HCC/ SEC/ 2019 May 9, 2019

BSE Limited The Corporate Relationship Dept, 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	**National Stock Exchange of India Ltd** Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051.

Dear Sir,

Sub.: **Audited Financial Results for the quarter and year ended 31st March, 2019**

As per Regulation 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Audited Standalone and Consolidated Financial Results of the Company which were approved and taken on record by the Board of Directors of the Company at their meeting held today i.e. 9th May 2019.

We also enclose herewith and confirm that the Auditor's Report on Audited Standalone Financial Results is with unmodified opinion and Auditor's Report on Audited Consolidated Financial Results is with the statement on impact of Audit Qualification.

The meeting of the Board of Directors of the Company commenced at 2.00 p.m. and concluded at 9.00 p.m.

A copy of the press release is also enclosed herewith.

We shall inform you in due course the date on which the Company will hold the Annual General Meeting for the year ended 31st March 2019.

We request you to kindly take the above on your record.

Thanking you,

Yours Faithfully,
For Hindustan Construction Company Limited

Ajay Singh
Company Secretary

Encl. : As above.

Hindustan Construction Co Ltd
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LBS Marg, Vikhroli (West),
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CIN : L45200MH1926PLC001228

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STATEMENT OF AUDITED STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

₹ in crore except earnings per share data and ratios

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2019	31 December 2018	31 March 2018	**31 March 2019**	31 March 2018
		Unaudited (Refer Note 11)	Unaudited	Unaudited (Refer Note 11)	**Audited**	Audited
1	**Income**					
	(a) Income from operations	**1,322.45**	1,101.81	1,442.74	**4,341.00**	4,575.08
	(b) Other income	**25.41**	24.12	68.73	**118.13**	251.00
	Total income (a+b)	**1,347.86**	1,125.93	1,511.47	**4,459.13**	4,826.08
2	**Expenses**					
	(a) Cost of materials consumed	**213.79**	194.96	317.65	**816.59**	1,072.66
	(b) Subcontracting expenses	**854.39**	516.50	745.84	**2,133.77**	1,901.25
	(c) Construction expenses	**98.62**	65.34	69.81	**342.88**	407.55
	(d) Employee benefits expense	**97.57**	95.66	115.87	**393.68**	437.97
	(e) Finance costs	**209.01**	173.33	164.00	**698.91**	650.07
	(f) Depreciation and amortisation expense	**32.16**	33.65	35.19	**144.53**	122.94
	(g) Other expenses	**27.63**	29.91	34.08	**120.69**	111.77
	Total expenses (a+b+c+d+e+f+g)	**1,533.17**	1,109.35	1,482.44	**4,651.05**	4,714.11
3	**Profit / (Loss) before exceptional items and tax (1-2)**	**(185.31)**	16.58	29.03	**(191.92)**	111.97
4	Exceptional items (Refer note 7)	**(389.17)**	-	-	**(2,400.30)**	-
5	**Profit / (Loss) before tax (3+4)**	**(574.48)**	16.58	29.03	**(2,592.22)**	111.97
6	**Tax expense**					
	(a) Current tax	**(0.13)**	0.59	5.31	**1.00**	20.14
	(b) Deferred tax	**(146.48)**	6.08	3.63	**(631.47)**	14.30
		(146.61)	6.67	8.94	**(630.47)**	34.44
7	**Profit / (Loss) for the period (5-6)**	**(427.87)**	9.91	20.09	**(1,961.75)**	77.53
8	**Other comprehensive income**					
	(a) Items not to be reclassified subsequently to profit or loss (net of tax)					
	- Gain / (Loss) on fair value of defined benefit plans as per actuarial valuation	**(5.18)**	1.11	0.71	**(3.01)**	3.57
	- Gain / (Loss) on fair value of equity instruments (Refer note 8)	**1.61**	2.80	(15.65)	**(6.47)**	(15.21)
	(b) Items to be reclassified subsequently to profit or loss	**-**	-	-	**-**	-
	Other comprehensive income / (loss) for the period, net of tax (a+b)	**(3.57)**	3.91	(14.94)	**(9.48)**	(11.64)
9	**Total comprehensive income / (loss) for the period, net of tax (7+8)**	**(431.44)**	13.82	5.15	**(1,971.23)**	65.89
10	Paid up equity share capital (Face value of ₹ 1 each)	**151.31**	151.31	101.55	**151.31**	101.55
11	Other equity (excluding revaluation reserves)				**1,141.69**	2,673.39
12	Debenture redemption reserve				**54.99**	54.99
13	Earnings / (Loss) per share (Face value of ₹ 1 each) (Refer note 10)					
	(a) Basic EPS (not annualised) (in ₹)	**(2.83)**	0.10	0.19	**(17.13)**	0.73
	(b) Diluted EPS (not annualised) (in ₹)	**(2.83)**	0.10	0.19	**(17.13)**	0.73
14	Paid up debt capital				**103.82**	110.24
15	Debt equity ratio (in times)				**2.55**	1.34
16	Debt service coverage ratio (in times)				**(1.67)**	0.78
17	Interest service coverage ratio (in times)				**(2.84)**	1.38
	See accompanying notes to the standalone financial results					

Hindustan Construction Co. Ltd. Hincon House, L.B.S. Road, Vikhroli (W), Mumbai-83.

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

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STANDALONE STATEMENT OF ASSETS AND LIABILITIES

₹ in crore

Particulars	As at 31 March 2019 Audited	As at 31 March 2018 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	418.00	597.60
Capital work-in-progress	169.06	160.38
Intangible assets	0.09	0.34
Investments in subsidiaries	1,606.64	679.30
Financial assets		
Investments	17.65	24.12
Trade receivables	642.49	1,375.13
Loans	170.44	1,965.62
Other financial assets	58.01	260.89
Income tax assets (net)	179.51	79.38
Deferred tax assets (net)	595.61	-
Other non-current assets	107.64	127.75
Total non-current assets	**3,965.14**	**5,270.51**
Current assets		
Inventories	197.16	179.33
Financial assets		
Investments	3.00	77.72
Trade receivables	3,482.76	2,397.79
Cash and cash equivalents	132.97	122.03
Other bank balances	91.43	75.41
Loans	23.89	18.67
Other financial assets	58.42	2,751.36
Other current assets	2,217.07	212.34
	6,206.70	**5,834.65**
Assets classified as held for sale	55.89	-
Total current assets	**6,262.59**	**5,834.65**
TOTAL ASSETS	**10,227.73**	**11,105.16**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	101.55
Other equity	1,141.69	2,673.39
Total equity	**1,293.00**	**2,774.94**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,841.94	2,283.41
Other financial liabilities	987.63	12.05
Provisions	39.46	41.32
Deferred tax liabilities (net)	-	37.48
Total non-current liabilities	**2,869.03**	**2,374.26**
Current liabilities		
Financial liabilities		
Borrowings	1,079.98	1,027.72
Trade payables		
- Total outstanding dues of Micro Enterprises and Small Enterprises	16.59	5.15
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,791.86	1,804.99
Other financial liabilities	975.71	1,108.21
Other current liabilities	2,181.45	1,978.78
Provisions	20.11	31.11
Total current liabilities	**6,065.70**	**5,955.96**
TOTAL EQUITY AND LIABILITIES	**10,227.73**	**11,105.16**

See accompanying notes to the standalone financial results.

Hindustan Construction Co. Ltd. Hincon House, L.B.S. Road, Vikhroli (W), Mumbai-83.

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Notes:

1 The Company is engaged in a single business segment viz. "Engineering and Construction", which is substantially seasonal in character. Further, the Company's margins in the quarterly results vary based on the accrual of cost and recognition of income in different quarters due to nature of its business, receipt of awards / claims or events which lead to revision in cost to completion. Due to this reason, quarterly results may vary and may not be indicative of annual results.

2 The total balance value of work on hand as at 31 March 2019 is ₹ 18,554 crore (31 March 2018: ₹ 19,188 crore).

3 On 27 December 2018, the Company issued and allotted 497,565,318 equity shares of face value ₹ 1 each at the price of ₹ 10 per equity share (including a premium of ₹ 9 per share) aggregating ₹ 497.57 crores to the eligible equity shareholders on rights basis in the ratio of 49 equity shares for every 100 equity shares held. The proceeds from Rights Issue to the extent utilised till 31 March 2019 are for intended purposes.

4 Unbilled work-in-progress (Other current assets)', 'Non-current trade receivables' and 'current receivables' include ₹ 416.49 crore (31 March 2018: ₹ 686.24 crore), ₹ 54.14 crore (31 March 2018: ₹ 123.39 crore) and ₹ 320.94 crore (31 March 2018: ₹ 214.38 crore), respectively, outstanding as at 31 March 2019 which 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 scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigations and as legally advised, the management is confident of recovery of these receivables.

5 The Company, as at 31 March 2019, has a non-current investment amounting to ₹ 1,559.28 crore (31 March 2018: ₹ 2.24 crore), non-current loans amounting to Nil (31 March 2018: ₹ 1,281.40 crore) and other non-current financial assets amounting to Nil (31 March 2018: ₹ 158.18 crore) in its subsidiary HCC Infrastructure Company Limited (HIL) which is holding 85.45% in HCC Concessions Limited (HCL) having various Build, Operate and Transfer (BOT) SPVs under its fold. While HIL has incurred losses and consolidated net-worth as at 31 March 2019 has been substantially 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. Further BOT SPV's have several claims including favorable arbitration awards against its customers mainly in respect of cost-overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with clients or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/ litigations and legal advise, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

6 Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the application for approval in respect of excess amounts accrued / paid in respect of financials years 2014-15 and 2015-16, made by the Company to the Ministry of Corporate Affairs ('the Ministry') for approval of managerial remuneration of Chairman and Managing Director (CMD) which were paid / accrued in excess of the prescribed limit for these financial years stand abated. The Company is in the process of seeking requisite approvals, as may be required under the Act, for the payment of remuneration in respect of the years ended 31 March 2015 and 31 March 2016. Necessary adjustments, if required, will be made based on the outcome of such approvals.

(₹ in crore)

Financial Year	Remuneration accrued	Remuneration paid	Remuneration as per prescribed limit	Excess remuneration paid held in trust
2014-15	10.66	Not paid	1.95	-
2015-16	10.66	10.66	1.97	8.69

Further, the Company had paid managerial remuneration to the CMD aggregating ₹ 10.66 crore during the financial year 2013-14, out of which ₹ 8.74 crore was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. In absence of response from the Ministry for the Company's application for reconsideration of the excess amount paid, the Company has proposed to recover the excess amount held in trust by the CMD and the same has been included under Other Income. Such sum is refundable to the Company within two years or such lesser period as allowed by the Company in terms of Section 197 of the Act and until such sum is refunded, the same will be continued to be disclosed as recoverable from the CMD.

(₹ in crore)

7	Exceptional Items	Quarter ended			Year ended	
		31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	a) Investments in / advances to Lavasa Corporation Limited and HCC Real Estate Limited written off [Refer note (a) below]	-	-	-	2,011.13	-
	b) Loss provision in respect of arbitration awards and claims [Refer note (b) below]	331.40	-	-	331.40	-
	c) Impairment loss in respect of asset classified as held for sale	71.85	-	-	71.85	-
	d) Gain on settlement of debts	(14.08)	-	-	(14.08)	-
	Total	**389.17**	**-**	**-**	**2,400.30**	**-**

(a) The National Company Law Tribunal, Mumbai (NCLT) vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited (LCL) by an operational creditor and initiated the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HCC Real Estate Limited (HREL), a wholly owned subsidiary of the Company, is presently holding 68.70% equity stake in LCL. The Company took over liabilities aggregating ₹ 745.94 crore pursuant to settlement agreements entered / negotiations by the Company with the lenders of LCL in connection with the put options/ corporate guarantees issued for borrowings of LCL. In view of uncertainties associated with the outcome of CIRP and as a matter of prudence, the Company had impaired/written off its exposure in both these entities during the year as stated below.

(₹ in crore)

Particulars	HREL	LCL	Total
Non-current investments	612.40	18.43	630.83
Non-current loans / financial assets	446.31	188.05	634.36
Liability for put option / corporate guarantees	-	745.94	745.94
Total	**1,058.71**	**952.42**	**2,011.13**

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(b) During the year, the Company signed terms with a consortium of investors, whereby it has agreed to assign the beneficial interest / rights in a portfolio of identified arbitration awards and claims (Specified Assets) of the Company, for an aggregate consideration of ₹ 1,750 crore. The transaction closure is subject to obtaining requisite approvals and completion of conditions precedent. The Specified Assets will be assigned in favour of a separate company (SPV) controlled by the investors. This SPV will raise funds from the investors through issue of Non-Convertible Debentures (NCDs), the proceeds of which would be paid to the Company as consideration for Specified Assets assigned.
Of the consideration of ₹ 1750 crore, ₹ 1,250 crore is proposed to be utilized by the Company towards repayment of term loans/OCDs and the balance towards working capital, general corporate expenses and transaction costs. The Comapny will also issue a corporate guarantee (CG) of ₹ 625 crore in favour of the NCD Holders to provide comfort on the expected cash flow arising from the Specified Assets. The CG will reduce progressively on repayment of the NCDs as and when the Specified Assets are realized.

8 Gain / (Loss) on fair valuation of equity instruments' represents movements in carrying value of financial assets (investments) measured at fair value through Other Comprehensive Income.

9 Effective 1 April 2018, the Company has adopted Ind AS 115 – Revenue from Customers. The adoption of Ind AS 115 did not have any material impact on recognition and measurement of revenue and related items in the standalone financial statements for the year ended 31 March 2019.

10 Basic and diluted earnings per share for the quarter and year ended 31 March 2018 have been retrospectively adjusted for effect of Rights Issue stated in Note 3 above.

11 Figures for the quarters ended 31 March 2019 and 31 March 2018 are the balancing figures between the audited financial statements for the years ended on that date and the year to date figures upto the end of third quarter of the respective financial year.

12 This financial results have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time. The Audit Committee has reviewed these results and the Board of Directors have approved the above financial results at their respective meetings held on 9 May 2019.

Hindustan Construction Co. Ltd. Hincon House, L.B.S. Road, Vikhroli (W), Mumbai-83.

for Hindustan Construction Company Limited

Ajit Gulabchand
Chairman & Managing Director

Mumbai, Dated : 9 May 2019

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Hindustan Construction Company Limited

1. We have audited the standalone financial results of Hindustan Construction Company Limited ('the Company') for the year ended 31 March 2019, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except Note 2 to the standalone financial results regarding 'total balance value of work on hand as at 31 March 2019' as included in the standalone financial results which has been approved by the Board of Directors but not been subjected to any audit or limited review. Attention is drawn to Note 11 to the standalone financial results which states that the figures for the quarter ended 31 March 2019 as reported in these standalone financial results, are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 (the 'Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2019 and our review of standalone financial results for the nine-month period ended 31 December 2018.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:

   (i) are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and CIR/IMD/DF1/69/2016 dated 10 August 2016, in this regard; and

   (ii) give a true and fair view of the standalone net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

4. We draw attention to:

   a) Note 4 to the standalone financial results, regarding uncertainties relating to recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables amounting to ₹ 416.49 crore, ₹ 54.14 crore and ₹ 320.94 crore, respectively, as at 31 March 2019, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations/ discussions/ arbitration/ litigation. Based on legal opinion/past experience with respect to such claims, management is of the view that the aforementioned balances are fully recoverable. Our opinion is not modified in respect of this matter.

   b) Note 5 to the standalone financial results, regarding the Company's non-current investment (including deemed investment) in a subsidiary company aggregating ₹ 1,559.28 crore as at 31 March 2019. The consolidated net-worth of the aforesaid subsidiary has been substantially eroded; however, based on certain estimates and other factors, including subsidiary's future business plans, growth prospects, valuation report from an independent valuer and expected outcome of the negotiation/ discussion/ arbitration/ litigations and legal advice in respect of certain claims, as described in the said note, management believes that the realizable amount is higher than the carrying value of the non-current investment due to which this is considered as good and recoverable. Our opinion is not modified in respect of this matter.

   c) Note 6 to the standalone financial results, regarding remuneration accrued /paid to the Chairman and Managing Director (CMD) aggregating ₹17.40 crore for the financial years ended 31 March 2015 and 31 March 2016, in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and the Companies Act, 2013 respectively, and for which the Company had filed applications seeking approval of the Central Government, as required by the relevant provisions of the Act and rules thereunder. Further as discussed in the aforementioned note, pursuant to the notification of the effective date of Section 67 of the Companies (Amendment) Act, 2017 amending Section 197, "Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits", of the Act, the aforesaid applications pending with the Central Government stand abated and the Company is in the process of seeking requisite approvals required in accordance with the provisions of Section 197 of the Act. Our opinion is not modified in respect of this matter.

5. We did not audit the financial statements / financial information of eight (8) joint operations included in the standalone financial results of the Company whose financial statements / financial information reflect total assets and net liabilities of ₹ 70.17 crore and ₹ 66.08 crore, respectively as at 31 March 2019 and total revenues and net cash inflows of ₹ 23.25 crore and ₹ 4.19 crore, respectively for the year ended on that date, as considered in the standalone financial results. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management.

   Further, of these joint operations, financial statement/ financial information of four (4) joint operations have been prepared in accordance with accounting principles generally accepted in India, including accounting standards issued by the Institute of Chartered Accountants of India. The Company's management has converted the financial statements / financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Company's management. Our opinion on the standalone financial results, in so far as it relates to the amounts and disclosures included in respect of these joint operations are solely based on report of the other auditors and the conversion adjustments prepared by the Company's management and audited by us.

   Our opinion is not modified in respect of the above matter.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No. 109632

Place: Mumbai
Date: 9 May 2019

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STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2019

₹ in crore except earnings per share data and ratios

Sr. No.	Particulars	Year ended 31 March 2019 Audited	Year ended 31 March 2018 Audited
1	**Income**		
	(a) Income from operations	10,321.56	10,132.46
	(b) Other income	75.01	56.08
	Total income (a+b)	10,396.57	10,188.54
2	**Expenses**		
	(a) Cost of materials consumed	818.21	1,073.69
	(b) Purchase of traded goods	-	0.18
	(c) Subcontracting expenses	7,054.48	6,437.95
	(d) Change in inventories	(2.82)	49.85
	(e) Construction expenses	389.46	476.61
	(f) Employee benefits expense	1,007.74	1,021.61
	(g) Finance costs	808.36	1,526.38
	(h) Depreciation and amortisation expense	177.36	201.33
	(i) Other expenses	290.73	303.06
	Total expenses (a+b+c+d+e+f+g+h+i)	10,543.52	11,089.66
3	**Loss before exceptional items and tax (1-2)**	(146.95)	(901.12)
4	Exceptional items (Refer note 10)	(527.37)	(160.19)
5	**Profit / (loss) before share of profit/(loss) of associates and joint ventures and tax (3+4)**	(674.32)	(1,061.31)
	Share of loss of associates and joint ventures	(151.31)	(38.90)
6	**Loss before tax**	(825.63)	(1,100.21)
7	**Tax expense/ (credit)**		
	(a) Current tax	7.41	29.22
	(b) Deferred tax	(491.90)	(39.43)
		(484.49)	(10.21)
8	**Loss for the year (6-7)**	(341.14)	(1,090.00)
9	**Other comprehensive income**		
	(a) Items not to be reclassified subsequently to profit or loss (net of tax)		
	- Gain/(loss) on fair value of defined benefit plans as per actuarial valuation	(30.05)	38.16
	- Loss on fair value of equity instruments (Refer note 13)	(6.51)	(15.00)
	(b) Items to be reclassified subsequently to profit or loss		
	- Loss on exchange fluctuations	(120.42)	(29.43)
	Other comprehensive loss for the year, net of tax	(156.98)	(6.27)
10	**Total comprehensive income / (loss) for the year, net of tax (8 + 9)**	(498.12)	(1,096.27)
	Net loss attributable to:		
	Owners of the parent	(341.14)	(815.68)
	Non - controlling interest	-	(274.32)
	Other comprehensive loss for the year attributable to:		
	Owners of the parent	(156.98)	(4.69)
	Non - controlling interest	-	(1.58)
	Total comprehensive loss for the year attributable to:		
	Owners of the parent	(498.12)	(820.37)
	Non - controlling interest	-	(275.90)
11	Paid up equity share capital (Face value of ₹ 1 each)	151.31	101.55
12	Other Equity	(1,087.48)	(1,169.63)
13	Earnings per share (Face value of ₹ 1 each) (Refer note 14)		
	(a) Basic EPS	(2.98)	(7.69)
	(b) Diluted EPS	(2.98)	(7.69)
	See accompanying notes to the consolidated financial results		

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WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Hindustan Construction Co. Ltd. Hincon House, L.B.S. Road, Vikhroli (W), Mumbai-83

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

₹ in crore

Particulars	As at 31 March 2019 (Audited)	As at 31 March 2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	**508.95**	1,556.10
Capital work-in-progress	**169.06**	1,713.92
Investment property	**2.73**	2.73
Goodwill	**3.38**	134.40
Other Intangible assets	**59.52**	36.05
Biological assets	**-**	1.49
Investments in associates and joint ventures	**157.51**	363.16
Financial assets		
Investments	**19.82**	28.74
Trade receivables	**642.49**	1,375.13
Loans	**37.65**	79.60
Other financial assets	**3.02**	8.18
Income tax assets	**216.51**	120.64
Deferred tax assets (net)	**454.01**	0.72
Other non-current assets	**107.64**	117.10
Total non-current assets	**2,382.29**	**5,537.97**
Current assets		
Inventories	**631.67**	2,504.06
Financial assets		
Investments	**3.56**	25.19
Trade receivables	**3,545.71**	2,465.28
Cash and cash equivalents	**270.70**	404.18
Other bank balances	**585.72**	547.91
Loans	**26.77**	19.98
Other financial assets	**44.86**	4,584.19
Other current assets	**4,087.58**	455.37
	9,196.57	**11,006.15**
Assets classified as held for sale	**5.87**	**-**
Total current assets	**9,202.44**	**11,006.15**
TOTAL ASSETS	**11,584.73**	**16,544.12**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	**151.31**	101.55
Other equity	**(1,087.48)**	(1,169.63)
Equity attributable to owners of the parent	**(936.17)**	(1,068.08)
Non-controlling interests	**-**	(482.99)
Total equity	**(936.17)**	**(1,551.07)**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	**2,461.98**	3,661.66
Other financial liabilities	**1,127.55**	0.28
Provisions	**199.40**	170.14
Deferred tax liabilities (net)	**-**	40.23
Other non-current liabilities	**0.06**	0.06
Total non-current liabilities	**3,788.99**	**3,872.37**
Current liabilities		
Financial liabilities		
Borrowings	**1,174.40**	1,123.24
Trade payables		
- Total outstanding dues of Micro Enterprises and Small Enterprises	**16.59**	5.87
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**3,694.72**	3,641.08
Other financial liabilities	**1,151.46**	6,361.05
Other current liabilities	**2,604.28**	2,937.53
Provisions	**90.46**	154.05
Total current liabilities	**8,731.91**	**14,222.82**
TOTAL EQUITY AND LIABILITIES	**11,584.73**	**16,544.12**

See accompanying notes to the consolidated financial results

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Consolidated Segment results

(₹ Crore)

Sr No.	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
1	**Segment revenue**		
	Engineering and construction	**10,228.39**	9,975.88
	Infrastructure	**70.03**	72.65
	Real estate	**1.38**	1.70
	Comprehensive urban development and management	**-**	64.94
	Others	**21.76**	24.34
	Less: Inter segment revenue	**-**	(7.05)
	Total	**10,321.56**	10,132.46
2	**Segment profit / (loss) before finance cost and tax**		
	Engineering and construction	**664.66**	623.75
	Infrastructure	**4.51**	34.41
	Real estate	**(38.71)**	(13.75)
	Comprehensive urban development and management	**-**	(38.34)
	Others	**0.93**	(8.76)
	Less: Un-allocable expenditure net of unallocable income	**(778.34)**	(1,498.43)
	Loss before exceptional items and tax	**(146.95)**	(901.12)
	Exceptional items		
	- Engineering and construction	**(389.17)**	**-**
	- Comprehensive urban development and management	**141.97**	**(160.19)**
	- Infrastructure	**(137.74)**	
	- Real Estate	**(142.43)**	
	Loss before share of profit/ (loss) of associates and joint ventures and tax	**(674.32)**	(1,061.31)
		As at 31 March 2019	As at 31 March 2018
3	**Segment assets**		
	- Engineering and construction	**10,010.54**	11,306.30
	- Infrastructure	**62.54**	25.24
	- Real estate	**6.00**	239.61
	- Comprehensive urban development and management	**-**	4,727.01
	- Others	**22.14**	84.56
	- Unallocable assets	**1,483.51**	161.40
		11,584.73	16,544.12
4	**Segment liabilities**		
	- Engineering and construction	**6,362.55**	7,173.34
	- Infrastructure	**444.45**	220.23
	- Real estate	**31.60**	38.08
	- Comprehensive urban development and management	**-**	1,482.84
	- Others	**3.80**	42.86
	- Unallocable liabilities	**5,678.50**	9,137.84
		12,520.90	18,095.19

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Notes :

1 Hindustan Construction Company Limited ('the Company') and its subsidiaries are together referred to as 'the Group' in the following notes. This consolidated financial results have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 May 2019. The statutory auditors of the Company have carried out their review of the aforesaid results.

2 On 27 December 2018, the Company issued and allotted 497,565,318 equity shares of face value ₹ 1 each at the price of ₹ 10 per equity share (including a premium of ₹ 9 per share) aggregating ₹ 497.57 crore to the eligible equity shareholders on rights basis in the ratio of 49 equity shares for every 100 equity shares held. The proceeds from Rights Issue to the extent utilised till 31 March 2019 are for intended purposes.

3 HCC Real Estate Limited ('HREL'), a subsidiary company, had provided corporate guarantees and put options aggregating ₹ 3,869 crore to the lenders of its erstwhile subsidiaries, Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries. LCL and WAML were admitted under the Corporate Insolvency and Resolution Process ('CIRP') in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 17 December 2018, respectively and Resolution Professionals ('RP') have been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with RP which is presently under the IBC process and have also invoked the corporate guarantee/ put options issued by the HREL. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of the HREL shall be determined once the debts due to these lenders are settled by RP upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been considered necessary in the consolidated financial statements by the management, as impact, if any is currently unascertainable.

4 Unbilled work-in-progress' (Other current assets)', 'Non-current trade receivables' and 'current receivables' include ₹ 416.49 crore (31 March 2018: ₹ 686.24 crore), ₹ 54.14 crore (31 March 2018: ₹ 123.39 crore) and ₹ 320.94 crore (31 March 2018: ₹ 214.38 crore), respectively, outstanding as at 31 March 2019 which 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 scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations / discussions / arbitration / litigations and as legally advised, the management is confident of recovery of these receivables.

5 Pursuant to notification of the Companies (Amendment) Act, 2017 with effect from 12 September 2018, amending Section 197 of the Companies Act, 2013 ('the Act'), the application for approval in respect of excess amounts accrued / paid in respect of financials years 2014-15 and 2015-16, made by the Company to the Ministry of Corporate Affairs ('the Ministry') for approval of managerial remuneration of Chairman and Managing Director ('CMD') which were paid / accrued in excess of the prescribed limit for these financial years stand abated. The Company is in the process of seeking requisite approvals, as may be required under the Act, for the payment of remuneration in respect of the years ended 31 March 2015 and 31 March 2016. Necessary adjustments, if required, will be made based on the outcome of such approvals.
The Company had paid / accrued remuneration for the aforesaid years based on the approval by shareholders and the applications filed with the Ministry as detailed below:

(₹ in crore)

Financial Year	Remuneration accrued	Remuneration Paid	Remuneration as per prescribed limit	Excess remuneration paid held in trust
2014-15	10.66	Not paid	1.95	-
2015-16	10.66	10.66	1.97	8.69

Further, the Company had paid managerial remuneration to the CMD aggregating ₹ 10.66 crore during the financial year 2013-14, out of which ₹ 8.74 crore was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. In absence of response from the Ministry for the Company's application for reconsideration of the excess amount paid, the Company has proposed to recover the excess amount held in trust by the CMD and the same has been included under Other Income. Such sum is refundable to the Company within two years or such lesser period as allowed by the Company in terms of Section 197 of the Act and until such sum is refunded, the same will be continued to be disclosed as recoverable from the CMD.

6 The Group, as at 31 March 2019, has a non-current investment amounting to ₹ 137.23 crore (31 March 2018: ₹ 292.81 crore) in HCC Concessions Limited ('HCL'), a joint venture company of HCC Infrastructure Company Limited ('HICL') (85.45% holding), a wholly owned subsidiary, having various Build, Operate and Transfer (BOT) SPVs under its fold. While HIL has incurred losses and consolidated net-worth as at 31 March 2019 has been substantially 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. Further BOT SPV's have several claims including favorable arbitration awards against its customers mainly in respect of cost- overrun arising due to client caused delays, termination of contracts and change in scope of work which are under various stages of negotiation/discussion with clients or under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates like future business plans, growth prospects as well as considering the contractual tenability, progress of negotiation/ discussion/ arbitration/ litigations and legal advise, the management believes that the realizable amount of the subsidiary is higher than the carrying value of the non-current investments due to which these are considered as good and recoverable.

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7 Badarpur Faridabad Tollway Limited ('BFTL') has received a recall notice from Lenders letter dated 31 October 2018 demanding repayment of entire loan outstanding amounting to ₹ 710 crore. BFTL has reverted to the notice and has requested the lenders to reconsider its action of issuing Recall Notice and withdraw it immediately, pending the arbitration proceedings with NHAI for termination dues. Subsequently BFTL has received Letter dated 10 April 2019 demanding outstanding dues along with revised interest amounting to ₹ 902.96 crore as on 31 October 2018 (computed after reversal of waivers). As per BFTL books of accounts, the total oustanding dues to lenders as at 31 March 2019 stands at ₹ 617.04 crore. Pending reconciliation of outstanding dues to the lenders, difference amount has been disclosed as contingent liability.

8 On 24 August 2017, NHAI had issued an 'Intention to Issue Termination Notice' to Baharampore Farakka Highways Limited (BFHL), a joint venture of the HCL. BFHL has refuted all the alleged defaults and refuted NHAI's intention to terminate as invalid. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 5 February 2019. Based on the legal advice obtained in this respect, management of BFHL is confident of settling this matter with NHAI without any loss.

9 Raiganj Dalkhola Highways Limited ('RDHL'), a subsidiary of HCL, has received a notice from NHAI for termination of the road construction project being carried out under this entity. RDHL has not accepted the contention of NHAI as the requisite land to carry out the desired work was not made available by NHAI. RDHL has preferred a claim of ₹ 368 crore before arbitration tribunal for wrongful termination of the project by NHAI and based on legal advise it is confident of recovering entire cost incurred on the project. Further, RDHL has also filed claims amounting to ₹ 802 crore towards losses suffered by it till 31 March 2017 on account of delay in providing land and consequent delay in completion of the project which are presently referred to arbitration for which constitution of Arbitral Tribunal to adjudicate this dispute is awaited. Further the net worth of RDHL, at this juncture, is also positive. Based on the legal advice obtained in this respect, Management is confident of recovering the amount from NHAI and exposure in RDHL is considered to be fully recoverable

(₹ in crore)

10	**Exceptional Items**	**31 March 2019**	31 March 2018
	a) Impairment of financial and non-financial assets	**(543.75)**	(160.19)
	b) Impairment loss in respect of asset classified as held for sale	**(71.85)**	-
	c) Loss on divestment of stake in a subsidiary	**(67.82)**	-
	d) Gain on loss of control in subsidiary	**141.97**	-
	e) Gain on settlement of debt	**14.08**	-
	Total	**(527.37)**	(160.19)

11 During the year, the Company signed terms with a consortium of investors, whereby it has agreed to assign the beneficial interest / rights in a portfolio of identified arbitration awards and claims (Specified Assets) of the Company, for an aggregate consideration of ₹ 1,750 crore. The transaction closure is subject to obtaining requisite approvals and completion of conditions precedent. The Specified Assets will be assigned in favour of a separate company (SPV) controlled by the investors. This SPV will raise funds from the investors through issue of Non-Convertible Debentures (NCDs), the proceeds of which would be paid to the Company as consideration for Specified Assets assigned.
Of the consideration of ₹ 1,750 crore, ₹ 1,250 crore is proposed to be utilized by the Company towards repayment of term loans/OCDs and the balance towards working capital, general corporate expenses and transaction costs. HCC will also issue a corporate guarantee (CG) of ₹ 625 crore in favour of the NCD Holders to provide comfort on the expected cash flow arising from the Specified Assets. The CG will reduce progressively on repayment of the NCDs as and when the Specified Assets are realized.

12 The National Company Law Tribunal, Mumbai ('NCLT') vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited ('LCL') by an operational creditor and initiated the Corporate insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HCC Real Estate Limited ('HREL'), a wholly owned subsidiary of the Holding Company, is presently holding 68.70% equity stake in LCL.
The Holding Company made all the required efforts to obtain requisite standalone and consolidated financial results/ financial information of LCL and its subsidiaries, associates and joint ventures ('LCL group') for the period 1 April 2018 to 30 August 2018 (date up to which the company had control) through appointed RP, for which no response was received from RP. In the absence of the required financial results/ financial information of LCL group, it was practically beyond the control of Holding Company's management to consolidate LCL group up to the date of loss of control i.e. 30 August 2018, in consolidated financial statements of the Holding Company for the year ended 31 March 2019. In view of this, financial statements/ financial information of LCL group for the aforesaid period have not been considered in the consolidated financial statements of the Holding Company for the year ended 31 March 2019. Further, de-recognition of assets and liabilities of LCL group, consequent to aforesaid loss of control, has been carried out based on the latest available financial results of LCL group, i.e. year ended 31 March 2018, in these consolidated financial statements.
In view of uncertainties associated with the outcome of CIRP and as a matter of prudence, the Company had impaired/written off its exposure in HREL and LCL during the current year.

Statutory auditors report is modified in respect of this matter.

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13 'Gain/(loss) on fair valuation of equity instruments' represents movements in carrying value of financial assets (investments) measured at fair value through Other Comprehensive Income.

14 Basic and diluted earnings per share for the quarter and year ended 31 March 2018 have been retrospectively adjusted for effect of Rights Issue stated in Note 2 above.

for Hindustan Construction Company Limited

Ajit Gulabchand
Chairman & Managing Director

Mumbai, Dated : 9 May 2019

Hindustan Construction Co. Ltd. Hincon House, L.B.S. Road, Vikhroli (W), Mumbai-83.

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Independent Auditor's Report on Consolidated Financial Results of the Company Pursuant to the Regulation 33 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Hindustan Construction Company Limited

1. We have audited the consolidated financial results 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 for the year ended 31 March 2019, being submitted by the Holding Company pursuant to the requirement of Regulation 33 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2019.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

3. As stated in Note 12 to the consolidated financial results, Lavasa Corporation Limited (LCL), a subsidiary of HCC Real Estate Limited (HREL) which is a wholly owned subsidiary of the Holding Company, was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) on 30 August 2018 and a Resolution Professional was appointed. The Board of Directors of LCL were suspended with effect from 30 August 2018, and the Holding Company and HREL therefore, did not exercise either control or significant influence over LCL from this date onwards. Owing to unavailability of financial statements and/or financial information of LCL and its subsidiaries, associates jointly controlled entity ('LCL Group') for the period 1 April 2018 to 30 August 2018 ('cut-off period'), the results of LCL for the cut-off period have not been included in the consolidated financial results of the Holding Company and the assets and liabilities of LCL Group have been derecognized at their respective carrying values as at 31 March 2018 instead of 30 August 2018. The said accounting treatment by the Group is not in compliance with Ind AS 110 - Consolidated Financial Statements. In the absence of sufficient audit evidence, we are unable to comment upon on the compliance of Ind AS 110 – Consolidated Financial Statements and its consequential impact on the consolidated financial results for the year ended 31 March 2019.

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4. 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 other auditors on separate financial results and on other financial information of the subsidiaries, associates and joint ventures, the consolidated financial results:

(i) include the financial statement/consolidated financial results for the year ended 31 March 2019, of the following entities:

Subsidiary Companies	
HCC Construction Limited	HCC Aviation Limited
Western Securities Limited	HCC Realty Limited
HCC Real Estate Limited	Steiner AG
Panchkutir Developers Limited	HCC Power Limited
HCC Mauritius Enterprises Limited	Dhule Palesner Operations & Maintenance Limited
Highbar Technologies Limited	HCC Operation and Maintenance Limited
HCC Infrastructure Company Limited	HCC Energy Limited
HCC Mauritius Investments Limited	Steiner Promotions et Participations SA
HRL Township Developers Limited HRL (Thane) Real Estate Limited	Steiner (Deutschland) GmbH VM + ST AG
Nashik Township Developers Limited	Steiner Leman SAS
Maan Township Developers Limited	Eurohotel SA
Charosa Wineries Limited (upto 6 February 2019)	Steiner India Limited
Powai Real Estate Developer Limited	Manufakt8048 AG

Associates	
Highbar Technocrat Limited	Projektentwicklungsges. Parking Kunstmuseum AG
Evostate AG	Evostate Immobillen AG
MCR Managing Corp. Real Estate	

Joint Venture/Joint Operations	
HCC Concessions Limited	Kumagai-Skanska-HCC-Itochu Group
Narmada Bridge Tollways Limited	HCC-L & T Purulia Joint Venture
Badarpur Faridabad Tollways Limited	Alpine - Samsung - HCC Joint Venture
Farakka-Raiganj Highways Limited	Alpine - HCC Joint Venture
Baharampore-Farakka Highways Limited	HCC Samsung Joint Venture CC 34
Raiganj-Dalkhola Highways Limited	ARGE Prime Tower, Zürich
Nathpa Jhakri Joint Venture	HCC-HDC Mumbai (Coastal Road Project)
HCC Max Joint Venture	

^ the consolidated financial results exclude financial results of Lavasa Corporation Limited and its group entities (Also refer paragraph 3 above)

(ii) are presented in accordance with the requirements of Regulation 33 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard except for the possible effects of the matter described in paragraph 3; and

(iii) give a true and fair view of the consolidated net loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019 except for the possible effects of the matter described in paragraph 3.

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5. We draw attention to:

   (i) Note 3 to the consolidated financial results, regarding the exercise of their right by the option holders with respect to the put option on the compulsory convertible preference shares of its erstwhile subsidiary, LCL and invocation of bank guarantees by the lenders of LCL and its erstwhile step down subsidiary, Warasgaon Assets Maintenance Limited subsequent to the initiation of CIRP by Hon'ble National Company Law Tribunal, Mumbai ('NCLT'). In view of the uncertainty associated with the outcome of the proceedings of CIRP, the resultant obligation in respect of the corporate guarantee and/or put options cannot be currently measured with sufficient reliability and accordingly have been disclosed as a Contingent Liability as at 31 March 2019 in accordance with the provisions of Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. Our report is not modified in respect of this matter.

   (ii) Note 4 to the consolidated financial results, regarding uncertainties relating to recoverability of unbilled work-in-progress (other current assets), non-current trade receivables and current trade receivables amounting to ₹ 416.49 crore, ₹ 54.14 crore and ₹ 320.94 crore, respectively, as at 31 March 2019, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended and where the claims are currently under negotiations/discussions/arbitration/litigation. Based on legal opinion/past experience with respect to such claims, management is of the view that the aforementioned balances are fully recoverable. Our opinion is not modified in respect of this matter.

   (iii) Note 5 to the consolidated financial results, regarding excess managerial remuneration accrued/paid to the Chairman and Managing Director (CMD) aggregating ₹ 17.40 crore for the financial years ended 31 March 2015 and 31 March 2016, in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and the Act, for which Holding Company had filed applications seeking approval of the Central Government, as required by the relevant provisions of the Act and rules thereunder. Further, as discussed in the aforementioned note, pursuant to the notification of the effective date of Section 67 of the Companies (Amendment) Act, 2017 amending Section 197, Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits, of the Act, the aforesaid applications pending with the Central Government stand abated and the Holding Company is in the process of seeking requisite approvals required in accordance with the provisions of section 197 of the Act. Our opinion is not modified in respect of this matter.

   (iv) Note 6 to the consolidated financial results, regarding Group's non-current investment in HCC Concessions Limited ('HCL'), a joint venture company of HCC Infrastructure Company Limited ('HICL'), aggregating ₹ 137.23 crore, as 31 March 2019. The consolidated net worth of the aforesaid joint venture has been substantially eroded; however, based on certain estimates and other factors, including joint venture's future business plans, growth prospects, valuation report from an independent valuer and expected outcome of the negotiation/ discussion/ arbitration/ litigations and legal advice in respect of certain claims, as described in the said note, management believes that the realizable amount is higher than the carrying value of the investments due to which these are considered as good and recoverable. Our opinion is not modified in respect of this matter.

6. We draw attention to Note 7 of the accompanying consolidated financial results on following emphasis of matter included in the audit report on the financial statements of Badarpur Faridabad Tollway Limited (BFTL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matter which is relevant to our opinion on the consolidated financial results of the Group, and reproduced by us as under:

   Attention is drawn to Notes 18 and 31 to the financial statements, Canara Bank has vide letter dated 31 October 2018 has recalled entire amount of financial assistance extended to the Company. As per the cited letter, Bank has mentioned an amount of ₹ 902.96 crore as total dues outstanding as on 31 October 2018. Whereas per books of accounts of the Company, total outstanding dues to lenders as at 31 March 2019 are ₹617.04 crore. Pending reconciliation of outstanding dues to the lenders, difference amount has been disclosed as contingent liability. Our opinion is not modified in respect of this matter.

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7. We draw attention to Note 8 of the accompanying consolidated financial results on following emphasis of matters included in the audit report on the financial statements of Baharampore Farakka Highways Limited (BFHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matters which are relevant to our opinion on the consolidated financial results of the Group, and reproduced by us as under:

   Note 33 of notes to accounts, National Highways Authority of India had served "Intention to Issue Termination Notice" vide letter dated 24 August 2017 and the Company refuted all the alleged defaults. The Independent Engineer has recommended the Authority to withdraw intention to issue termination notice on 5 February 2019. Our opinion is not modified in respect of this matter.

8. We draw attention to Note 9 of the accompanying consolidated financial results on following emphasis of matters included in the audit report on the financial statements of Raiganj Dalkhola Highways Limited (RDHL), a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their report dated 3 May 2019, on matters which are relevant to our opinion on the consolidated financial results of the Group, and reproduced by us as under:

   Note 7 to the notes to accounts, National Highways Authority of India (NHAI) has served notice of termination of contract to the Company vide letter dated 31 March 2017 due to delay in re-start of work at project. For the reasons mentioned in the note, as the Company is confident of full recovery of its claims of ₹ 368 crore made before the arbitration for wrong full termination of the project. In view of this the cost incurred by the Company till 31 March, 2017 appearing under Receivable from NHAI amounting to ₹177.42 crore is considered fully recoverable by the management. Our opinion is not modified in respect of this matter.

9. a) We did not audit the financial statements/financial information of fifteen (15) subsidiaries, whose financial statements / financial information (before eliminating inter-company transactions) reflect total assets of ₹ 3,753.44 crore and net assets of ₹186.53 crore as at 31 March 2019, and total revenues of ₹ 6,004.71 crore for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss (including other comprehensive income) of ₹ 13.39 crore for the year ended 31 March 2019, as considered in the consolidated financial results, in respect of five (5) associates and five (5) 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 results, 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 Regulation 33 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of such other auditors.

   Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by, and the reports of the, other auditors.

   b) Further, the consolidated financial results include financial statements / financial information of eight (8) joint operations whose financial statements / financial information reflect total assets and net liabilities of ₹ 70.17 crore and ₹ 66.08 crore, respectively as at 31 March 2019 and total revenues and net cash inflows of ₹ 23.25 crore and ₹ 4.19 crore, respectively for the year ended on that date, as considered in the consolidated financial results. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these joint operations, and our report in terms of Regulation 33 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid joint operations, are based solely on the reports of such other auditors

   Further, of these joint operations, financial statement/ financial information of four (4) joint operations have been prepared in accordance with accounting principles generally accepted in India, including accounting

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standards issued by the Institute of Chartered Accountants of India. The Holding Company's management has converted the financial statements / financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the such joint operations, is based on the reports of such other auditors and the conversion adjustments prepared by the Holding Company's management and audited by us.

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by, and the reports of the, other auditors.

c) We did not audit the financial statements of a subsidiary, whose financial information reflect total assets of Nil and net liabilities of Nil as at 31 March 2019, total revenues (before eliminating inter-company transactions) of ₹ 1.38 crore and net cash inflows amounting to ₹ 0.16 crore for the year ended on that date, as considered in the consolidated financial statements. This financial statements are reviewed by us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary are based solely on such reviewed financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statements is 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 matter with respect to our reliance on the financial statements certified by the management and reviewed by us.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 9 May 2019

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Annexure I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Consolidated)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2019
[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	10,396.57	Not Ascertainable (Refer II (e) (ii) below)
	2	Total Expenditure	10,543.52	Not Ascertainable (Refer II (e) (ii) below)
	3	Net Profit/(Loss)	(146.95)	Not Ascertainable (Refer II (e) (ii) below)
	4	Earnings per Share	(2.98)	Not Ascertainable (Refer II (e) (ii) below)
	5	Total Assets	11,584.73	Not Ascertainable (Refer II (e) (ii) below)
	6	Total Liabilities	12,520.90	Not Ascertainable (Refer II (e) (ii) below)
	7	Net Worth	(936.17)	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:	**Auditor's Qualification**
			(A) Independent Auditor's report on Consolidated Financial Statements: As stated in Note 42 to the consolidated financial statements, Lavasa Corporation Limited (LCL), a subsidiary of HCC Real Estate Limited (HREL) which is a wholly owned subsidiary of the Holding Company, was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) on 30 August 2018 and a Resolution Professional was appointed. The Board of Directors of LCL were suspended with effect from 30 August 2018, and the Holding Company and HREL therefore, did not exercise either control or significant influence over LCL from this date onwards. Owing to unavailability of financial statements and/or financial information of LCL and its subsidiaries, associates jointly controlled entity ('LCL Group') for the period 1 April 2018 to 30 August 2018 ('cut-off period'), the financial statements of LCL for the cut-off period have not been included in the consolidated financial statements of the Holding Company and the assets and liabilities of LCL Group have been derecognized at their respective carrying values as at 31 March 2018 instead of 30 August 2018. The said accounting treatment by the group is not in compliance with Ind AS 110 - Consolidated Financial Statements. In the absence of sufficient audit evidence, we are unable to comment upon on the compliance of Ind AS 110 - Consolidated Financial Statements and its consequential impact on the consolidated financial statements for the year ended 31 March 2019.
			(B) Auditor's Qualification on the Internal Financial Controls over Financial Reporting relating to matter stated in II(a)A: According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March 2019: The Holding Company's internal controls over financial reporting with respect to financial statements preparation process towards consolidation activity in compliance with the Ind AS 110, "Consolidated Financial Statements", and other accounting principles generally accepted in India were not operating effectively, which has resulted in a material misstatement in the carrying value and classification of assets and liabilities and its consequential impact on earnings, reserves and related disclosures in the financial statements, as explained in Note 42 to the accompanying consolidated financial statements. 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 financial statements will not be prevented or detected on a timely basis.
	b.	Type of Audit Qualification:	Qualified Opinion
	c.	Frequency of Qualification:	Qualification II(a)(A) and II(a)(B) have been included for the first time during the year ended 31 March 2019.
	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:	-
		ii) If management is unable to estimate the impact, reasons for the same:	**With reference to above mentioned qualification II (a) A and B:** The National Company Law Tribunal, Mumbai ('NCLT') vide Order dated 30 August 2018, has admitted an application filed against Lavasa Corporation Limited ('LCL') by an operational creditor and initiated the Corporate insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code 2016 ('IBC'). In accordance with the provisions of IBC, the powers of the Board of Directors of LCL shall stand suspended and the management of LCL presently vests with the Resolution Professional ('RP') appointed under the provisions of IBC. HCC Real Estate Limited ('HREL'), a wholly owned subsidiary of the Holding Company, is presently holding 68.70% equity stake in LCL. The Holding Company made all the required efforts to obtain requisite standalone and consolidated financial statements/ financial information of LCL and its subsidiaries, associates and joint ventures ('LCL group') for the period 1 April 2018 to 30 August 2018 (date up to which the Holding Company had control) through appointed RP, for which no response was received from RP. In the absence of the required financial statements/ financial information of LCL group, it was practically beyond the control of Holding Company's management to consolidate LCL group up to the date of loss of control i.e. 30 August 2018, in consolidated financial statements of the Holding Company for the year ended 31 March 2019. In view of this, financial statements/ financial information of LCL group for the aforesaid period have not been considered in the consolidated financial statements of the Holding Company for the year ended 31 March 2019. Further, de-recognition of assets and liabilities of LCL group, consequent to aforesaid loss of control, has been carried out based on the latest available financial statements of LCL group, i.e. year ended 31 March 2018, in these consolidated financial statements.
		iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualification stated above.

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III.	Signatories: *For* **Hindustan Construction Company Limited** **Ajit Gulabchand** Chairman & Managing Director *For* **Walker Chandiok & Co LLP** Chartered Accountants Firm Registration No. 001076N / N500013 **Rakesh R. Agarwal** Partner Membership No.: 109632 Place: Mumbai Date: 9 May 2019 **Shailesh Sawa** Chief Financial Officer **Sharad M. Kulkarni** Audit Committee Chairman

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Press Release

HCC FY19 Revenue at Rs.4,341 Crore; EBITDA margin at 12.3%

Company posts net loss on Lavasa write-offs; Debt continues to decline q-o-q

Mumbai: May 09, 2019: HCC reported turnover and EBITDA of Rs.4,341 crore and Rs.533 crore, respectively, in FY18-19, as against Rs.4,575 crore and Rs.644 crore, respectively, in FY17 18. The company's order book stood at Rs.18,554 crore as of March 31, 2019

Over the course of the year, the Company commissioned several projects of national importance, three of which, viz. Kishanganga Hydroelectric Power Project, Bogibeel Road-cum-Rail Bridge and Pare Hydro Electric Power Project, were inaugurated by Prime Minister Narendra Modi.

The company accounted for an exceptional loss of Rs.2,400 crore during FY19 which was largely due to the impact of Lavasa's admission into NCLT under IBC. This led to a full-year net loss of Rs.1,962 crore despite healthy margins in its core business.

Audited standalone results for FY19 vs. FY18

- Turnover of Rs.4,341 crore vs. Rs.4,575 crore
- Net Loss of Rs.1,962 crore vs. Net Profit of Rs.78 crore, owing to exceptional loss of Rs.2,400 crore
- Gross debt has reduced by Rs.227 crore year-on-year to Rs.3,749 crore as of March 31, 2019

During the last quarter, the Company signed terms with a consortium of investors led by BlackRock under which HCC will receive a consideration of Rs.1,750 crore for the transfer of its beneficial interest and rights in an identified portfolio of arbitration awards & claims to a special purpose vehicle (SPV) controlled by the investors. The proceeds will be used to prepay debt of Rs.1,250 crore, while the balance Rs.500 crore will be made available to fund working capital and business growth.

Mr. Arjun Dhawan, Director & Group Chief Executive Officer, said, "We have crossed several milestones in FY19 to strengthen HCC both financially and operationally. Raising capital, including via monetisation of assets, has been imperative to safeguard the long-term health of the company while we bore the tremendous flux within the financial sector. We absorbed material write-offs during the year, but strategic initiatives undertaken with full support of our lenders position us as a leaner deleveraged business with adequate working capital and liquidity to grow."

Performance of HCC Subsidiaries:

Steiner AG: Steiner AG reported revenues of CHF831 million (Rs.5,894 crore) and a net profit of CHF24.9 million (Rs.177 crore) in FY19, as against CHF806 million (Rs.5,395 crore) and CHF9.5 million (Rs.64 crore), in the prior year respectively, on the back of a robust operational performance. The company received orders worth CHF830.7 billion (Rs.5,896 crore) in FY19; order backlog stood at CHF1.38 billion (Rs.9,654 crore) as of March 31,

2019. The company has further secured orders worth CHF361 million (Rs.2,562 crore) where contracts are yet to be signed.

HCC Concessions Ltd: Farakka Barrage, the connecting bridge over the Ganges between Baharampore-Farakka and Farakka-Raiganj, was under repair since October 5, 2018, leading to diversion of traffic in 3Q & 4Q FY19. Bridge repair was completed on April 1, 2019, and traffic has since resumed. Adjusting for this anomaly, Baharampore-Farakka (Pkg 3) and Farakka-Raiganj (Pkg 4) reported average daily revenues of Rs. 36.6 lakh and 36.4 lakh for FY19, and traffic growth of 7.7% and 16.1% y-o-y, respectively. HCC Concessions has signed definitive documents for the sale of Farakka-Raiganj to Cube Highways and Infrastructure II Pte. Ltd.

About HCC:

HCC is a business group of global scale developing and building responsible infrastructure through next practices. With an engineering heritage of nearly 100 years, HCC has executed a majority of India's landmark infrastructure projects, having constructed 29% of India's Hydro Power generation and 65% of India's Nuclear Power generation capacities, over 3,800 lane km of Expressways and Highways, more than 337 km of complex Tunnelling and 375 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs.10,322 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.

For further information:

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