquidity constraints due to which it may not be able to realize projections made as per its business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these assets and the consequential impairment losses, if any, on the accompanying consolidated financial results. Our opinion on the consolidated financial results for the year ended 31 March 2016 was also qualified in respect of this matter.</p> <p>(ii) The Independent Auditors of certain subsidiaries have qualified their audit report on the financial statements for the year ended 31 March 2017 reproduced by us as under:</p> <p>a) The impairment testing carried out by LCL, during the year ended 31 March 2016 which did not indicate any impairment and according to the contention of LCL, since there is no change in the business conditions, no impairment testing was carried out during the year ended 31 March 2017. In our opinion, the LCL may not be able to achieve the business plans based on which the impairment testing has been carried out. The consequential impairment losses, if any, cannot be ascertained.</p>
----	---------------------------------	---

		<p>b) As stated in Note 9(a) to the consolidated financial results, in respect of matter relating to LCL, the liability, if any, in respect of the compliance of the terms and conditions laid down by the Ministry of Environment and Forests granting the Environment Clearances for development of the Hill Station Township vide its order dated 9 November 2011 to LCL, cannot be ascertained. Our opinion on the consolidated financial results for the year ended 31 March 2016 was also qualified in respect of this matter.</p> <p>c) As stated in Note 9(c) to the consolidated financial results, in respect of matter relating to HCC Real Estate Limited (HREL) group's current and non-current borrowings including finance charges, disclosure in respect of defaults and terms of repayment of borrowings, maturity analysis of financial instruments, trade payables, trade receivables, advances to suppliers and certain balances with banks are subject to confirmation, reconciliation and consequential adjustment, if any.</p> <p>d) As stated in Note 9(e) to the consolidated financial results, in respect of matter relating to, provision for expected credit loss, have not been ascertained and accounted for by Charosa Wineries Limited, a subsidiary company."</p> <p>B. Auditor's Qualification on the Internal Financial Controls relating to above matter In our opinionion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the operating effectiveness of the Company's IFCoFR as at 31 March 2017:</p> <p>The Company internal financial controls in respect of supervisory and review controls over process of determining of the carrying value of subsidiaries' net assets (capital employed), goodwill on consolidation and non controlling interest of the Company's subsidiaries were not operating effectively. Absence of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of aforesaid assets and consequently, could also impact the loss (financial performance including other comprehensive income) after tax.</p> <p>A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.</p> <p>We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statement of the Group as at and for the year ended 31 March 2017, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements."</p>
b.	Type of Audit Qualification:	Qualified Opinion
c.	Frequency of Qualification:	<p>Qualification II (a) (iii) has been appearing from the year ended 31 March 2012</p> <p>Qualifications II (a) (i) (ii) and (vi) have been appearing from the year ended 31 March 2016</p> <p>Qualifications II (a) (iv) and (v) have been included for the first time during the year ended 31 March 2017</p>

d.	For Audit Qualification (s) where the impact is quantified by the auditor, Management views:	Not Applicable
e.	For Audit Qualification (s) where the impact is not quantified by the auditor:	
	i) Management's estimation on the impact of audit qualification:	<p>For matters referred in II (a) A.(i), II (a) A.(ii) (a) and II (a) B.</p> <p>Nil. With reference to above mentioned qualification, the said entity have incurred losses and consolidated net-worth as at 31 March 2017 has been fully eroded. The underlying projects in such entity 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 and accordingly management, based on valuation report of an independent valuer is of the view that there is no impairment in value of subsidiary's net assets (capital employed). Similarly, no diminution in value of goodwill on consolidation and non-controlling interest of said entity considered necessary.</p> <p>Thus management believes that the Company's internal financial control in respect of assessment of the carrying value of subsidiaries' net assets (capital employed), goodwill on consolidation and non controlling interest of the Company's subsidiaries were operating effectively and there is no material weakness in such controls and procedures.</p>
	ii) If management is unable to estimate the impact, reasons for the same:	<p>For matters referred in II (a) A.(ii) (b), (c) and (d)</p> <p>(b) The management believes that the matter will be decided in its favour. Construction has resumed at project site from 9 November 2011.</p> <p>(c) The management believes that the reconciliations/adjustments, if any, are not expected to be material.</p> <p>(d) Considering its size of operations and revenue from operations, Charosa Wineries Limited, a subsidiary company, have not ascertained expected credit loss.</p>
	iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualification stated above

For Hindustan Construction Company Limited

Ajit Gulabchand
Chairman & Managing Director

Sharad M. Kulkarni
Audit Committee Chairman

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N / N500013

Praveen Sood
Group Chief Financial Officer

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 4 May 2017

Statement containing salient features of the financial statement of subsidiaries/associates/joint venture

Part "A": Subsidiaries													(` in Crore)		
Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
1	HCC Construction Limited	01.04.2016-31.03.2017	INR	0.05	0.069	-	0.019	-	-	0.00	-	-	0.00	-	100%
2	Highbar Technologies Limited	01.04.2016-31.03.2017	INR	6.25	5.64	48.64	36.75	1.98	32.73	(4.02)	-	-	(4.02)	-	100%
3	Pandhukuir Developers Limited	01.04.2016-31.03.2017	INR	1.40	42.22	104.27	60.65	-	1.13	1.07	-	-	1.07	-	100%
4	HCC Operations & Maintenance Limited	01.04.2016-31.03.2017	INR	0.05	8.18	123.27	115.03	-	36.40	0.10	-	-	0.10	-	100%
5	HCC Power Limited	01.04.2016-31.03.2017	INR	0.50	2.05	297.47	294.92	0.05	-	(1.55)	-	-	(1.55)	-	100%
6	HCC Energy Limited	01.04.2016-31.03.2017	INR	0.05	(0.02)	291.25	291.22	-	-	(0.00)	-	-	(0.00)	-	100%
7	HCC Infrastructure Company Limited	01.04.2016-31.03.2017	INR	0.25	(781.08)	925.00	1,705.83	86723	6.15	(168.47)	-	-	(168.47)	-	100%
8	Dhule Palesner Operations & Maintenance Limited	01.04.2016-31.03.2017	INR	0.50	0.04	99.11	98.57	-	-	(0.02)	(0.00)	-	(0.02)	-	100%
9	Steiner India Limited	01.04.2016-31.03.2017	INR	7.16	8.92	134.21	118.13	3.43	51.23	(2.92)	-	-	(2.92)	-	100%
10	HCC Real Estate Limited	01.04.2016-31.03.2017	INR	66.19	44750	1,168.80	655.10	0.62	61.79	(0.03)	-	-	(0.03)	-	100%
11	Western Securities Limited	01.04.2016-31.03.2017	INR	2.00	0.004	2.74	0.75	0.32	0.54	0.19	0.08	-	0.11	-	100%
12	HRL (Thane) Real Estate Limited	01.04.2016-31.03.2017	INR	0.10	(2.67)	26.83	29.41	0.31	0.08	(6.59)	-	-	(6.59)	-	100%
13	HRL Township Developers Limited	01.04.2016-31.03.2017	INR	0.10	(0.38)	0.00	0.29	-	-	(0.05)	-	-	(0.05)	-	100%
14	Nashik Township Developers Limited	01.04.2016-31.03.2017	INR	0.10	(1.34)	0.12	1.36	-	-	(0.19)	-	-	(0.19)	-	100%
15	Maan Township Developers Limited	01.04.2016-31.03.2017	INR	0.10	6.89	23.23	16.24	-	0.10	(2.45)	-	-	(2.45)	-	100%
16	Charosa Wineries Limited	01.04.2016-31.03.2017	INR	700	(84.14)	63.54	140.68	-	3.53	(30.17)	-	-	(30.17)	-	100%

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries												(₹ in Crore)			
Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
17	Powai Real Estate Developers Limited	01.04.2016-31.03.2017	INR	0.05	(0.05)	0.00	0.00	-	-	(0.00)	-	-	(0.00)	-	100%
18	HCC Realty Limited	01.04.2016-31.03.2017	INR	0.05	(0.03)	0.03	0.00	-	-	(0.00)	-	-	(0.00)	-	100%
19	HCC Aviation Limited	01.04.2016-31.03.2017	INR	0.05	(15.81)	0.086	15.85	-	-	(3.35)	-	-	(3.35)	-	100%
20	Pune Paud Toll Road Company Limited	01.04.2016-31.03.2017	INR	6.05	(32.71)	1.82	28.48	-	0.15	(3.71)	-	-	(3.71)	-	100%
21	Lavasa Corporation Limited	01.04.2016-31.03.2017	INR	795.94	139.76	6,614.50	5,678.80	2,007.13	609.49	454.08	-	185.03	269.05	-	100%
22	Dasve Business Hotel Limited	01.04.2016-31.03.2017	INR	0.05	18.52	30.75	12.18	-	-	(0.78)	-	-	(0.78)	-	100%
23	Dasve Convention Center Limited	01.04.2016-31.03.2017	INR	0.05	(65.63)	70.21	135.79	-	4.98	(6.57)	-	-	(6.57)	-	100%
24	Dasve Hospitality Institutes Limited	01.04.2016-31.03.2017	INR	0.11	(33.12)	34.31	67.32	-	1.40	(8.12)	-	-	(8.12)	-	100%
25	Dasve Retail Limited	01.04.2016-31.03.2017	INR	0.05	56.47	76.68	20.16	-	0.71	(1.63)	-	-	(1.63)	-	100%
26	Full Spectrum Adventure Limited	01.04.2016-31.03.2017	INR	0.06	(16.94)	4.43	21.31	-	2.28	(2.60)	-	-	(2.60)	-	90.91%
27	Future City Multiservices SEZ Limited	01.04.2016-31.03.2017	INR	0.05	0.78	1.02	0.19	-	-	(0.01)	-	-	(0.01)	-	100%
28	Hill City Service Apartments Limited	01.04.2016-31.03.2017	INR	0.05	5.21	6.74	1.48	-	-	(0.08)	-	-	(0.08)	-	100%
29	Hill View Parking Services Limited	01.04.2016-31.03.2017	INR	0.05	(0.03)	0.03	0.01	-	-	(0.01)	-	-	(0.01)	-	100%
30	Kart Racers Limited	01.04.2016-31.03.2017	INR	0.05	(0.25)	-	0.20	-	-	(0.03)	-	-	(0.03)	-	90%
31	Lakeshore Watersports Company Limited	01.04.2016-31.03.2017	INR	0.05	3.03	3.68	0.60	-	1.99	0.41	-	-	0.41	-	100%
32	Lakeview Clubs Limited	01.04.2016-31.03.2017	INR	0.05	(37.63)	52.79	90.37	-	0.85	(2.19)	-	-	(2.19)	-	100%
33	Lavasa Bambocrafts Limited	01.04.2016-31.03.2017	INR	0.05	(1.00)	0.37	1.31	-	-	(0.31)	-	-	(0.31)	-	100%

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries													(₹ in Crore)		
Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
34	Lavasa Hotel Limited	01.04.2016-31.03.2017	INR	0.05	(19.32)	9.97	29.23	-	9.92	(3.75)	-	-	(3.75)		100%
35	Mugaon Luxury Hotels Limited	01.04.2016-31.03.2017	INR	0.05	(0.09)	17.45	17.49	-	-	(0.02)	-	-	(0.02)		100%
36	My City Technology Limited	01.04.2016-31.03.2017	INR	0.29	10.14	14.46	4.40	0.37	0.57	(1.95)	-	-	(1.95)		63%
37	Nature Lovers Retail Limited	01.04.2016-31.03.2017	INR	0.05	(0.10)	0.15	0.20	-	-	(0.99)	-	-	(0.99)		100%
38	Our Home Service Apartments Limited	01.04.2016-31.03.2017	INR	0.05	(0.05)	0.01	0.01	-	-	(0.01)	-	-	(0.01)		100%
39	Reasonable Housing Limited	01.04.2016-31.03.2017	INR	0.05	9.93	33.16	23.18	-	1.46	(0.32)	-	-	(0.32)		100%
40	Rhapsody Commercial Space Limited	01.04.2016-31.03.2017	INR	0.05	(3.73)	10.72	14.40	-	-	(1.42)	-	-	(1.42)		100%
41	Rosebay Hotels Limited	01.04.2016-31.03.2017	INR	0.05	(0.04)	0.03	0.01	-	-	(0.01)	-	-	(0.01)		100%
42	Sahyadri City Management Limited	01.04.2016-31.03.2017	INR	0.05	(21.01)	24.18	45.14	-	15.42	(2.04)	-	-	(2.04)		100%
43	Valley View Entertainment Limited	01.04.2016-31.03.2017	INR	0.05	(0.05)	0.02	0.02	-	-	(0.01)	-	-	(0.01)		100%
44	Verzon Hospitality Limited	01.04.2016-31.03.2017	INR	0.05	(1.43)	19.97	21.34	-	1.98	(2.69)	-	-	(2.69)		100%
45	Warasgaon Assets Maintenance Limited	01.04.2016-31.03.2017	INR	6.72	(250.21)	945.44	1,188.94	-	-	(62.44)	-	-	(62.44)		100%
46	Warasgaon Infrastructure Providers Limited	01.04.2016-31.03.2017	INR	0.05	(7.22)	6.70	13.87	-	2.05	(1.18)	-	-	(1.18)		100%
47	Warasgaon Power Supply Limited	01.04.2016-31.03.2017	INR	0.10	(218.58)	92.35	310.83	-	-	(3.24)	-	-	(3.24)		100%
48	Warasgaon Tourism Limited	01.04.2016-31.03.2017	INR	0.05	(80.10)	2.89	82.94	-	0.74	(0.83)	-	-	(0.83)		100%
49	Warasgaon Valley Hotels Limited	01.04.2016-31.03.2017	INR	0.05	(0.04)	0.02	0.01	-	-	(0.01)	-	-	(0.01)		100%

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries															
												(₹ in Crore)			
Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend	Extent of Holding (In Percentage)
Foreign Subsidiary Companies															
1	HCC Mauritius Investment Limited	01.04.2016-31.03.2017	INR	6.47	(22.25)	163.87	179.65	28.79	3.42	(10.57)	-	-	(10.57)	-	100%
2	HCC Mauritius Enterprises Limited	01.04.2016-31.03.2017	INR	32.39	(51.71)	209.86	229.19	208.57	2.54	(5.18)	-	-	(5.18)	-	100%
3	Steiner AG, Zurich	01.04.2016-31.03.2017	INR	258.84	41.15	3,135.33	2,779.68		5,226.65	75.82	-	-	75.82	-	100%
4	Steiner (Deutschland)GmbH Paderborn	01.04.2016-31.03.2017	INR	70.81	(18.67)	73.87	21.70	0.17	37.87	0.60	-	-	0.60	-	100%
5	VM & ST AG, Zurich	01.04.2016-31.03.2017	INR	6.47	0.19	6.69	0.03	-	0.08	0.04	-	-	0.04	-	100%
6	Steiner Leman SAS	01.04.2016-31.03.2017	INR	1.56	(0.82)	1.09	0.35	-	0.05	6.79	-	-	6.79	-	100%
7	Eurohotel SA, Geneva	01.04.2016-31.03.2017	INR	0.65	(7.78)	0.03	7.16	-	-	(0.09)	-	-	(0.09)	-	95%
8	Steiner Promotions et Participations SA	01.04.2016-31.03.2017	INR	19.41	1.26	118.83	98.16	-	-	(1.66)	-	-	(1.66)	-	100%

Part "B" : Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crore)

Sr. No	Name of Associates/Joint Ventures	Knowledge Vistas Limited	Highbar Technocrat Limited	Evostate AG	MCR Managing Corporate Real-estate AG	Projecten twicklungs gesellschaft Parking Kunstmesseum Basel AG	Green Hills Residences Limited	Ecomotel Hotel Limited	Spotless Laundry Services Limited	Whistling Through Facilities Services Limited	Andromeda Hotels Limited
1	Latest audited Balance Sheet Date	31-Mar-16	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2	Date on which the Associate or Joint Venture was associated or acquired	24-Apr-10	21-Jul-16	1-May-10	31-Mar-17	1-May-10	13-Aug-10	2-Sep-10	13-Apr-09	19-Jul-11	31-Mar-14
3	Shares of Associate/Joint Ventures held by the company at the year end.										
	-No.	310,481	49,940	30	30	850	53,319	10,132,240	96,437	27,540	61,470
	-Amount of Investment in Associates/Joint Venture	8.31	1.98	5.93	9.45	3.52	2.36	13.27	7.08	0.23	4.17
	-Extend of Holding %	49.00%	49.00%	30.00%	30.00%	38.60%	60.00%	51.00%	76.02%	51.00%	40.03%
4	Description of how there is significant influence	Associate -Significant Influence over Share Capital	Associate -Significant Influence over Share Capital	Associate -Significant Influence over Share Capital	Associate -Significant Influence over Share Capital	Associate -Significant Influence over Share Capital	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
5	Reason why the associate/joint venture is not consolidated.	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method
6	Whether company has commenced the operations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
7	Networth attributable to Shareholders as per latest audited Balance Sheet	26.37	4.84	19.68	31.55	9.06	(27.08)	1.28	(13.71)	(1.23)	7.64
8	Profit / Loss for the year										
	i. Considered in Consolidation	(1.05)	1.93	129.12	9.58	(0.26)	-	(0.47)	-	(0.32)	(0.02)
	i. Not Considered in Consolidation	(1.09)	2.01	-	-	-	(0.68)	(0.92)	(4.89)	(0.95)	(0.07)

* Unaudited

^ On account of Ind AS transition, these companies are considered as joint ventures. So, the Ind AS transition date i.e. 01st April 2015 is considered as the date on which these are associated / acquired.

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No	Name of Associates/Joint Ventures	Bona Sera Hotels Limited	Starlit Resort Limited	Apollo Lavasa Health Corporation Limited	HCC Concession Limited	Narmada Bridge Tollway Limited	Badarpur Faridabad Tollway Limited	Baharampore-Farakka Highways Limited	Farakka-Raiganj Highways Limited	Raiganj-Daikhola Highways Limited	Nirmal BOT Limited
1	Latest audited Balance Sheet Date	31-Mar-16	31/03/2017*	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2	Date on which the Associate or Joint Venture was associated or acquired	16-Apr-09	14-May-15	16-Nov-15	1-Apr-15 [^]	1-Apr-15 [^]	1-Apr-15 [^]	1-Apr-15 [^]	1-Apr-15 [^]	1-Apr-15 [^]	1-Apr-15 [^]
3	Shares of Associate/Joint Ventures held by the company at the year end.										
	-No.	122,563	49,400	626,808	2,917,151	50,000	98,000,000	33,300,000	370,000,000	27,000,000	8,190,000
	-Amount of Investment in Associates/ Joint Venture	2.31	3.65	58.80	2.92	0.05	98.00	33.30	370.00	27.00	4.71
	-Extend of Holding %	26.00%	26.00%	49.00%	85.45%	85.45%	85.45%	63.23%	63.23%	76.91%	22.22%
4	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
5	Reason why the associate/joint venture is not consolidated.	Consolidated - Equity Method	Consolidated - Equity Method	Consolidated - Equity Method	NA	NA	NA	NA	NA	NA	NA
6	Whether company has commenced the operations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Networth attributable to Shareholders as per latest audited Balance Sheet	1.14	14.72	59.73	831.78	(6.79)	(145.14)	87.20	153.82	99.63	NA
8	Profit / Loss for the year										
	i. Considered in Consolidation	-	0.11	(1.17)	0.56	0.02	(59.06)	(13.28)	(7.78)	(0.44)	NA
	i. Not Considered in Consolidation	0.56	0.31	(2.73)	0.10	0.00	(10.06)	(7.72)	(4.53)	(0.13)	NA

* Unaudited

[^] On account of Ind AS transition, these companies are considered as joint ventures. So, the Ind AS transition date i.e. 01st April 2015 is considered as the date on which these are associated / acquired.

Disclosure mandated by Schedule III by way of additional information

	Name of Entity	Net assets (Total assets - Total Liabilities)		Share in profit or loss	
		Amount (₹ in crore)	As % of consolidated Net Asset	Amount (₹ in crore)	As % of consolidated Profit or Loss
	Consolidated	(581.36)		(697.90)	
	Parent Company				
	Hindustan Construction Company Limited	2,689.98	-462.70%	80.92	-11.59%
	Indian Subsidiary Companies				
1	HCC Construction Limited	0.12	-0.02%	0.00	0.00%
2	Highbar Technologies Limited	11.89	-2.05%	(4.02)	0.58%
3	Panchkutir Developers Limited	43.62	-7.50%	1.07	-0.15%
4	HCC Operations & Maintenance Limited	8.23	-1.42%	0.10	-0.01%
5	HCC Power Limited	2.55	-0.44%	(1.55)	0.22%
6	HCC Energy Limited	0.03	-0.01%	(0.00)	0.00%
7	HCC Infrastructure Company Limited	(780.83)	134.31%	(168.47)	24.14%
8	Dhule Palesner Operations & Maintenance Limited	0.54	-0.09%	(0.02)	0.00%
9	Steiner India Limited	16.08	-2.77%	(2.92)	0.42%
10	HCC Real Estate Limited	513.69	-88.36%	(0.03)	0.00%
11	Western Securities Limited	2.00	-0.34%	0.11	-0.02%
12	HRL (Thane) Real Estate Limited	(2.57)	0.44%	(6.59)	0.94%
13	HRL Township Developers Limited	(0.28)	0.05%	(0.05)	0.01%
14	Nashik Township Developers Limited	(1.24)	0.21%	(0.19)	0.03%
15	Maan Township Developers Limited	6.99	-1.20%	(2.45)	0.35%
16	Charosa Wineries Limited	(77.14)	13.27%	(30.17)	4.32%
17	Powai Real Estate Developers Limited	0.00	0.00%	(0.00)	0.00%
18	HCC Realty Limited	0.03	0.00%	(0.00)	0.00%
19	HCC Aviation Limited	(15.76)	2.71%	(3.35)	0.48%
20	Pune Paud Toll Road Company Limited	(26.66)	4.59%	(3.71)	0.53%
21	Lavasa Corporation Limited	935.70	-160.95%	269.05	-38.55%
22	Dasve Business Hotel Limited	18.57	-3.19%	(0.78)	0.11%
23	Dasve Convention Center Limited	(65.58)	11.28%	(6.57)	0.94%
24	Dasve Hospitality Institutes Limited	(33.01)	5.68%	(8.12)	1.16%
25	Dasve Retail Limited	56.52	-9.72%	(1.63)	0.23%
26	Full Spectrum Adventure Limited	(16.89)	2.90%	(2.60)	0.37%
27	Future City Multiservices SEZ Limited	0.83	-0.14%	(0.01)	0.00%
28	Hill City Service Apartments Limited	5.26	-0.91%	(0.08)	0.01%
29	Hill View Parking Services Limited	0.02	0.00%	(0.01)	0.00%
30	Kart Racers Limited	(0.20)	0.03%	(0.03)	0.00%
31	Lakeshore Watersports Company Limited	3.08	-0.53%	0.41	-0.06%

	Name of Entity	Net assets (Total assets - Total Liabilities)		Share in profit or loss	
		Amount (₹ in crore)	As % of consolidated Net Asset	Amount (₹ in crore)	As % of consolidated Profit or Loss
32	Lakeview Clubs Limited	(37.58)	6.46%	(2.19)	0.31%
33	Lavasa Bamboocrafts Limited	(0.95)	0.16%	(0.31)	0.04%
34	Lavasa Hotel Limited	(19.27)	3.31%	(3.75)	0.54%
35	Mugaon Luxury Hotels Limited	(0.04)	0.01%	(0.02)	0.00%
36	My City Technology Limited	10.43	-1.79%	(1.95)	0.28%
37	Nature Lovers Retail Limited	(0.05)	0.01%	(0.99)	0.14%
38	Our Home Service Apartments Limited	(0.00)	0.00%	(0.01)	0.00%
39	Reasonable Housing Limited	9.98	-1.72%	(0.32)	0.05%
40	Rhapsody Commercial Space Limited	(3.68)	0.63%	(1.42)	0.20%
41	Rosebay Hotels Limited	0.01	0.00%	(0.01)	0.00%
42	Sahyadri City Management Limited	(20.96)	3.60%	(2.04)	0.29%
43	Valley View Entertainment Limited	(0.00)	0.00%	(0.01)	0.00%
44	Verzon Hospitality Limited	(1.37)	0.24%	(2.69)	0.39%
45	Warasgaon Assets Maintenance Limited	(243.50)	41.88%	(62.44)	8.95%
46	Warasgaon Infrastructure Providers Limited	(7.17)	1.23%	(1.18)	0.17%
47	Warasgaon Power Supply Limited	(218.48)	37.58%	(3.24)	0.46%
48	Warasgaon Tourism Limited	(80.05)	13.77%	(0.83)	0.12%
49	Warasgaon Valley Hotels Limited	0.01	0.00%	(0.01)	0.00%

Foreign Subsidiary Companies

1	Steiner AG, Zurich	299.99	-51.60%	79.47	-11.39%
2	Steiner (Deutschland) GmbH Paderborn	52.44	-9.02%	0.58	-0.08%
3	VM & ST AG, Zurich	6.59	-1.13%	0.01	0.00%
4	Steiner Leman SAS	0.72	-0.12%	6.77	-0.97%
5	HCC Mauritius Investment Limited	(15.78)	2.71%	(0.09)	0.01%
6	HCC Mauritius Enterprises Limited	(19.32)	3.32%	(0.14)	0.02%
7	Eurohotel SA, Geneva	(7.13)	1.23%	(0.09)	0.01%
8	Steiner Promotions et Participations SA	10.96	-1.89%	(0.14)	0.02%

	Minority Interest in all subsidiaries	202.45	-34.82%	(19.41)	2.78%
--	---------------------------------------	--------	---------	---------	-------

	Name of Entity	Net assets (Total assets - Total Liabilities)		Share in profit or loss	
		Amount (₹ in crore)	As % of consolidated Net Asset	Amount (₹ in crore)	As % of consolidated Profit or Loss

Joint Ventures

1	Green Hills Residences Limited	(27.08)	4.66%	0.68	-0.10%
2	Starlit Resort Limited (w.e.f. 14 May 2015)	14.85	-2.55%	0.42	-0.06%
3	Ecomotel Hotel Limited	1.28	-0.22%	(1.41)	0.20%
4	Andromeda Hotels Limited	7.64	-1.31%	(0.09)	0.01%
5	Apollo Lavasa Health Corporation Limited	55.82	-9.60%	(3.91)	0.56%
6	Whistling Thrush Facilities Services Limited	(1.24)	0.21%	(1.27)	0.18%
7	HCC Concession Limited	973.42	-167.44%	0.65	-0.09%
8	Narmada Bridge Tollway Limited	(7.95)	1.37%	0.03	0.00%
9	Badarpur Faridabad Tollway Limited	(169.86)	29.22%	(69.12)	9.90%
10	Baharampore-Farakka Highways Limited	137.90	-23.72%	(21.01)	3.01%
11	Farakka-Raiganj Highways Limited	243.26	-41.84%	(12.31)	1.76%
12	Raiganj-Dalkhola Highways Limited	129.55	-22.28%	(0.57)	0.08%
13	Spotless Laundry Services Limited	(13.71)	2.36%	(4.88)	0.70%
14	Bona Sera Hotels Limited	-	-	-	-
15	Nirmal BOT Limited	4.71	-0.81%	-	-

Associate Companies

Indian

1	Knowledge Vistas Limited	-	-	-	-
2	Highber Technocrat Limited (w.e.f. 21 July 2016) (Previously known as Osprey Hospitality Limited)	4.84	-0.83%	3.98	-0.57%

Foreign

1	Evostate AG, Zurich	56.28	-9.68%	128.20	-18.37%
2	MGR Mannaging Corp. Real Estate AG	31.34	-5.39%	9.53	-1.36%
3	Projectentwicklungsgesellschaft Parking Kunstmuseum Basel AG	9.00	-1.55%	-0.27	0.04%

Important Financial Statistics

Year	Paid Up Capital			Fixed Assets				Turnover ₹ Lacs	Net Profit ₹ Lacs	Dividend paid on Preference and Equity shares	
	Equity ₹ Lacs	Preference ₹ Lacs	Reserves ₹ Lacs	Debtentures ₹ Lacs	Gross Block ₹ Lacs	Net Block ₹ Lacs	₹ Lacs			₹ Lacs	₹ Lacs
1926-27	4.00	—	0.30	—	0.58	0.58	N.A.	0.98	0.80	20.00	
1927-28	4.00	—	0.30	—	0.53	0.53	N.A.	0.98	0.80	20.00	
1928-29	4.00	—	0.25	—	0.53	0.53	N.A.	1.38	1.40	35.00	
1929-30	4.00	—	0.25	—	0.50	0.50	N.A.	0.81	0.70	17.50	
1930-31	4.00	—	0.25	—	0.84	0.84	N.A.	0.12	—	—	
1931-32	4.00	—	0.25	—	0.94	0.64	N.A.	0.44	0.40	10.00	
1932-33	8.00	—	0.25	—	1.78	1.28	N.A.	2.19	2.00	25.00	
1933-34	8.00	—	0.19	—	3.16	2.66	N.A.	2.67	2.80	35.00	
1934-35	12.00	—	0.24	—	3.42	2.82	N.A.	2.19	2.00	16.33	
1935-36	12.00	—	0.48	—	4.71	3.96	9.40	1.86	1.75	14.50	
1936-37	12.00	—	0.56	—	7.30	6.40	62.96	1.81	—	—	
1937-38	12.00	—	0.70	—	8.08	7.18	69.04	-1.90	—	—	
1938-39	12.00	—	0.70	—	6.85	5.95	45.50	0.31	—	—	
1939-40	12.00	—	0.70	—	6.02	5.12	90.39	3.58	2.40	20.00	
1940-41	12.00	—	1.70	—	5.36	4.46	184.58	4.28	4.20	35.00	
1941-42	12.00	25.00	1.70	—	4.70	3.80	510.53	7.45	6.18	45.00	
1942-43	12.00	25.00	1.70	—	4.66	3.01	574.57	10.59	8.76	60.00	
1943-44	12.00	25.00	1.70	—	4.89	1.74	466.69	10.33	8.56	60.00	
1944-45	12.00	25.00	2.70	—	3.87	—	—	10.14	1.56	—	
1945-46	12.00	25.00	9.70	—	3.99	0.04	175.47	12.89	4.56	25.00	
1946-47	12.00	25.00	17.70	—	10.46	6.31	165.70	10.92	4.56	25.00	
1947-48	36.00	25.00	1.70	—	12.40	8.25	249.76	8.26	4.56	8.33	
1948-49	36.00	25.00	5.70	—	14.46	10.31	263.14	11.20	4.56	8.33	
1949-50	36.00	25.00	12.70	—	18.52	14.37	202.49	9.75	5.16	10.00	
1950-51	36.00	25.00	15.70	—	21.38	16.23	239.24	9.10	5.16	10.00	
1951-52	36.00	25.00	18.70	—	21.89	15.94	299.04	6.22	5.16	10.00	
1952-53	36.00	25.00	19.00	—	24.30	17.35	231.57	8.16	5.16	10.00	
1953-54	36.00	25.00	21.50	—	24.09	16.64	—	10.65	5.16	10.00	
1954-55	36.00	25.00	24.00	—	24.06	14.11	345.62	15.34	5.16	10.00	
1955-56	36.00	25.00	25.35	—	27.93	16.01	415.54	17.73	6.06	12.50	
1956-57	36.00	25.00	23.34	—	29.42	17.01	769.15	12.46	6.06	12.50	
1957-58	36.00	25.00	51.11	—	37.16	25.06	928.37	15.22	6.06	12.50	
1958-59	36.00	25.00	66.70	—	38.48	24.10	1080.85	24.37	8.76	20.00	
1959-60	36.00	25.00	97.62	—	563.22	210.51	913.84	31.88	8.76	20.00	
1960-61	36.00	25.00	129.34	—	575.97	202.46	1037.66	31.08	8.76	20.00	
1961-62	72.00	25.00	144.75	—	635.20	225.06	1280.33	59.68	11.45	20.00	
1962-63	72.00	25.00	218.32	—	673.22	259.40	1476.12	30.86	15.96	20.00	
1963-64	72.00	25.00	280.29	—	744.67	281.65	1837.79	84.51	37.56	50.00	
1964-65	72.00	25.00	389.13	—	889.87	364.65	2169.89	120.79	44.76	60.00	
1965-66	180.00	25.00	389.81	—	977.45	401.22	2021.32	114.64	46.43	25.00	
1966-67	252.00	25.00	391.81	—	1154.51	503.28	1994.93	72.76	46.92	18.00	
1967-68	252.00	25.00	427.26	—	1250.05	524.60	1689.72	55.35	31.80	12.00	
1968-69	252.00	25.00	472.14	—	1420.94	614.79	2249.82	36.61	31.80	12.00	
1969-70	252.00	25.00	492.31	—	1473.64	577.23	2574.57	28.86	31.80	12.00	
1970-71	252.00	25.00	468.44	—	1541.99	525.99	2256.93	-37.01	1.56	—	
1971-72	252.00	25.00	355.07	—	1580.80	471.42	2294.29	-140.47	1.56	—	
1972-73	252.00	25.00	260.62	120.00	1677.91	491.34	2478.09	-136.27	1.56	—	
1973-74	252.00	25.00	216.33	120.00	1776.09	481.58	2962.99	-55.7	—	—	
1974-75	252.00	25.00	301.11	120.00	1825.94	462.49	3006.50	61.65	—	—	
1975-76	252.00	25.00	320.23	120.00	1890.47	471.69	2529.62	15.98	19.81	6.00	
1976-77	252.00	25.00	435.82	120.00	1994.99	508.35	3485.71	-46.25	51.96	20.00	
1977-78	252.00	25.00	384.81	96.00	2111.14	594.75	2903.63	145.71	16.68	6.00	
1978-79	252.00	25.00	387.43	80.42	2170.42	595.93	3146.53	21.38	24.24	9.00	
1979-80	252.00	25.00	409.90	64.85	2255.96	582.63	4181.76	45.31	24.24	9.00	
1980-81	252.00	25.00	608.98	49.28	3122.81	1152.64	6916.96	233.58	39.36	15.00	
1981-82	252.00	25.00	755.81	45.71	3991.44	1598.37	10989.86	184.07	39.36	15.00	
1982-83	252.00	25.00	1861.51	42.14	4744.49	2745.66	11021.23	422.90	39.36	15.00	
1983-84	628.54	25.00	2046.45	38.57	5022.30	2748.32	10989.89	513.13	81.46	15.00	
1984-85	629.96	25.00	2253.89	1035.00	5627.17	3052.75	9178.04	231.06	96.06	15.00	
1985-86	629.98	25.00	2057.21	1035.00	6329.50	3311.65	8426.38	-195.12	1.56	—	
1986-87	630.00	25.00	1710.57	1035.00	6578.91	3102.10	9885.49	-346.64	—	—	
1987-88	630.00	25.00	1672.72	990.83	6445.07	2653.76	12334.37	21.98	59.83	9.00	
1988-89 (14 months)	630.00	25.00	1772.71	1032.15	6282.70	2308.82	12223.19	202.61	102.62	16.00	
1989-91 (18 months)	630.00	—	1820.25	1421.60	6685.51	2477.79	12794.33	161.05	113.46	18.00	
1991-92 (15 months)	775.13	—	1824.84	1031.78	6318.24	2015.47	11232.57	64.95	60.36	8.00	
1992-93	775.90	—	2006.60	800.65	7033.20	2488.91	11072.27	275.01	93.25	12.00	
1993-94	775.98	—	2624.81	547.16	7949.79	3101.73	14292.85	812.48	194.27	25.00	
1994-95	776.79	—	3955.22	451.73	8442.89	2899.08	22037.40	1562.96	232.96	30.00	
1995-96	2002.55	—	5499.23	7120.58	9890.04	4770.48	24695.24	1050.63	304.84	17.50	
1996-97	2003.04	—	5559.82	7206.41	16083.41	10493.38	31170.13	324.51	200.03	10.00	
1997-98	2003.04	—	5771.45	7133.23	17112.45	10743.31	37563.57	431.97	200.03	10.00	
1998-99	2003.04	—	6348.45	7059.89	27251.87	18942.28	62540.25	924.66	300.46	15.00	
99-2000	2003.04	—	8043.55	6962.16	29566.64	19839.21	53077.22	2139.83	400.66	20.00	
2000-01	2003.05	—	10145.17	6142.13	34454.43	23602.22	56585.93	2653.54	500.83	25.00	
2001-02 (9 months)	2003.06	—	9986.63	5819.92	41916.96	28851.20	46394.16	4274.91	600.72	30.00	
2002-03	2003.06	—	11948.68	7000.00	48911.08	35820.96	78923.25	2865.64	800.96	40.00	
2003-04	2003.06	—	14387.18	7000.00	54821.32	36943.13	117135.67	3567.98	1001.20	50.00	
2004-05	2293.61	—	33004.80	9800.00	62076.02	43804.21	157654.05	7401.96	1375.77	60.00	
2005-06	2563.16	—	86418.93	8933.33	77280.60	59949.11	202814.87	12479.81	1793.75	70.00	
2006-07	2563.16	—	87845.40	17966.67	110118.56	74616.08	239450.36	3675.96	1921.87	75.00	
2007-08	2563.16	—	96323.45	16900.00	140970.45	95307.98	310434.07	10875.74	2050.00	80.00	
2008-09	2563.16	—	96403.00	20500.00	168283.00	112819.00	351832.00	12535.00	2050.00	80.00	
2009-10	3033.16	—	148683.00	18333.00	181418.00	114969.00	386297.00	8144.00	2426.00	80.00	
2010-11	6066.00	—	146153.00	16667.00	198749.00	118428.00	414905.00	7100.00	2426.00	40.00	
2011-12	6066.00	—	123944.00	22000.00	205622.00	112447.00	401060.00	-22225.00	—	—	
2012-13	6066.00	—	110211.00	22000.00	206289.00	101039.00	383865.00	-13764.00	—	—	
2013-14	6066.00	—	118673.00	22000.00	202580.00	91540.00	411349.00	8064.00	—	—	
2014-15	6459.00	—	132286.00	21010.00	200646.00	78474.00	430114.00	8165.00	—	—	
2015-16	7792.00	—	178491.00	18730.00	194985.00	66908.00	419090.00	8497.00	—	—	
2016-17 (IND-AS)	10108.00	—	258890.00	14469.00	198988.00	59547.00	419594.00	8092.00	—	—	

Hindustan Construction Co Ltd
Hincon House,
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400083
India
Tel.: +91 22 2575 1000
Fax: +91 22 2577 7568

www.hccindia.com

This annual report has been printed on eco-friendly paper.

Cover image

Delhi Metro Rail Project, Pkg CC-34