



HCC/SEC/RESULT/2023

November 09, 2023

BSE Limited The Corporate Relationship Dept, 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Scrip Code: 500185, 974246, 974247 974248, 974249 & 974250	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. Scrip Code : HCC
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Dear Sir,

**Sub.: Unaudited Financial Results for the Quarter and
Half year ended September 30, 2023**

As per Regulations 33 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Half year ended September 30, 2023 which were approved and taken on record by the Board of Directors of the Company at its Meeting held today i.e. November 09, 2023 along with Limited Review Reports thereon submitted by the Statutory Auditors.

A copy of the press release is also enclosed herewith.

The meeting of the Board of Directors of the Company commenced at 2:00 p.m. and concluded at 5:20 p.m.

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

Thanking you,

Yours Faithfully,
For Hindustan Construction Company Ltd.

Nitesh Kumar Jha
Company Secretary

Encl. : As above

Hindustan Construction Co Ltd

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Mumbai - 400 083, India
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Press Release

HCC Standalone Q2 FY24 Net Profit at ₹52.3 crore

₹3,301 crore of debt reduced on consolidated basis via majority sale of SPV

Mumbai: November 09, 2023: HCC E&C reported standalone turnover and EBITDA of ₹1,138.8 crore and ₹163.6 crore, respectively, in Q2 FY24, as against ₹1,249.1 crore and ₹228.2 crore, in Q2 FY23. The Company's order book stood at ₹12,344 crore as of September 30, 2023.

HCC reported consolidated revenue of ₹1,832.6 crore in Q2 FY24 versus ₹2,257 crore in Q2 FY23. The consolidated net profit was at ₹6.4 crore in Q2 FY24 versus net profit of ₹310.3 crore in Q2 FY23. The consolidated figures are not comparable due to the exclusion of the subsidiary, Steiner Construction SA's operations, which per the accounting standard is treated as discontinued given the expected sale of the company in the coming quarter.

Financial highlights – HCC unaudited standalone results

- Turnover of ₹1,138.8 crore in Q2 FY24 versus ₹1,249.1 crore in Q2 FY23
- Net Profit of ₹52.3 crore in Q2 FY24 compared to ₹312.8 crore in Q2 FY23
- EBITDA margins at 14.4% in Q2 FY24 compared to 18.3% in Q2 FY23

The Company has received completion certificates for three projects in Q2 FY24, including Sone Bridge, Bistan Lift Irrigation and Tata Memorial Centre. Five more projects are in advanced stages of completion, including three projects in Jammu & Kashmir viz Anji Khad Bridge, Sawalkot Road tunnel and the railway tunnel T49A where most of the civil work is completed and finishing work is in the final stages. In the Nikachhu hydropower project in Bhutan, water impounding in the dam and trial runs of turbines will commence in the next quarter. In the Delhi Metro DC06 package, all civil work has been completed, and architectural finishing works in the station are nearing completion.

The major hydro projects of Tehri and Vishnugad Pipalkoti in Uttarakhand, the Coastal Road Project and Mumbai Metro Line 3 project, have achieved significant progress.

The Company is now focusing on growth through new order acquisitions. It has bid for projects worth ₹6,000 crore, which are under evaluation. Another ₹8,000 crore worth of bids shall be submitted in the coming quarter. Furthermore, a bid pipeline of ₹15,000 crore has been identified for future growth. During the quarter, the order backlog increased by ~ ₹900 crore through awards of variations in existing jobs.

Hindustan Construction Co Ltd

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A majority 51% shares in Prolific Resolution Private Limited (PRPL) have been acquired by an investor, Jadeja Investments Management Pvt Ltd. With this, PRPL has ceased to be a subsidiary of HCC, with effect from September 30, 2023. Consequently, ₹3,301.2 crore of debt has reduced on a consolidated basis.

Performance of HCC subsidiary: Steiner AG

Steiner AG reported revenues of CHF 66.5 million (₹603 crore) in the Q2 FY24 as compared to CHF 145.9 million (₹1,183 crore) in the Q2 FY23 and loss of CHF 0.7 million (₹6.3 crore) in the Q2 FY24 as compared to profit of CHF 6.2 million (₹49 crore) in the Q2 FY23. The quarterly figures exclude CHF 58.83 million (₹540.7 crore) of revenue and CHF 1.02 million (₹9.18 crore) loss for Q2 FY24 for subsidiary, Steiner Construction SA, which is in the process of being divested. The Company secured fresh orders worth CHF 31 million (₹277 crore) in Q2 FY24. The order book stood at CHF 461.3 million (₹4,123 crore) at the end of September 30, 2023.



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 26% of India's Hydro Power generation and 60% of India's Nuclear Power generation capacities, over 4,036 lane km of Expressways and Highways, more than 360 km of complex Tunnelling and 395 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of ₹9,857 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.

Walker ChandioK & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 (as amended)

To the Board of Directors of Hindustan Construction Company Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Hindustan Construction Company Limited** and its joint operations (together referred to as 'the Company') (Refer Annexure 1 for the list of joint operations included in the Statement) for the quarter ended **30 September 2023** and the year to date results for the period **1 April 2023 to 30 September 2023**, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'). Attention is drawn to the fact that the Note 3 to the Statement regarding 'total balance value of work on hand; as at 30 September 2023, as included in the Statement has been approved by the Company's Board of Directors, but has not been subjected to audit or review.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India ('ICAI'). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hindustan Construction Company Limited
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 (as amended)

4. As stated in:

- (i) Note 7 to the accompanying Statement, the Company's investments in subsidiaries as at 30 September 2023 includes non-current investment and current investment in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 205 crore, respectively, stated at cost. The subsidiary's consolidated net-worth as at 30 September 2023 is substantially eroded but, the said investment is considered fully recoverable by the management on the basis of factors stated in the aforesaid note including a valuation report obtained from an independent valuer.

However, in the absence of sufficient appropriate audit evidence to support the significant judgements and estimates relating to underlying assumptions applied by the management in the aforementioned valuation report, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid investment and consequential impact, if any, on the accompanying Statement.

- (ii) Note 8 to the the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 741.93 crore as at 30 September 2023, which mainly includes deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the history of losses recorded by the Company, we are unable to obtain sufficient appropriate audit evidence with respect to the projections for future taxable profits prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 30 September 2023.

Our audit report dated 18 May 2023 on the standalone audited financial results of the Company for the year ended 31 March 2023 and our review reports dated 3 August 2023 and 10 November 2022 on the standalone unaudited financial results for the quarter ended 30 June 2023 and for the quarter and six month ended 30 September 2022, respectively, were also qualified in respect of the above matters.

5. Based on our review conducted as above and the consideration of the review reports of the branch auditors referred to in paragraph 7 below, except for the possible effects of the matters described in previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 4 to the accompanying Statement regarding uncertainties relating to recoverability of unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivables amounting to ₹ 596.42 crore, ₹ 256.74 crore and ₹ 57.52 crore, respectively, as at 30 September 2023, which represent receivables in respect of closed/ substantially closed/ suspended projects. The Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation in respect of the aforementioned receivables. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables. Our conclusion is not modified in respect of the above matter.
7. We did not review the interim financial information of one (1) joint operation included in the Statement, where such interim financial information reflects Company's share of total assets of ₹ 67.52 crore as at 30 September 2023, and Company's share of total revenues of ₹ 77.19 crore and ₹ 144.58 crore, Company's share of total net profit after tax of ₹ 1.45 crore and ₹ 2.71 crore, and total comprehensive income of ₹ 1.45 crore and ₹ 2.71 crore, for the quarter and six-month period ended 30 September 2023, respectively, and cash flows of ₹ Nil for the six-month period ended 30 September 2023, as considered in the Statement. Such interim financial information has been reviewed by another auditor, whose report has been furnished to us by the management, and our conclusion, in so far as it relates to the amounts and disclosures included in respect of this joint operation, is based solely on the review report of such other auditor.

Hindustan Construction Company Limited
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 (as amended)

Further, the aforementioned interim financial information has been prepared in accordance with accounting principles generally accepted in India, including 'Accounting Standards' issued by the ICAI. The Company's management has converted such interim financial information of the joint operation in accordance with Ind AS. We have reviewed these conversion adjustments made by the Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of this joint operation is based on the review report of the other auditor and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our conclusion is not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

8. The Statement includes the interim financial information of six (6) joint operations, which have not been reviewed/ audited by their auditors, whose interim financial information reflects Company's share of total assets of ₹ 19.85 crore as at 30 September 2023, and Company's share of total revenues of ₹ 0.89 crore and ₹ 0.97 crore, net profit after tax of ₹ 0.46 crore and ₹ 0.34 crore, total comprehensive income of ₹ 0.46 crore and ₹ 0.34 crore for the quarter and six-month period ended 30 September 2023, respectively, and cash inflow (net) of ₹ 3.49 crore for the six-month period ended 30 September 2023, as considered in the Statement. Such interim financial information has been furnished to us by the Company's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unreviewed/ unaudited interim financial information. According to the information and explanations given to us by the management, the interim financial information of aforesaid joint operations is not material to the Company.

Our conclusion is not modified in respect of this matter with respect to our reliance on the aforesaid financial information certified by the Board of Directors.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

SHASHI

TADWALKAR

Shashi Tadwalkar

Partner

Membership No. 101797

Digitally signed by

SHASHI TADWALKAR

Date: 2023.11.09 17:06:18

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UDIN: 23101797BGXFHJ5516

Place: Mumbai

Date: 9 November 2023

Appendix 1

List of joint operations included in the Statement

Sr. No.	Name of the entity
1.	Kumagai – Skanska - HCC - Itochu Group
2.	HCC - L&T Purulia Joint Venture
3.	Alpine - Samsung - HCC Joint Venture
4.	Alpine - HCC Joint Venture
5.	HCC - Samsung Joint Venture CC 34
6.	Nathpa Jhakri Joint Venture
7.	HCC - HDC Joint Venture
8.	HCC - VCCL Joint Venture



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTH ENDED 30 SEPTEMBER 2023

₹ in crore except earnings per share

Sr. No.	Particulars	Quarter ended			Six month ended		Year ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	1,138.76	1,230.87	1,249.07	2,369.63	2,221.81	5,222.01
	(b) Other Income (Refer note 6)	42.34	17.68	18.79	60.02	30.20	61.22
	Total income (a+b)	1,181.10	1,248.55	1,267.86	2,429.65	2,252.01	5,283.23
2	Expenses						
	(a) Cost of materials consumed	193.01	222.92	250.22	415.93	492.24	1,009.66
	(b) Subcontracting expenses	592.62	662.87	578.84	1,255.49	1,032.04	2,727.99
	(c) Employee benefits expense	79.53	77.04	77.98	156.57	158.94	323.78
	(d) Finance costs	134.07	134.89	136.89	268.96	380.01	663.97
	(e) Depreciation and amortisation expense	18.57	18.15	20.08	36.72	40.25	78.05
	(f) Other expenses	110.05	112.97	112.80	223.02	208.73	448.19
	Total expenses (a+b+c+d+e+f)	1,127.85	1,228.84	1,177.81	2,356.69	2,312.21	5,251.64
3	Profit/ (Loss) before exceptional items and tax (1-2)	53.25	19.71	90.05	72.96	(60.20)	31.59
4	Exceptional item - Gain (Refer note 5)	-	-	223.30	-	223.30	223.30
5	Profit before tax (3+4)	53.25	19.71	313.35	72.96	163.10	254.89
6	Tax expense/ (credit)						
	(a) Current tax	0.90	0.76	0.57	1.66	1.08	1.66
	(b) Deferred tax	-	-	-	-	-	(0.19)
	Total tax expense (a+b)	0.90	0.76	0.57	1.66	1.08	1.47
7	Net profit for the period/ year (5-6)	52.35	18.95	312.78	71.30	162.02	253.42
8	Other comprehensive income/ (loss)						
	(a) Items that will not be reclassified subsequently to statement of profit or loss (net of tax)						
	- Gain on remeasurement of defined benefit plans	0.50	0.46	0.59	0.96	0.87	1.86
	- Gain/ (loss) on fair value of equity instruments	6.66	6.32	1.77	12.98	(1.93)	(1.20)
	(b) Items that will be reclassified subsequently to statement of profit or loss (net of tax)	-	-	-	-	-	-
	Other comprehensive income/ (loss) for the period/ year, net of tax (a+b)	7.16	6.78	2.36	13.94	(1.06)	0.66
9	Total comprehensive income for the period/ year (7+8)	59.51	25.73	315.14	85.24	160.96	254.08
10	Paid up equity share capital (Face value of ₹ 1 each)	151.31	151.31	151.31	151.31	151.31	151.31
11	Other equity (excluding revaluation reserves)						569.61
12	Earnings per equity share of face value of ₹ 1 each (Not annualised for the quarters and six month)						
	(a) Basic (in ₹)	0.35	0.13	2.07	0.47	1.07	1.67
	(b) Diluted (in ₹)	0.35	0.13	2.07	0.47	1.07	1.67
	See accompanying notes to the standalone unaudited financial results						



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UNAUDITED STANDALONE BALANCE SHEET AS AT 30 SEPTEMBER 2023		
Particulars	₹ in crore	
	As at 30-Sep-23	As at 31-Mar-23
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	265.19	299.32
Right-of-use assets	0.09	0.37
Capital work-in-progress	0.12	0.12
Intangible assets	0.09	0.09
Financial assets		
Investments in subsidiaries	1,353.50	1,353.50
Other investments	31.45	18.47
Trade receivables	889.02	621.96
Loans	224.55	222.57
Other financial assets	0.79	0.42
Deferred tax assets (net)	741.93	741.93
Non-current tax assets (net)	47.31	43.55
Other non-current assets	55.39	54.81
Total non-current assets	3,609.43	3,357.12
Current assets		
Inventories	140.98	170.43
Financial assets		
Investments in subsidiaries	205.00	220.00
Trade receivables	1,648.99	2,052.92
Cash and cash equivalents	253.92	216.30
Bank balances other than cash and cash equivalents	63.22	47.00
Other financial assets	278.79	236.78
Unbilled work-in-progress (contract assets)	2,139.51	1,892.23
Other current assets	158.60	191.29
	4,889.01	5,026.95
Assets held for sale	2.19	2.19
Total current assets	4,891.20	5,029.14
TOTAL ASSETS	8,500.63	8,386.26
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	151.31
Other equity	654.85	569.61
Total equity	806.16	720.92
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,754.77	1,785.45
Other financial liabilities	1,536.00	1,399.45
Provisions	26.31	21.26
Total non-current liabilities	3,317.08	3,206.16
Current liabilities		
Financial liabilities		
Borrowings	157.06	171.07
Lease liabilities	0.07	0.41
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	120.81	134.00
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,768.82	1,721.02
Other financial liabilities	554.33	518.01
Other current liabilities	1,338.31	1,419.75
Provisions	437.99	494.92
Total current liabilities	4,377.39	4,459.16
TOTAL EQUITY AND LIABILITIES	8,500.63	8,386.26
See accompanying notes to the standalone unaudited financial results		



UNAUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE SIX MONTH ENDED 30 SEPTEMBER 2023

₹ in crore

Particulars	Six month ended	
	30-Sep-23	30-Sep-22
	Unaudited	Unaudited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	72.96	163.10
Adjustments for :		
Depreciation and amortisation expense	36.72	40.25
Finance costs	268.96	380.01
Interest income	(11.63)	(15.15)
Gain on settlement of debt (Refer note 6)	(24.26)	-
Gain on implementation of debt resolution plan (Refer note 5)	-	(223.30)
Dividend income	(0.05)	-
Unrealised exchange gain on foreign currency translation (net)	(1.51)	(5.32)
Profit on disposal of property, plant and equipment (net)	(3.69)	(2.95)
Loss allowance on financial assets	1.58	-
Provision no longer required written back	(31.76)	(6.57)
Operating profit before working capital changes	234.36	166.97
Adjustments for changes in working capital:	307.32	330.07
Decrease/ (Increase) in inventories	29.45	(10.01)
Decrease/ (Increase) in trade receivables	135.29	(97.27)
Increase in financial assets, other assets and unbilled work-in-progress	(257.63)	(60.95)
(Decrease)/ Increase in trade payables, other financial liabilities, other liabilities and provisions	(65.67)	(185.19)
Cash generated from operations	148.76	(23.35)
Direct taxes paid (net of refund)	(5.41)	(11.11)
Net cash generated from/ (used In) operating activities	143.35	(34.46)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7.13)	(1.58)
Proceeds from sale of property, plant and equipment	8.43	6.54
Investment in subsidiary	-	(0.05)
Proceeds from repayment of inter-corporate deposits (deemed investment)	15.00	-
Net proceeds from/ (investments in) bank deposits	(16.23)	46.86
Interest received	9.29	2.68
Dividend received	0.05	-
Net cash generated from investing activities	9.41	54.45
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(30.68)	-
Repayment of short-term borrowings (net)	(14.01)	(35.69)
Finance costs paid	(70.12)	(67.51)
Repayment of lease liabilities	(0.34)	(0.66)
Net cash used in financing activities	(115.15)	(103.86)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	37.61	(83.87)
Cash and cash equivalents at the beginning of the year	216.30	237.86
Unrealised foreign exchange gain	0.01	0.08
Cash and cash equivalents at the end of the year	253.92	154.07



Notes:

- 1 The above standalone unaudited financial results of Hindustan Construction Company Limited (the 'Company' or 'HCC') for the quarter and six month ended 30 September 2023 (the 'Statement') have been prepared to comply in accordance with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and in compliance with presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 53 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (as amended). These results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 9 November 2023. These results have been subjected to limited review by statutory auditors, who have expressed a modified review conclusion.
- 2 The Company is engaged in a single business segment viz. "Engineering and Construction", which is substantially seasonal in character. The Company's chief operating decision makers monitor and review the operating result of the Company as a whole. Therefore, there are no other reportable segments for the Company as per requirements of Ind AS 108 'Operating Segment'. Further, the Company's margins in the quarterly results vary given the nature of its business and consequent to receipt of awards/ claims or events which may lead to revision in cost to completion. Accordingly, the quarterly results may vary and may not be strictly comparable.
- 3 The total balance value of work on hand as at 30 September 2023 is ₹ 12,344 crore (31 March 2023: ₹ 14,772 crore).
- 4 Unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivable includes ₹ 596.42 crore, ₹ 256.74 crore and ₹ 57.52 crore, respectively, outstanding as at 30 September 2023, representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended projects. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, 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 in certain contentious matters, the Company is confident that these receivables are good and fully recoverable.
- 5 During the year ended 31 March 2023, the Company has successfully novated specified debt of lenders aggregating ₹ 2,855.89 crore to Prolific Resolution Private Limited ('PRPL'), a wholly owned subsidiary upto 30 September 2023, with the consideration being the assignment of beneficial interest in the specified arbitration awards and claims with a carrying value of ₹ 2,894.11 crore in favor of PRPL. The Company has furnished a Corporate Guarantee in favor of the PRPL's lenders for debt novated. Further, the revision in terms of facilities with respect to repayment terms, rate of interest and waiver of penal interest by lenders resulted in a gain of ₹ 223.30 crore which has been presented as an exceptional item for the previous year ended 31 March 2023.

Based on the above and considering the future business plans, including time-bound monetization of assets, the management is confident of meeting the obligations as they fall due. Accordingly, the management considers it appropriate to prepare these financial results on a going concern basis.
- 6 The Company has entered into a revised sanction letter with a holder of a Optionally Convertible Debenture ('OCD') which provides for a waiver on the interest accrued prepayment. During the current quarter, the Company has made a prepayment of certain outstanding OCD which has resulted in a gain on settlement of debt, representing waiver of interest, amounting to ₹ 24.26 crore which has been recognised as other income for the quarter and six month period ended 30 September 2023.
- 7 As at 30 September 2023, the Company has investments (including deemed investments) in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,419.65 crore (30 June 2023: ₹ 1,424.65 crore, 31 March 2023: ₹ 1,434.55 crore and 30 September 2022: ₹ 1,564.65 crore) classified as non-current investment ₹ 1,214.65 crore (30 June 2023: ₹ 1,214.65 crore, 31 March 2023: ₹ 1,214.65 crore and 30 September 2022: ₹ 1,214.65 crore) and current investment of ₹ 205 crore (30 June 2023: ₹ 210 crore, 31 March 2023: ₹ 220 crore and 30 September 2022: ₹ 350 crore). While the consolidated net worth of HICL as at 30 September 2023 has been substantially eroded, the management has assessed the fair value of HICL based on a valuation report from an independent valuation expert. The valuation includes significant judgements and estimates relating to underlying assumptions in respect of future business plans, cash flows from earn-out considerations, expected share of future revenues of subsidiaries sold and favourable arbitration awards in a subsidiary. Accordingly, based on aforementioned valuation report and future business plan, the management believes that the recoverable amount of investment in HICL is higher than its carrying value. Statutory auditors review report is modified in respect of this matter.
- 8 As at 30 September 2023, the Company has recognised net deferred tax assets amounting to ₹ 741.93 crore (30 June 2023: ₹ 741.93 crore, 31 March 2023: ₹ 741.93 crore and 30 September 2022: ₹ 741.74 crore), which mainly represents deferred tax assets on carried forward unutilised tax losses, unused tax credits and other taxable temporary differences. The Company is confident of generating taxable profits from the unexecuted orders on hand/ future projects and expected realisation of claims/ arbitration awards. Accordingly, the management believes it is probable that sufficient future taxable profits will be available against which such deferred tax assets can be utilised. Statutory auditors review report is modified in respect of this matter.
- 9 Figures for the previous period/ year have been regrouped/ reclassified to conform to the current period's presentation, wherever considered necessary. The impact of such regroupings reclassifications is not material to these financial results.



10 Additional disclosures as per Clause 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	Unit of measurement	Quarter ended			Six month ended		Year ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
Debt Equity ratio : Total Debt/ (Equity Share Capital + Other equity less capital reserve)	Times	2.42	2.68	3.48	2.42	3.48	2.77
Debt Service Coverage ratio : (Earnings before interest [^] , depreciation and amortisation, exceptional items and tax)/ (Interest [^] on debt for the period/ year + Principal repayment of borrowings and lease liabilities within one year) - Annualised	Times	1.24	0.95	1.51	1.11	0.70	0.91
Interest Service Coverage ratio : (Earnings before interest [^] , depreciation and amortisation, exceptional items and tax)/ Interest [^] on debt for the period/ year	Times	1.74	1.39	2.16	1.57	0.92	1.23
Outstanding redeemable preference shares	₹ in crore	-	-	-	-	-	-
Debt redemption reserve	₹ in crore	54.99	54.99	54.99	54.99	54.99	54.99
Net Worth (Equity Share Capital + other equity less capital reserves)	₹ in crore	790.97	731.46	612.61	790.97	612.61	705.73
Net Profit after tax	₹ in crore	52.35	18.95	312.78	71.30	162.02	253.42
Basic earnings per share (Not annualised for the quarter and six month)	₹	0.35	0.13	2.07	0.47	1.07	1.67
Diluted earnings per share (Not annualised for the quarter and six month)	₹	0.35	0.13	2.07	0.47	1.07	1.67
Current Ratio (Current assets/ Current liabilities)	Times	1.12	1.14	1.05	1.12	1.05	1.13
Long-term debt to working capital (Non-current borrowings + Current maturities of long-term debt)/ Net working capital	Times	3.71	3.21	9.58	3.71	9.58	3.41
Bad debts to accounts receivable ratio (Bad debts/ Average trade receivables)	%	-	-	-	-	-	-
Current liability ratio (Current liabilities/ Total liabilities)	Times	0.57	0.57	0.56	0.57	0.56	0.58
Total debts to total assets ratio [(Non-current borrowings + Current borrowings)/ Total assets]	Times	0.22	0.23	0.25	0.22	0.25	0.23
Debtors Turnover [(Revenue from operations/ Average trade receivable)] - Annualised	Times	1.78	1.87	1.51	1.82	1.35	1.51
Inventory Turnover [(Cost of Goods Sold/ Average inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses	Times	21.03	21.59	17.84	21.47	16.86	21.59
Operating Margin [(Earnings before finance costs, depreciation and amortisation, exceptional items and tax less Other Income)/ Revenue from operations]	%	14.36%	12.60%	18.27%	13.45%	14.85%	13.64%
Net Profit Margin [Profit after tax/ Revenue from operations]	%	4.60%	1.54%	25.04%	3.01%	7.20%	4.85%

The Company continue to maintain 100% asset cover for the Non Convertible Debentures issued by it.

[^] Excludes interest expenses on interest on advance from customers.

for Hindustan Construction Company Limited



Jaspreet Bhullar
Managing Director & Chief Executive Officer
DIN : 03644691

Mumbai, Dated : 9 November 2023

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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 (as amended)

To the Board of Directors of Hindustan Construction Company Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of **Hindustan Construction Company Limited** and its joint operations ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates (refer Annexure 1 for the list of subsidiaries, associates and joint operations included in the Statement) for the quarter ended **30 September 2023** and the consolidated year to date results for the period **1 April 2023 to 30 September 2023**, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India ('ICAI'). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

Hindustan Construction Company Limited
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4. As stated in Note 3 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.93 crore as at 30 September 2023, which mainly includes deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the history of losses recorded by the Holding Company, we are unable to obtain sufficient appropriate audit evidence with respect to the projections for future taxable profits prepared by the Holding Company's management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 30 September 2023.

Our audit report dated 18 May 2023 on the consolidated financial results of the Group for the quarter and year ended 31 March 2023 and review reports dated 03 August 2023 and 10 November 2022 on the consolidated unaudited financial results of the Group for the quarter ended 30 June 2023 and for the quarter and six month period ended 30 September 2022, respectively, were also qualified in respect of this matter.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 and 8 below, except for the possible effects of the matter described in previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to:

- (i) Note 4 to the accompanying Statement, regarding uncertainties relating to recoverability of unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivables amounting to ₹ 596.42 crore, ₹ 256.74 and ₹ 57.52 crore, respectively, as at 30 September 2023, which represent various receivables in respect of closed/ substantially closed/ suspended projects. The Holding Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation in respect of the aforementioned receivables. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management of Holding Company is confident of recovery of these receivables. Our conclusion is not modified in respect of the above matter.

- (ii) The matter described in Note 6 to the Statement and the following Emphasis of Matter paragraph included in the review report on the interim condensed consolidated financial statements of Steiner AG, a step-down subsidiary of the Holding Company, reviewed by an independent audit firm, vide their review report dated 18 October 2023 which is reproduced by us as under:

"We draw attention to the explanatory comment of the interim condensed consolidated financial information describing the experienced liquidity difficulties the company faced during the three-month period and the six-month period then ended 30 September 2023. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. The company's ability to continue as a going concern depends on whether it can achieve the proposed liquidity measures."

- (iii) The matter described in Note 8 to the Statement and the following Emphasis of Matter paragraph included in the review report on the financial results of Raiganj - Dalkhola Highways Limited, a step-down subsidiary of the Holding Company, reviewed by an independent firm of Chartered Accountants, vide their review report dated 6 November 2023, which is reproduced by us as under:

"Note XX, XX & XX of notes to accounts, the Company had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders including interest thereon, as recorded in books of accounts of Company are unconfirmed. Moreover, Yes Bank has assigned entire RDHL loan/ facility to J.C. Flowers Asset Reconstruction Pvt. Ltd. ("JCF ARC") for which the Company is in process to obtain detailed loan statements, terms of repayment and interest rate etc."

Hindustan Construction Company Limited
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 (as amended)

- (iv) The matter described in Note 7 to the Statement and the following Emphasis of Matter paragraph included in the review report on the financial statements of HREL Real Estate Limited, a subsidiary of the Holding Company, reviewed by an independent firm of Chartered Accountants, vide their review report dated 6 November 2023, which is reproduced by us as under:

"We draw attention to Note XX to the accompanying financial statements, which states that HREL Real Estate Limited ('HREL') has provided corporate guarantees and put options to the lenders of its erstwhile subsidiaries namely, Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries, the aggregate liability in respect of which as at 30 September 2023 stands at ₹ 7,845.63 crore. Pursuant to default in repayment of dues, the lenders, to whom these corporate guarantees and put options were furnished, invoked the corporate guarantee/ put options issued by the HREL. Further, LCL and WAML were admitted under the Corporate Insolvency and Resolution Process in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) on 30 August 2018 and 20 December 2018, respectively, and Resolution Professionals were appointed by the Committee of Creditors of respective companies. On 21 July 2023, Mumbai bench of Hon'ble National Company Law Tribunal ('NCLT') has approved the resolution plan for LCL based on the approval given by the CoC. HREL has been legally advised that the approval of Resolution Plan would discharge HREL of its liability under the contracts of guarantee to lenders of LCL and WAML, which would be confirmed only from a detailed review of the approved Resolution Plan. The Company is currently in process of obtaining the approved Resolution Plan from NCLT. Pending the receipt of the approved Resolution Plan and basis the legal advice received, no provision is considered necessary in the financial results as at 30 September 2023."

Our conclusion is not modified in respect of the above matters.

7. We did not review the interim financial information of seventeen (17) subsidiaries and one (1) joint operation included in the Statement, whose financial information reflect total assets of ₹ 4,343.32 crore as at 30 September 2023, and total revenues of ₹ 109.69 crore and ₹ 1,449.05 crore, net loss after tax of ₹ 55.61 crore and ₹ 26.45 crore, total comprehensive loss of ₹ 55.61 crore and ₹ 26.45 crore, for the quarter and six-month period ended 30 September 2023, respectively, and cash outflows net of ₹ 207.14 crore for the period ended 30 September 2023, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 4.08 crore and ₹ 7.84 crore and total comprehensive income of ₹ 4.08 crore and ₹ 7.84 crore, for the quarter and six-month period ended 30 September 2023, respectively, as considered in the Statement, in respect of four (4) associates, whose interim financial information have not been reviewed by us.

The aforementioned interim financial information have been reviewed by other auditors, whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint operation and associates is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion 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.

8. We did not review the interim financial information of one (1) joint operation included in the Statement, where such interim financial information reflects group's share of total assets of ₹ 67.52 crore as at 30 September 2023, and group's share of total revenues of ₹ 77.19 crore and ₹ 144.58 crore, Group's share of total net profit after tax of ₹ 1.45 crore and ₹ 2.71 crore, and total comprehensive income of ₹ 1.45 crore and ₹ 2.71 crore, for the quarter and six-month period ended 30 September 2023, respectively, and cash flows of ₹ Nil for the six-month period ended 30 September 2023, as considered in the Statement. Such interim financial information has been reviewed by another auditor, whose report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this joint operation, is based solely on the review report of such other auditor and procedure performed by us as stated in paragraph 3 above.

Further, the aforementioned interim financial information of the above joint operation has been prepared in accordance with accounting principles generally accepted in India, including 'Accounting Standards' issued by the ICAI. The Holding Company's management has converted such interim financial information of the joint operation in accordance with Ind AS. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the

Hindustan Construction Company Limited
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 (as amended)

amounts and disclosures included in respect of this joint operation is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditor.

9. The Statement includes the interim financial information of ten (10) subsidiaries, which have not been reviewed/ audited by their auditors, whose interim financial information reflect total assets of ₹ 72.50 crore as at 30 September 2023, and total revenues of ₹ 0.43 crore and ₹ 1.04 crore, net loss after tax of ₹ 0.33 crore and ₹ 0.78 crore, total comprehensive loss of ₹ 0.33 crore and ₹ 0.78 crore for the quarter and six month period ended on 30 September 2023 respectively, cash outflow (net) of ₹ 0.05 crore for the period ended 30 September 2023 as considered in the Statement. The Statement above includes the Group's share of net profit after tax of ₹ Nil and ₹ 0.10 crore and total comprehensive income of ₹ Nil and ₹ 0.10 crore, for the quarter and six - month period ended 30 September 2023, in respect of one (1) associate, based on their interim financial information, which have not been received/ audited by their auditors, and have been furnished to us by Holding Company's management.

Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, are based solely on such unaudited/ unreviewed interim financial information. According to the information and explanations given to us by the management, such Interim financial information is not material to the Group. Our conclusion is not modified in respect of this matter with respect to our reliance on the interim financial information certified by the Board of Directors.

10. The Statement includes the interim financial information of six (6) joint operations, which have not been reviewed/ audited by their auditors, whose interim financial information reflects group's share of total assets of ₹ 19.85 crore as at 30 September 2023, and group's share of total revenues of ₹ 0.89 crore and ₹ 0.97 crore, net profit after tax of ₹ 0.46 crore and ₹ 0.34 crore, total comprehensive income of ₹ 0.46 crore and ₹ 0.34 crore for the quarter and six-month period ended 30 September 2023, respectively, and cash inflow (net) of ₹ 3.49 crore for the six-month period ended 30 September 2023, as considered in the Statement. Such interim financial information has been furnished to us by the Holding Company's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unreviewed/ unaudited interim financial information. According to the information and explanations given to us by the Holding Company's management, such interim financial information is not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the aforesaid financial information certified by the Board of Directors.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

SHASHI

TADWALKAR

Digitally signed by
SHASHI TADWALKAR

Date: 2023.11.09
17:05:06 +05'30'

Shashi Tadwalkar

Partner

Membership No. 101797

UDIN: 23101797BGXFHK3066

Place: Mumbai

Date: 9 November 2023

Hindustan Construction Company Limited
Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 (as amended)

Appendix 1

List of entities included in the Statement

Subsidiary Companies	
HCC Contract Solutions Limited	HCC Aviation Limited
Western Securities Limited	Steiner AG
HREL Real Estate Limited	HCC Realty Limited
Panchkutir Developers Limited	HCC Operation and Maintenance Limited
HCC Mauritius Enterprises Limited	Steiner Promotions et Participations SA
Highbar Technologies Limited	Steiner (Deutschland) GmbH
HCC Infrastructure Company Limited	VM + ST AG
HCC Mauritius Investments Limited	Steiner Lemans SAS
HRL Township Developers Limited	Steiner India Limited
HRL (Thane) Real Estate Limited	Powai Real Estate Developer Limited
Nashik Township Developers Limited	Prolific Resolution Private Limited (upto 30 September 2023)
Maan Township Developers Limited	Baharampore – Farakka Highways Limited (upto 28 March 2023)
Manufakt8048 AG	Raiganj - Dalkhola Highways Limited
Narmada Bridge Tollways Limited	Steiner Construction SA (incorporated w.e.f. 12 July 2022)
Badarpur Faridabad Tollways Limited	
Associates	
Highbar Technocrat Limited	Evostate Immobilien AG
Evostate AG	MCR Managing Corp. Real Estate
Hegias AG, Zurich (incorporated w.e.f. 18 August 2022)	
Joint Operations	
Kumagai - Skanska - HCC - Itochu Group	Alpine - HCC Joint Venture
HCC - L&T Purulia Joint Venture	HCC - Samsung Joint Venture CC 34
Alpine - Samsung - HCC Joint Venture	Werkarena Basel AG
Nathpa Jhakri Joint Venture	HCC – VCCL Joint Venture
HCC - HDC Joint Venture	

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023		
Particulars	₹ In crore	
	As at 30 September 2023	As at 31 March 2023
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	324.29	358.09
Right-of-use assets	158.43	186.80
Capital work-in-progress	0.12	0.12
Investment property	3.41	2.84
Goodwill	3.38	3.38
Other intangible assets	63.83	72.10
Investments in associates and joint ventures	87.67	59.66
Financial assets		
Other investments	32.10	19.11
Trade receivables	937.18	670.12
Loans	20.83	26.62
Other financial assets (Refer note 12)	8.34	3,134.09
Deferred tax assets (net)	779.05	732.02
Non-current tax assets (net)	126.13	117.46
Other non-current assets	117.91	117.56
Total non-current assets	2,663.47	5,549.97
Current assets		
Inventories	464.00	490.52
Financial assets		
Investments	0.18	0.70
Trade receivables	1,740.56	2,130.08
Cash and cash equivalents	366.12	531.91
Bank balances other than cash and cash equivalents	224.34	571.63
Other financial assets	140.67	96.93
Unbilled work-in-progress (contract assets)	3,776.76	3,442.44
Other current assets	266.30	252.96
	6,978.93	7,627.77
Assets held for sale	691.14	2.19
Total current assets	7,670.07	7,629.96
TOTAL ASSETS	10,333.54	13,179.93
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	151.31
Other equity	(806.72)	(855.69)
Equity attributable to owners of the parent	(655.41)	(714.38)
Non-controlling interest	0.00*	0.00*
Total equity	(655.41)	(714.38)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,968.13	4,851.11
Lease liabilities	159.08	185.70
Other financial liabilities	1,588.19	1,708.73
Provisions	1,22.29	126.68
Total non-current liabilities	3,827.69	6,872.22
Current liabilities		
Financial liabilities		
Borrowings	430.57	443.41
Lease liabilities	25.16	31.35
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	120.81	134.67
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,284.50	2,856.54
Other financial liabilities	926.91	856.67
Other current liabilities	1,873.49	2,088.53
Current tax liabilities	10.53	8.97
Provisions	499.04	601.94
	6,171.03	7,022.08
Liabilities of a disposal group held for sale	990.23	
Total current liabilities	7,161.26	7,022.08
TOTAL EQUITY AND LIABILITIES	10,333.64	13,179.93

* represents amount less than ₹ 1 lakh

See accompanying notes to the consolidated unaudited financial results





UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTH ENDED 30 SEPTEMBER 2023		
₹ in crore		
Particulars	Six month ended	
	30-Sep-23	30-Sep-22
	Unaudited	Unaudited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax including discontinued operations	59.91	60.62
Adjustments for :		
Depreciation and amortisation expense	56.76	64.22
Finance costs	502.24	510.69
Interest income	(13.30)	(9.50)
Fair valuation gain on subsequent measurement of financial assets	(275.80)	-
Gain on implementation of debt resolution plan of Holding Company	-	(223.30)
Gain on settlement of debt	(24.26)	-
Gain on deconsolidation of an erstwhile subsidiary	(1.53)	-
Deconsolidation of subsidiary	-	(2.02)
Share of profit of associates and joint ventures	(7.94)	(2.09)
Dividend income	(0.05)	-
Unrealised exchange gain on foreign currency translation (net)	(2.17)	(0.67)
Profit on disposal of property, plant and equipment (net)	(3.69)	(2.95)
Loss allowance on financial assets	2.23	-
Provision no longer required written back	(31.76)	(6.57)
	200.73	327.81
Operating profit before working capital changes	260.64	388.43
Adjustments for changes in working capital:		
(Increase) / decrease in inventories	26.52	(2.84)
Increase in trade receivables	149.38	(17.85)
(Increase) / Decrease in other financial assets, other assets and unbilled work-in-progress	(767.53)	63.92
Decrease in trade payables, other financial liabilities, other liabilities and provisions		
	231.63	(512.46)
Cash generated from operations	(99.31)	(80.80)
Direct taxes paid/ (refunded) (net of paid)	(14.92)	(9.91)
Net cash generated from operating activities	(114.23)	(90.71)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3.94)	(78.60)
Proceeds from disposal of property, plant and equipment	8.42	6.54
Proceeds from sale of investments	0.51	1.48
Investments in associates	2.48	-
Net proceeds from/ (investments in) bank deposits	347.28	(39.20)
Interest received	9.29	6.80
Dividend received	0.05	2.02
Net cash generated from/ (used in) investing activities	364.09	(100.96)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(28.58)	15.13
(Repayment of)/ Proceeds from short-term borrowings (net)	(12.84)	(18.96)
Repayment of lease liabilities	(32.79)	(11.71)
Proceeds from issue of equity shares by erstwhile subsidiary	15.25	-
Finance costs paid	(101.34)	(105.21)
Net cash used in financing activities	(160.30)	(121.75)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	89.56	(313.42)
Cash and cash equivalents at the beginning of the year	581.91	720.97
Impact of discontinued operation	(280.62)	-
Impact of deconsolidation of erstwhile subsidiary	(25.05)	-
Unrealised foreign exchange gain (net)	0.32	5.76
Cash and cash equivalents at the end of the year	366.12	413.31



Notes:

- 1 The consolidated unaudited financial results of Hindustan Construction Company Limited and its joint operations (the 'Holding Company' or 'HCC') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and associates for the quarter and six month period ended 30 September 2023 ('the Statement') have been prepared to comply in accordance with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, from time to time and in compliance with presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors of the Holding Company at their respective meetings held on 9 November 2023. These results have been subjected to limited review by statutory auditors, who have expressed a modified review conclusion.
- 2 The Group is engaged in a single business segment viz. 'Engineering and Construction', which is substantially seasonal in character. The Chief Operating Decision Makers ('CODM') monitor and review the operating results of the Group as a whole. Therefore, there are no other reportable segments for the Group as per requirements of Ind AS 108 'Operating Segment'. Further, the Group's margins in the quarterly results vary given the nature of its business and consequent to receipt of awards/ claims or events which may lead to revision in cost to completion. Accordingly, the quarterly results may vary and may not be strictly comparable.
- 3 As at 30 September 2023, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.93 crore (30 June 2023: ₹ 741.93 crore, 31 March 2023: ₹ 741.93 crore and 30 September 2022: ₹ 741.74 crore), which mainly represents deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Holding Company is confident of generating taxable profits from the unexecuted orders on hand/ future projects and expected realisation of claims/ arbitration awards. Accordingly, the Holding Company's management believes it is probable that sufficient future taxable profits will be available against which such deferred tax assets can be utilised. Statutory auditors review report is modified in respect of this matter.
- 4 Unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivable includes ₹ 596.42 crore, ₹ 256.74 crore and ₹ 57.52 crore, respectively, outstanding as at 30 September 2023, representing receivables from customers of Holding Company based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended projects. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, deviation in design and change in scope of work; for which Holding 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 in certain contentious matters, the Holding Company is confident that these receivables are good and fully recoverable.
- 5 During the year ended 31 March 2023, the Holding Company has successfully novated specified debt of lenders aggregating ₹ 2,855.69 crore to Prolific Resolution Private Limited ('PRPL'), a wholly owned subsidiary upto 30 September 2023 of the Holding Company, with the consideration being the assignment of beneficial interest in the specified arbitration awards and claims with a carrying value of ₹ 2,894.11 crore in favor of PRPL. The Holding Company has furnished a Corporate Guarantee in favor of the PRPL's lenders for debt novated. Further, the revision in terms of facilities with respect to repayment terms, rate of interest and waiver of penal interest by lenders resulted in a gain of ₹ 223.30 crore which has been presented as an exceptional item for the year ended 31 March 2023.

Based on the above and considering the future business plans, including time-bound monetization of assets, the management is confident of meeting the obligations as they fall due. Accordingly, the management considers it appropriate to prepare these financial results on a going concern basis.



- 6 The performance of Steiner AG ('SAG'), a wholly owned step-down subsidiary, has suffered due to the ongoing impact of the COVID pandemic on the supply chain and high inflation on construction cost further increased from the Ukraine war. This resulted in raising interest rates due to global tightening of monetary policy by all central banks and temporary reluctance of investors in the Swiss real estate market.

The management has initiated liquidity enhancing measures including one-time settlement with customers. While SAG was not in compliance with certain financial covenants in respect of the facility agreement with a Bank syndicate to provide guarantees for its construction projects in earlier periods, however, as at 30 September 2023, the financial covenants are waived by the Bank Syndicate. The management also expects the overall economic situation in Swiss market to turn back to a stable situation in the course of the year. Based on the proposed liquidity measures, the management is optimistic of successfully seeing through the current situation in next quarters and accordingly considers it appropriate to prepare the consolidated financial statements of SAG on a going concern basis.

- 7 HREL Real Estate Limited ('HREL') has provided corporate guarantees and put options to the lenders of its erstwhile subsidiaries namely, Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries, the aggregate liability in respect of which as at 30 September 2023 stands at ₹ 7,845.63 crore. Pursuant to default in repayment of dues, the lenders, to whom these corporate guarantees and put options were furnished, invoked the corporate guarantee/ put options issued by the HREL. Further, LCL and WAML were admitted under the Corporate Insolvency and Resolution Process in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) on 30 August 2018 and 20 December 2018, respectively, and Resolution Professionals were appointed by the Committee of Creditors of respective companies.

On 21 July 2023, Mumbai bench of Hon'ble National Company Law Tribunal ('NCLT') has approved the resolution plan for LCL based on the approval given by the CoC. HREL has been legally advised that the approval of Resolution Plan would discharge HREL of its liability under the contracts of guarantee to lenders of LCL and WAML, which could be confirmed from a detailed review of the approved Resolution Plan. The Company is currently in process of obtaining the approved Resolution Plan from NCLT. Pending the receipt of the approved Resolution Plan and basis the legal advice received, no provision is considered necessary in the financial results as at 30 September 2023. Further, the aforementioned liabilities of lenders are restricted to HREL and do not have any recourse to the Holding Company or other Group companies.

- 8 Short-term borrowings and other current financial liabilities of Raiganj Dalkhola Highways Limited ('RDHL'), a wholly owned step-down subsidiary, as at 30 September 2023 includes ₹ 16.71 crore and ₹ 44.29 crore, respectively, for which confirmations from lenders have not been received. Further, during the year ended 31 March 2023, Yes Bank has assigned entire RDHL loan/ facility to J.C. Flowers Asset Reconstruction Private Limited ("JCF ARC") on 16 December 2022. The loan/ facility has been assigned as per stipulations under Financing Agreements executed amongst the consortium lenders including Yes Bank. Yes Bank has stated that the total loan outstanding as on 30 November 2022 is ₹ 44.78 crore, however the same is subject to reconciliation. In the meanwhile, the management has also requested JCF ARC to provide the detailed loan statements, terms of repayment and interest rate etc, which is still awaited. In the absence of such confirmation or communication, RDHL has provided for interest and other penal charges based on the latest communication available from the lenders/ bankers at the terms specified in the agreements. RDHL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings.

- 9 The Holding Company has entered into a revised sanction letter with a holder of a Optionally Convertible Debenture ('OCD') which provides for a waiver on the interest accrued prepayment. During the current quarter, the Holding Company has made a prepayment of certain outstanding OCD which has resulted in a gain on settlement of debt, representing waiver of interest, amounting to ₹ 24.26 crore which has been recognised as other income for the quarter and six month period ended 30 September 2023.



10 Exceptional items includes:

Particulars	Quarter ended			Six months ended		Year ended
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
	₹ in crore					
Gain on implementation of debt resolution plan of Holding Company (Refer note 5)	-	-	223.30	-	223.30	223.30
Gain on settlement of debt	-	-	-	-	-	43.96
Gain on deconsolidation of a erstwhile subsidiary (Refer note 12)	1.53	-	-	1.53	-	142.48
Total	1.53	-	223.30	1.53	223.30	409.74

- 11(a) During the current quarter, Steiner AG ('SAG'), a step-down subsidiary of the Group, entered into a binding term sheet for 100% stake sale of Steiner Construction SA ('SCSA'), a wholly owned subsidiary of SAG which is expected to be concluded within the next 12 months. Pursuant to the above, SCSA has been presented as discontinued operations in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations'. The requisite disclosures in accordance with Ind AS 105 are given below:

Particulars	Quarter ended			Six month ended		Year ended
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
	₹ in crore					
Revenue from operations	540.55	538.31	241.76	1,178.96	241.76	1,589.29
Other income	-	-	-	-	-	-
Total income	540.55	538.31	241.76	1,178.96	241.76	1,589.29
Total expenses	549.19	625.23	229.41	1,174.42	226.41	1,559.22
Profit/ (Loss) before tax	(8.64)	(86.92)	12.35	4.54	15.35	30.07
Tax expense on profit on sale of discontinued operation	0.64	3.94	1.77	4.58	1.77	4.15
Profit/ (Loss) from sale of discontinued operations, net of tax	(9.18)	(90.86)	10.58	(0.04)	13.58	25.92

- 11(b) During the year ended 31 March 2022, HCC Concessions Limited ('HCL') (now merged with HCL) entered into a binding term sheet with Cube Highways and Infrastructure II Plc. Limited ('Cube') for a 100% stake sale of Bahrampora-Farakka Highways Limited ('BFHL'), a step-down subsidiary of Holding Company. Consequently, the results of BFHL's operations have been presented as discontinued operations in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations'. On 28 March 2023, HCL has completed the 100% stake sale of BFHL to Cube. Pursuant to the above, HCL has received ₹ 373.99 crore towards consideration for sale of equity shares and a resultant gain of ₹ 142.48 crore on sale of BFHL has been recognised during the year ended 31 March 2023. Additionally as a part of the agreement with Cube, the Group continues to be entitled to certain earn-outs (contingent on future traffic/ revenue projections), certain revenue share from BFHL over the concessions period which would overall be material in nature. The requisite disclosures in accordance with Ind AS 105 for said period are given below:

Particulars	Quarter ended			Six month ended		For the period
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	1 April 2022 to 28 March 2023
	₹ in crore					
Revenue from operations	-	-	90.84	-	161.76	372.05
Other income	-	-	2.13	-	4.47	7.88
Total income	-	-	92.97	-	166.23	379.93
Total expenses	-	-	95.80	-	167.25	405.93
Loss before tax	-	-	(2.83)	-	(1.02)	(26.00)
Impact of elimination	-	-	-	-	-	(24.92)
Loss before tax	-	-	(2.83)	-	(1.02)	(1.08)
Tax expense on profit on sale of discontinued operation	-	-	-	-	-	0.17
Loss from sale of discontinued operations, net of tax	-	-	(2.83)	-	(1.02)	(1.25)

- 12 During the current quarter, the Prolific Resolution Private Limited ('PRPL') has issued 52,040 equity shares to Jadeja Investments Management Private Limited ('JIPL') on preferential basis for a consideration of ₹ 25 crore. Pursuant to aforementioned issue of equity shares, as at 30 September 2023, JIPL holds 5% share of PRPL.

Consequent to the above, w.e.f. 30 September 2023, PRPL ceases to be a subsidiary of the Holding Company and based on the terms of the Investment Agreement and Service Agreement, JIPL and HCC have joint control over the relevant activities of PRPL. Consequently, assets and liabilities of PRPL has been derecognized from consolidated financial statements and the Group has recognised a gain on deconsolidation of ₹ 1.53 crore which has been presented as an exceptional item in the financial results for the quarter and six month period ended 30 September 2023.

- 13 Figures for the previous period/ year have been regrouped/ reclassified to conform to the current period's presentation, wherever considered necessary. The impact of such regroupings/ reclassifications is not material to these financial results.



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14 Additional disclosures as per Clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	Unit of Measurement	Quarter ended			Six month ended		Year ended
		30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
Debt Equity ratio : Total Debt/ (Equity Share Capital + Other equity less capita reserves)	Times	(4.88)	(7.75)	(8.16)	(4.88)	(8.16)	(7.02)
Debt Service Coverage ratio : [(Earnings before interest ^a , depreciation and amortisation, exceptional items and tax)/ (Interest ^b on debt for the period/ year + Principal repayment of current borrowings and lease liabilities within one year)] - Annualised	Times	0.77	0.84	1.00	0.81	0.51	0.30
Interest Service Coverage ratio : [(Earnings before interest ^a , depreciation and amortisation, exceptional items and tax)/ Interest ^b on debt for the period/ year]	Times	1.19	1.36	1.51	1.27	0.76	0.49
Outstanding redeemable preference shares	₹ Crore	-	-	-	-	-	-
Debenture Redemption reserve	₹ Crore	54.99	54.99	54.99	54.99	54.99	54.99
Net Worth : (Equity Share Capital + other equity less capital reserves)	₹ Crore	(695.11)	(693.73)	(770.31)	(695.11)	(770.31)	(754.08)
Net Profit/ (Loss) after tax	₹ Crore	6.38	43.59	310.29	49.97	29.62	(52.51)
Basic earnings/ (loss) per share (Not annualised for the quarter and six month)	₹	0.04	0.29	2.05	0.33	0.20	(0.35)
Diluted earnings/ (loss) per share (Not annualised for the quarter and six month)	₹	0.04	0.29	2.05	0.33	0.20	(0.35)
Current Ratio : (Current assets/ Current liabilities)	Times	1.07	1.09	1.05	1.07	1.05	1.09
Long-term debt to working capital : [(Non-current Borrowings + Current maturities of long-term debt)/ Net working capital]	Times	4.20	7.82	14.75	4.20	14.76	8.29
Bad debts to accounts receivable ratio : [Bad debts/ Average trade receivables]	%	-	-	-	-	-	-
Current liability ratio : (Current liabilities/ Total liabilities)	Times	0.65	0.50	0.53	0.65	0.53	0.51
Total debts to total assets ratio : [(Non-current Borrowings + Current Borrowings)/ Total Assets]	Times	0.33	0.40	0.45	0.33	0.45	0.40
Debtors Turnover : [(Revenue from operations/ Average trade receivable)] - Annualised	Times	2.71	2.76	2.50	2.72	2.47	2.22
Inventory Turnover : [(Cost of Goods Sold/ Average inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses	Times	10.86	10.92	13.08	10.93	14.11	13.11
Operating Margin : [(Earnings before finance costs, depreciation and amortisation, exceptional items and tax less Other Income)/ Revenue from operations]	%	14.07%	15.58%	15.20%	14.84%	8.24%	6.72%
Net Profit/ (Loss) Margin : [Profit/ (Loss) after tax/ Revenue from operations]	%	0.35%	2.26%	13.75%	1.33%	0.60%	-0.64%

Notes:

a) The Holding Company continue to maintain 100% asset cover for the Non Convertible Debentures issued by it.

b) Excludes discontinued operations.

^a Excludes interest expenses on interest on advance from customers.

for Hindustan Construction Company Limited



Jaspreet Bhullar
Jaspreet Bhullar
Managing Director & Chief Executive Officer
DIN : 03644691

Mumbai, Dated : 08 November 2023