HCC/ SEC/RESULT/2021

June 23, 2021

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

Dear Sir,

Sub.: **Audited Financial Results for the financial year ended March 31, 2021**

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 Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2021 which were approved and taken on record by the Board of Directors of the Company at its meeting held today i.e. June 23, 2021 along with Auditor's Reports thereon and Statement on Impact of Audit Qualifications on Standalone and Consolidated Financial Results.

A copy of the press release is also enclosed herewith

The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 3.00 p.m.

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

Thanking you,

Yours Faithfully,
For Hindustan Construction Company Ltd.

Vithal P Kulkarni
Company Secretary

Encl. : As above

Press Release

HCC FY21 Consolidated Revenue at Rs 8,335 cr

Completed Rs 3,300 cr of asset sales, conciliations & monetization of awards

Mumbai: June 23, 2021: HCC stand-alone reported turnover and EBITDA of Rs 2,642.4 crore and Rs 299.6 crore, respectively, in FY21, as against Rs 3,676.1 crore and Rs 465.1 crore, respectively, in FY20. The company's order book stood at Rs 17,914 crore as of March 31, 2021.

For the year ended March 31, 2021, the Group recorded Consolidated Revenues at Rs 8,335 crore from continuing operations, registering a decline of 12%, attributed to revenues lost due to COVID19 and the ensuing lockdown related disruptions. Challenges in supply chain management, logistics and non-availability of migrant workers at project sites resulted in lower turnover and affected the working capital cycle. This led to a net loss of Rs 610.0 crore.

Despite the above challenges, efforts by the Company have resulted in projects reaching the required level of resources which are expected to deliver performance as per normal operating levels. Uncertainty remains to the extent of further pandemic related disruptions to the construction cycle.

Financial highlights – HCC audited standalone results

- Turnover of Rs 2,642.4 crore in FY21 versus Rs 3,676.1 crore last year and Rs 893.7 crore in Q4 FY21 versus Rs 787.7 crore in Q4 FY20
- Net loss of Rs 566.5 crore in FY21 compared to Loss of Rs 168.7 crore last year and Net loss of Rs 90.2 crore in Q4 FY21 versus Net Loss of Rs 211.9 crore in Q4 FY20
- EBITDA margins at 11.6% in FY21 compared to 12.8% last year
- The order book stood at Rs 17,914 crore, excluding one order worth Rs 1,147 crore (HCC's share Rs 585 crore) procured in Q1 FY22

Mr. Arjun Dhawan, Group Chief Executive Officer said, "HCC has much to be proud of this year, having strengthened our balance sheet through asset sales and meeting conciliation targets, despite the chaos caused by COVID19. We are also at the cusp of closing our resolution plan with lenders. That said, our primary focus remained 'people first', to ensure the safety of our workforce and their families, in a year that has caused great emotional upheaval."

HCC has been awarded five contracts worth Rs 7,639 crore. (HCC's share is Rs 3,467 crore). In Q1 FY22 the company has been awarded contract of Chennai Metro worth Rs 1,147 crore (HCC's share Rs 585 crore).

As part of its strategic initiatives in FY21, HCC has completed Rs 3,300 crore of asset sales, conciliations and monetization of awards. HCC Concessions Ltd had completed the sale of Farakka-Raiganj Highways Ltd to Cube Highways and Infrastructure II Pte Ltd on September

22, 2020, with an enterprise valuation of Rs 1,508 crore, comprising debt of Rs 905 crore and an equity valuation of Rs 603 crore. The Company also concluded its conciliation with NHAI for all disputes concerning Baharampore-Farakka Highways Ltd (BFHL) and Farakka-Raiganj Highways Ltd (FRHL). The SPVs entered into settlement agreements with NHAI for a comprehensive closure of all outstanding disputes and claims between the parties for a total amount of Rs 1,259 crore. The settlement amounts have been realized by BFHL and FRHL. The proceeds of conciliation shall be used to expedite completion of our key projects and to strengthen HCC's participation in future works of nation-building.

HCC has embarked on a comprehensive debt resolution plan which will substantially deleverage the Company and place it on strong footing to grow. The Resolution Plan is expected to get implemented in Q2 FY22 with all the formalities having been completed, and with lenders currently in the process of procuring their final board approvals.

Performance of HCC subsidiaries:

Steiner AG: Steiner AG reported revenues of CHF 705 million (Rs 5,655 crore) in the financial year 2020-21 as compared to CHF 802 million (Rs 5,779 crore) in the previous year (restated) and a profit of CHF 3.6 million (Rs 30 crore) as compared to a net profit of CHF 28.0 million (Rs 202 crore) in the previous year (restated). The Company secured fresh orders worth CHF 575 million (Rs 4,454 crore). The order book stood at CHF 1.32 billion (Rs 10,225 crore) at the end of the financial year. In addition to this, the Company has secured orders for CHF 13 million (Rs 101 crore), where contracts are yet to be signed.

HCC Concessions Ltd: FY21 turnover of Baharampore Farakka Highways Ltd (BFHL) grew 16% to Rs 167.8 crore, despite the impact of COVID19. BFHL registered turnover of Rs 55.3 crore in Q4 FY21 vs Rs 38.3 crore in Q4 FY20, a y-o-y increase of 44.5%. With the completion of an additional stretch, BFHL's toll rates have been enhanced by ~20% from May 14, 2021 onwards. On March 30, 2021, BFHL and FRHL entered into settlement agreements with NHAI for Rs 405 crore and Rs 854 crore respectively. The settlement amounts have been realized by both the SPVs.

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 27% of India's Hydro Power generation and 60% of India's Nuclear Power generation capacities, over 3,960 lane km of Expressways and Highways, more than 360 km of complex Tunnelling and 383 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. The HCC Group, with a group turnover of Rs 8,335 crore, comprises of HCC Ltd., HCC Infrastructure Co. Ltd., and Steiner AG in Switzerland.

For further information:

Sandeep Sawant
Hindustan Construction Company Ltd
+91 22 2575 1000, Mobile: +91 98339 92874
Email: sandeep.sawant@hccindia.com

Walker Chandiok & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Report on Standalone Annual 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 (as amended)

To the Board of Directors of Hindustan Construction Company Limited

Qualified Opinion

1. We have audited the accompanying standalone annual 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 year ended **31 March 2021**, attached herewith, 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'), including relevant circulars issued by the SEBI from time to time.

   Attention is drawn to the fact that Note 3 to the accompanying Statement regarding 'total balance value of work on hand as at 31 March 2021', as included in the Statement has been approved by the Board of Directors but has not been subjected to audit or review.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors as referred to in paragraph 15 below, the Statement:

   (i) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, except for the possible effects of the matters described in paragraph 3 below; and

   (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021 except for the possible effects of the matters described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in:

   (i) Note 6 to the accompanying Statement, the Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the standalone financial results of the Company for the year ended 31 March 2020 and for quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

(ii) Note 7 to the accompanying Statement, the Company's, current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹ 2.10 crore and ₹ 500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been provided to us by the management of the Company. Further, in respect of certain loans while the principal balances have been confirmed from the direct confirmations issued by banks / lenders, the interest accrued amounting to ₹ 115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmations from banks have not been received for balances with banks included under cash and cash equivalents and earmarked balances/ deposits with banks included under bank balances other than cash and cash equivalents, as at 31 March 2021 amounting to ₹ 2.10 crore and ₹ 10.91 crore respectively. In the absence of such direct confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the standalone financial results of the Company for the year ended 31 March 2020 and for quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

(iii) Note 10 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences which are continued to be recognised by the Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company, uncertainty with respect to outcome of the resolution plan and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections 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 31 March 2021.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the standalone financial results of the Company for the year ended 31 March 2020 and for quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

(iv) Note 11(b) to the accompanying Statement, the Company had written back a loss provision aggregating ₹ 331.40 crore during the year ended 31 March 2020, which was earlier recognised by the Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests/ rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Company to sell/ assign the arbitration awards and claims of the Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the financial results as at 31 March 2021.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the standalone financial results of the company for the year ended 31 March 2020 and for quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors, in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to Note 9 of the accompanying Statement which indicates that the Company has incurred a net loss of ₹ 566.45 crore during the year ended 31 March 2021 and, as of that date, the Company's accumulated losses amounts to ₹ 2,332.73 crore which have resulted in substantial erosion of net worth of the Company. As further disclosed in the aforesaid note, the Company has continued to default in repayment of principal and interest in respect of its borrowings and has overdue operational creditors outstanding as at 31 March 2021. Certain operational creditors have also applied to the National Company Law Tribunal ('NCLT') for the debt resolution under the Insolvency and Bankruptcy Code, 2016, which have not been admitted by the NCLT for further proceedings as of the date of this report. The above factors, together with uncertainties relating to the impact of the ongoing COVID-19 pandemic on the operations of the Company as described in Note 8 to the accompanying Statement, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, based on ongoing discussion/ negotiations with the lenders, including lenders of an erstwhile subsidiary, for restructuring of loans which are subject to their internal approvals, revised business plans and other mitigating factors as mentioned in the Note 9, management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying Statement. Our opinion is not modified in respect of this matter.

Emphasis of Matters

6. We draw attention to:

(i) Note 8 to the accompanying Statement, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying Statement as at the reporting date, the extent of which is significantly dependent on future developments.

(ii) Note 4 to the accompanying Statement, regarding the Company's non-current investment (including deemed investment) in a subsidiary company, HCC Infrastructure Company Limited ('HICL'), aggregating ₹ 1,571.65 crore as at 31 March 2021. The consolidated net-worth of the aforesaid subsidiary is fully eroded; however, based on certain estimates and other factors, including subsidiary's future business plans, growth prospects, valuation report from an independent valuer, future contractual considerations receivable for a joint venture of HICL sold during the year, expected outcome of the 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.

(iii) Note 5 to the accompanying Statement, regarding uncertainties relating to recoverability of unbilled work-in-progress (other current assets) and current trade receivables amounting to ₹ 833.67 crore and ₹ 295.33 crore, respectively, as at 31 March 2021, which represent various receivables in respect of projects closed/ substantially closed/ suspended. Further, current trade receivables as at 31 March 2021 includes ₹ 2,748.55 crore, representing favorable arbitration awards (including interest thereon) which have subsequently been challenged by the clients in courts. Further, during the year ended 31 March 2021, the Company has settled certain favourable arbitration awards and claims with one of the customers amounting to ₹ 1,213.39 crore at a net loss of ₹ 274.03 crore, which has been considered as an exceptional item as further described in Note 11 of the accompanying Statement. The aforementioned receivables are presently under various stages of negotiations/ arbitration/ litigation with clients. Based on the current progress in each case/ related legal opinions, management is of the view that the aforementioned receivables are fully recoverable.

(iv) Note 12 to the accompanying Statement regarding delays in payment of foreign currency trade payables against the supply of goods and payment of foreign currency capital vendors against the supply of equipment aggregating ₹ 38.22 crore and ₹ 3.19 crore respectively, that are outstanding as at 31 March 2021 for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The management of the Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions is currently unascertainable and is not expected to be material to the accompanying Statement. Accordingly, the accompanying Statement does not include any consequential adjustments with respect to such delays/ defaults.

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

Responsibilities of Management and Those Charged with Governance for the Statement

7. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

8. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

11. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company of which we are the independent auditors. For the joint operations included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

14. We did not audit the annual financial statements/ financial information of seven (7) joint operations included in the accompanying Statement, whose financial statements/ financial information (before eliminating inter-company transactions and balances) reflects total assets of ₹ 153.85 crore as at 31 March 2021, and total revenues of ₹ 198.27 crore, total net loss after tax of ₹ 7.80 crore, total comprehensive loss of ₹ 7.80 crore and cash flows (net) of ₹ 5.45 crore for the year ended on that date, as considered in the Statement. These annual financial statements/ financial information have been audited by the other auditors, whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the audit report of such other auditors.

Further, of these joint operation, annual financial statements/ 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 ICAI. 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 Statement, 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 matters with respect to our reliance on the work done by and the reports of the other auditors.

15. The Statement also includes the annual financial information of one (1) joint operation, which have not been reviewed/ audited by its auditor, whose annual financial information reflects total assets of ₹ 2.83 crore as at 31 March 2021, total revenues of ₹ 1.55 crore, total net loss after tax of ₹ 7.28 crore, total comprehensive loss of ₹ 7.28 crore, and cash flows (net) of ₹ 0.07 crore for the year then ended as considered in the Statement. This annual financial information have been furnished to us by the Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint operation, is based solely on such unreviewed /unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Company.

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

16. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

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

RAKESH RAMAWATAR AGARWAL

Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2021.06.23 14:31:55 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN:21109632AAAAGE1928

Place: Mumbai
Date: 23 June 2021

Annexure 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.	HCC - VCCL Joint Venture (w.e.f. 29 January 2020)
7.	Nathpa Jhakri Joint Venture
8.	HCC- HDC Joint Venture

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HCC

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

₹ in crore except earnings per share data and ratios

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2021	31 December 2020	31 March 2020	**31 March 2021**	31 March 2020
		Unaudited (Refer Note 16)	Unaudited	Unaudited (Refer Note 16)	**Audited**	Audited
1	**Income**					
	(a) Income from operations	**865.07**	814.65	779.36	**2,589.74**	3,646.63
	(b) Other income (Refer note 14)	**28.62**	7.67	8.34	**52.64**	29.51
	Total income (a+b)	**893.69**	822.32	787.70	**2,642.38**	3,676.14
2	**Expenses**					
	(a) Cost of materials consumed	**205.73**	167.40	162.17	**525.56**	690.76
	(b) Subcontracting expenses	**422.37**	346.08	503.60	**1,054.05**	1,664.80
	(c) Construction expenses	**90.62**	67.27	81.95	**244.94**	279.80
	(d) Employee benefits expense	**79.16**	86.42	105.59	**323.74**	413.67
	(e) Finance costs	**225.02**	212.72	218.41	**829.89**	746.15
	(f) Depreciation and amortisation expense	**24.14**	23.11	21.32	**91.06**	109.37
	(g) Other expenses	**38.24**	31.46	33.05	**141.83**	132.51
	Total expenses (a+b+c+d+e+f+g)	**1,085.28**	934.46	1,126.09	**3,211.07**	4,037.06
3	**Loss before exceptional items and tax (1-2)**	**(191.59)**	(112.14)	(338.39)	**(568.69)**	(360.92)
4	Exceptional items - Gain/ (Loss) (Refer note 11)	**52.80**	**-**	(11.45)	**(274.03)**	319.95
5	**Loss before tax (3+4)**	**(138.79)**	(112.14)	(349.84)	**(842.72)**	(40.97)
6	**Tax expense**					
	(a) Current tax	**(2.00)**	5.30	0.04	**3.34**	0.09
	(b) Deferred tax (Refer note 10)	**(46.60)**	(38.46)	(137.98)	**(279.61)**	127.66
		(48.60)	(33.16)	(137.94)	**(276.27)**	127.75
7	**Loss for the period/ year (5-6)**	**(90.19)**	(78.98)	(211.90)	**(566.45)**	(168.72)
8	**Other comprehensive income/ (loss)**					
	(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	**1.38**	(0.03)	4.87	**1.29**	(3.16)
	- Gain/ (loss) on fair value of equity instruments (Refer note 15)	**(0.95)**	5.01	(7.00)	**5.60**	(10.71)
	(b) Items to be reclassified subsequently to profit or loss	**-**	-	-	**-**	-
	Other comprehensive income/ (loss) for the period/ year, net of tax (a+b)	**0.43**	4.98	(2.13)	**6.89**	(13.87)
9	**Total comprehensive loss for the period/ year, net of tax (7+8)**	**(89.76)**	(74.00)	(214.03)	**(559.56)**	(182.59)
10	Paid up equity share capital (Face value of ₹ 1 each)	**151.31**	151.31	151.31	**151.31**	151.31
11	Other equity (excluding revaluation reserves)				**460.55**	1,027.43
12	Debenture redemption reserve				**54.99**	54.99
13	Earnings/ (Loss) per share (Face value of ₹ 1 each)					
	(a) Basic EPS (not annualised) (in ₹)	**(0.60)**	(0.52)	(1.40)	**(3.74)**	(1.12)
	(b) Diluted EPS (not annualised) (in ₹)	**(0.60)**	(0.52)	(1.40)	**(3.74)**	(1.12)
14	Paid-up debt capital (Refer note 13)				**63.37**	82.59
15	Debt-equity ratio (in times) (Refer note 13)				**6.46**	2.86
16	Debt service coverage ratio (in times) (Refer note 13)				**(0.19)**	0.82
17	Interest service coverage ratio (in times) (Refer note 13)				**(0.43)**	1.10
	See accompanying notes to the standalone financial results					

HINDUSTAN CONSTRUCTION COMPANY LTD.
Hincon House
L.B.S. Road,
Vikhroli (W)
MUMBAI-83.

AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES		
		₹ in crore
Particulars	As at 31 March 2021	As at 31 March 2020
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	478.45	342.22
Right-of-use assets	1.33	2.17
Capital work-in-progress	1.61	178.41
Intangible assets	0.64	1.08
Investments in subsidiaries	1,669.03	1,622.26
Financial assets		
Investments	12.54	6.94
Trade receivables	-	2,719.72
Loans	180.76	187.51
Other financial assets	56.14	55.66
Deferred tax assets (net)	715.99	437.08
Income tax assets (net)	90.26	233.24
Other non-current assets	74.50	88.81
Total non-current assets	**3,281.25**	**5,875.10**
Current assets		
Inventories	187.75	191.83
Financial assets		
Investments	3.00	3.00
Trade receivables	4,398.21	1,821.97
Cash and cash equivalents	228.17	85.92
Bank balances other than cash and cash equivalents	94.16	82.76
Loans	20.60	19.57
Other financial assets	102.80	88.61
Other current assets	2,447.48	2,695.63
	7,482.17	**4,989.29**
Asset classified as held for sale	6.49	64.78
Total current assets	**7,488.66**	**5,054.07**
TOTAL ASSETS	**10,769.91**	**10,929.17**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	151.31
Other equity	460.55	1,027.43
Total equity	**611.86**	**1,178.74**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,197.33	1,357.37
Other financial liabilities	1,457.89	1,187.18
Provisions	42.02	43.83
Total non-current liabilities	**2,697.24**	**2,588.38**
Current liabilities		
Financial liabilities		
Borrowings	1,995.94	1,368.01
Trade payables		
- Total outstanding dues of Micro Enterprises and Small Enterprises	48.00	23.27
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,601.90	1,757.34
Lease liabilities	1.36	2.33
Other financial liabilities	1,750.40	1,416.11
Other current liabilities	1,923.36	2,474.70
Provisions	139.85	120.29
Total current liabilities	**7,460.81**	**7,162.05**
TOTAL EQUITY AND LIABILITIES	**10,769.91**	**10,929.17**

See accompanying notes to the standalone financial results

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STATEMENT OF AUDITED STANDALONE CASH FLOW STATEMENT

₹ in crore

	Particulars	Year ended 31 March 2021 Audited	Year ended 31 March 2020 Audited
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net loss before tax	**(842.72)**	(40.97)
	Adjustments for		
	Depreciation and amortisation expense	**91.06**	109.37
	Finance costs	**829.89**	746.15
	Interest income	**(29.10)**	(20.77)
	Loss provision/ (reversal of loss provision) towards arbitration awards and claims	**274.03**	(331.40)
	Reversal of gain on settlement of debt	**-**	11.45
	Dividend income	**(0.03)**	(0.03)
	Unrealised foreign exchange gain (net)	**(0.81)**	(0.72)
	Profit on disposal of property, plant and equipment (net)	**(12.93)**	(1.53)
	Excess provision no longer required written back	**(22.70)**	(2.99)
		1,129.41	509.53
	Operating profit before working capital changes	**286.69**	468.56
	Adjustments for changes in working capital:		
	(Increase)/ decrease in inventories	**4.08**	5.33
	(Increase)/ decrease in trade receivables	**(106.46)**	(416.44)
	(Increase)/ decrease in current / non-current financial and other assets	**253.45**	297.36
	Increase/ (decrease) in trade payables, other financial liabilities and other liabilities	**(692.35)**	(38.46)
	Increase/ (decrease) in provisions	**17.75**	51.52
	Cash generated from/ (used in) operations	**(236.84)**	367.87
	Net direct taxes refund/ (paid)	**139.64**	(53.82)
	Net cash generated from/ (used in) operating activities	**(97.20)**	314.05
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances/ payables)	**(67.74)**	(74.00)
	Proceeds from sale of property, plant and equipment and assets held for sale (including advance received)	**12.19**	40.53
	Inter corporate deposits given (including deemed investments)	**-**	(22.15)
	Proceeds from repayment of inter corporate deposits	**3.25**	6.53
	Net proceeds from / (investments in) bank deposits	**(11.88)**	11.02
	Interest received	**22.12**	1.96
	Dividend received	**0.03**	0.03
	Net cash used in investing activities	**(42.03)**	(36.08)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayments of long-term borrowings	**(46.35)**	(228.97)
	Proceeds from short-term borrowings (net)	**627.93**	288.54
	Inter-corporate deposits repaid	**-**	(0.51)
	Interest and other finance charges	**(296.99)**	(381.07)
	Repayment of finance lease obligations	**(2.96)**	(3.54)
	Net cash generated from/ (used in) financing activities	**281.63**	(325.55)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**142.40**	(47.58)
	Cash and cash equivalents at the beginning of the year	**85.92**	132.97
	Unrealised foreign exchange gain/ (loss)	**(0.15)**	0.53
	Cash and cash equivalents at the end of the year	**228.17**	85.92

The above statement of cash flow has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

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Notes:

1 These standalone financial results of Hindustan Construction Company Limited (the 'Company' or 'HCC') 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 standalone audited financial results have been reviewed and recommended to the Board of Directors by the Audit Committee of the Company in its meeting held on 22 June 2021 and subsequently approved by the Board of Directors of the Company on 23 June 2021.

2 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.

3 The total balance value of work on hand as at 31 March 2021 is ₹ 17,914 crore (31 March 2020: ₹ 16,857 crore).

4 The Company, as at 31 March 2021, has non-current investments amounting to ₹ 1,571.65 crore in its subsidiary, HCC Infrastructure Company Limited ('HICL') which is holding 85.45% in HCC Concessions Limited ('HCL') having Build, Operate and Transfer (BOT) SPVs under its fold. HICL has incurred significant losses and the consolidated net-worth as at 31 March 2021 has been fully eroded. However, the net-worth of HICL 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, pursuant to the share purchase agreement for sale of a BOT SPV by HCL during the year, HCL continues to remain entitled to an earn-out consideration and royalty representing revenue share from the BOT SPV over concessions period, which are estimated to be significantly material. Also, one of its entity has claims against its customer mainly in respect of cost-overrun arising due to client caused delays and termination of contracts which are under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates of future business plans, growth prospects, future consideration from the entity sold as well as considering the contractual tenability and expected outcome of arbitration/ litigations, the management believes that the realizable amount of HICL is higher than the carrying value of the non-current investments due to which these are considered as good and fully recoverable.

5 Unbilled work-in-progress (Other current assets) and current trade receivables include ₹ 833.67 crore and ₹ 295.33 crore, respectively, outstanding as at 31 March 2021 representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ suspended projects. Further, current trade receivables as at 31 March 2021 also include ₹ 2,748.55 crore (net of advances of ₹ 2,738.80 crore), representing claims awarded in arbitration, including interest thereon, in favour of the Company which have been challenged by the customers in higher courts. These aforementioned receivables 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 in certain contentious matters, the management is confident of recovery of these receivables.

6 Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stood abated. The Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹ 8.74 crore was proposed to be recovered.

During the previous quarter, the Company was advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there was no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Company adjusted the excess remuneration paid to the CMD, held in trust, for the financial year 2013-14 with the unpaid remuneration for the financial year 2014-15 and also the excess managerial remuneration for the financial year 2015-16 has been regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, accrual/ payment of excess managerial remuneration for the year 2014-15 and 2015-16 stands approved by the lenders.

Further, on 26 September 2019, the Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Director for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Company as detailed below:

(₹ in crore)

Financial Year	**Designation**	**Remuneration accrued**	**Remuneration paid**	**Remuneration as per prescribed limit**	**Excess remuneration accrued / paid**	**Excess remuneration paid held in trust**
		(a)	**(b)**	**(c)**	**(d = a - c)**	**(e = b - c)**
2019-20	CMD and Whole Time Director	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
Total		**27.07**	**5.19**	**-**	**27.07**	**5.19**

In absence of any specific approval from lenders for remuneration payable to CMD/ WTD for financial years 2019-20 and 2020-21, statutory auditors report is modified in respect of this matter.

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7 Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 December 2020: ₹ 273.56 crore and 31 March 2020: ₹ 165.55 crore), ₹ 2.10 crore (31 December 2020: ₹ 9.57 crore and 31 March 2020: Nil), Nil (31 December 2020: Nil and 31 March 2020: ₹ 591.04 crore) and ₹ 500.72 crore (31 December 2020: ₹ 399.68 crore and 31 March 2020: ₹ 336.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 871.75 crore (31 December 2020: ₹ 1,396.01 crore and 31 March 2020: ₹ 864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 115.37 crore (31 December 2020: ₹ 87.50 crore and 31 March 2020: ₹ 42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, for balances with banks (included under cash and cash equivalents), earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Company as at 31 March 2021 include balances amounting to ₹ 2.10 crore (31 December 2020: Nil and 31 March 2020: Nil), ₹ 10.91 crore (31 December 2020: ₹ 20.97 crore and 31 March 2020: ₹ 5.46 crore) and Nil (31 December 2020: Nil and 31 March 2020: ₹ 76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Company's management. Statutory auditors report is modified in respect of this matter.

8 The outbreak of COVID-19 had disrupted regular business operations of the Company due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The operations of the Company have started recovering from the economic slowdown caused by COVID-19 pandemic and reaching normalcy. The management has taken into account the possible impacts of known events, upto the date of the approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2021. While the Company continues to closely monitor the impact of COVID-19 pandemic, there exists uncertainty in estimating the future impact of COVID-19 pandemic on the Company and, accordingly, the actual impact in the future may be different from those presently estimated.

9 The Company has incurred net loss of ₹ 566.45 crore during the year ended 31 March 2021 and as of that date has accumulated losses aggregating ₹ 2,332.73 crore which has resulted in substantial erosion of its net worth. The Company also continues to default on payment to lenders along with overdue to operational creditors. Further, the COVID-19 pandemic has also disrupted business operations of the Company during the period and there continues to exist uncertainty with respect to the pandemic on Company's operations. The above factors indicate that events or conditions exist, which may cast significant doubt on the entity's ability to continue as a going concern.
As at 31 March 2021, the Company has received and accounted favorable arbitration awards (including interest thereon) aggregating ₹ 2,748.55 crore (net of advance ₹ 2,738.80 crore). Further, the Company has also lodged claims aggregating ₹ 9,776 crore on its customers which are presently at various stages of negotiation/ discussion/ arbitration/ litigation. The Company is in advanced stages of completing a resolution plan with lenders of the Company, including resolution of debts of an erstwhile subsidiary, whose liabilities were taken over by the Company in earlier years at settlement value basis the settlement terms entered between the Company and lenders. Pursuant to the resolution plan, economic and beneficial interest of a portion of the aforesaid arbitration awards and claims of the Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Company. The Resolution Plan has received an in-principal approval from majority lenders and is subject to final approval by their respective Board/ Committees. The Board of Directors of the Company, has approved the aforementioned resolution plan on 27 May 2021 and will be put up for approval with the shareholders in the ensuing extra-ordinary general body meeting. The Company is confident of concluding the resolution plan under guidelines issued by Reserve Bank of India.
Accordingly, based on the expectation of the implementation of the resolution plan with lenders, as well as the underlying strength of the Company's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Company, including through time-bound monetisation of assets including arbitration awards, claims and other assets which would result in it being able to meet its obligations in due course of time. Accordingly, the Management considers it appropriate to prepare these financial results on a going concern basis.

10 On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Company having significant brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the standalone financial results for the current period.
As at 31 March 2021, the Company continues to recognize net deferred tax assets amounting to ₹ 715.99 crore (31 December 2020: ₹ 670.14 crore and 31 March 2020: ₹ 437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Company's management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized. Statutory auditors report is modified in respect of this matter.

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(₹ in crore)

11 Exceptional Items	Quarter ended			Year ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
a) Gain/ (loss) on settlement with a customer (Refer note (i) below)	52.80	-	-	(274.03)	-
b) Reversal of provision in respect of arbitration awards and claims (Refer note (ii) below)	-	-	-	-	331.40
c) Reversal of gain on settlement of debts	-	-	(11.45)	-	(11.45)
Total gain/ (loss)	**52.80**	**-**	**(11.45)**	**(274.03)**	**319.95**

Note:

(i) During the current quarter, Baharampore Farakka Highways Limited ('BFHL'), a joint venture, and Farakka Raiganj Highways Limited ('FRHL'), an erstwhile joint venture, have entered into settlement agreement with one its customer for a comprehensive closure of all outstanding disputes in respect of claims of BFHL and FRHL ('Concessionaire') and the Company (EPC contractor of Concessionaire), for an aggregate amount of ₹ 1,259 crore. Pursuant to the above settlements, the Company's receivables, representing a favorable arbitration award and claims as EPC contractor, with carrying value of ₹ 635.27 crore (net of advances ₹ 433.20 crore) in the books of accounts have been settled for ₹ 682.55 crore. The resultant profit of ₹ 47.28 crore (net) has been recognized by the Company as an exceptional item in the standalone financial results for the quarter ended 31 March 2021.

Further, in earlier quarters during the year, the Company also entered into similar settlement agreement to conciliate long pending dispute in respect of arbitration awards published in the Company's favour, for two completed projects, which were being contested by the customer in Courts. Pursuant to these above, the Company settled receivables aggregating ₹ 578.12 crore for a consideration of ₹ 256.81 crore as full and final settlement with an understanding that all pending disputes stand resolved. Accordingly, the Company recognised the resultant loss aggregating ₹ 321.31 crore (including gain of ₹ 5.52 crore resulting due to revision in settlement during the current quarter) as an exceptional item.

Though the Company had a fair chance to recover entire money over the period, however, considering the time involved in the litigation and urgent need to realize monies urgently to tie up its cashflow deficit for its operations, the Company has opted for these conciliations, as per the scheme provided u/s 73 of Arbitration and Conciliation Act, 2015 by Ministry of Road Transport Highways.

(ii) During the year ended 31 March 2019, the Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Company decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020. Statutory auditors report is modified in respect of reversal of aforesaid provision.

12 The outstanding balances as at 31 March 2021 include trade payables aggregating ₹ 38.22 crores and capital vendors payable aggregating ₹ 3.19 crores to companies situated outside India. These balances are pending for settlement due to financial difficulties presently being faced by the Company and have resulted in delay in remittance of payments beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delay. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the standalone financial results, and accordingly, the standalone financial results do not include any adjustments that may arise due to such delay/default.

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

i) The non-convertible debentures (NCDs) issued by the Company have been rated as 'CARE D' and the ratings have remain unchanged during the year.

ii) 11.50% NCD's issued by the Company aggregating ₹ 14.81 crore as at 31 March 2021 are secured by way of registered mortgage over 231.66 acres of land of Lavasa Corporation Limited, an erstwhile subsidiary of the Company, situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

11.50% NCD's issued by the Company aggregating ₹ 48.56 crore as at 31 March 2021 are secured by way of parcel of land (immovable non-residential property) at Tara Village, Panvel Taluka as well as all the present and future movable assets and current assets of the Company.

iii) Disclosures with respect to the previous due dates for the repayment of principal and interest of listed NCD's^ is as under:

ISIN	Due date of repayment of principal NCD's	Paid/ Not Paid	₹ in crore
INE549A07130	15 April 2020	Paid on 16 February 2021	3.20
INE549A07130	15 July 2020	Not paid	3.20
INE549A07130	15 October 2020	Not paid	3.20
INE549A07130	15 January 2021	Not paid	3.20
INE549A07148	15 April 2020	Paid on 16 February 2021	2.51
INE549A07148	15 July 2020	Not paid	2.51
INE549A07148	15 October 2020	Not paid	2.51
INE549A07148	15 January 2021	Not paid	2.51

ISIN	Due date of payment of interest	Paid/ Not Paid	₹ in crore
INE549A07130	31 May 2020 to 31 March 2021	Not paid	2.00
INE549A07148	31 May 2020 to 31 March 2021	Not paid	1.65

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iv) Disclosures with respect to the next due dates for the repayment of principal and interest of listed NCD's^ is as under:

ISIN	Due date of repayment of principal NCD's	₹ in crore
INE549A07130	15 April 2021	1.90
INE549A07148	15 April 2021	1.49

ISIN	Due date of payment of interest	₹ in crore
INE549A07130	30 April 2021	0.23
INE549A07148	30 April 2021	0.23

^ excludes ₹ **37.40** crore in respect of **INE549A07148** NCD's that are yet to be converted into Optionally Convertible Debentures as per the Scheme for Sustainable Structuring of Stressed Assets adopted by the Joint Lender Forum in earlier years.

v) The following definitions have been considered for the purpose of computation of ratios and other information.

a) Debt-equity Ratio = Debt/ Equity

Debt: Debt means long term debt including current maturities of long-term debt and short-term borrowings but excluding financial liabilities on account of erstwhile subsidiary's.

Equity: Equity means issued equity share capital and other equity

b) The Company was required to create a Debenture Redemption Reserve ('DRR') out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019; the Company is not required to create DRR. Accordingly, the Company has not created DRR during the current year and the DRR created till earlier years will be transferred to retained earnings on redemption of debentures.

c) Paid-up debt capital represents secured non-convertible debentures

d) Net Worth has been computed as defined in sub-section 57 of section 2 of the Companies Act, 2013

e) DSCR : (Loss before tax + Interest on debt + Depreciation and amortisation expense) / (Interest on debt + principal amount due during the year for long-term loans)

f) ISCR : (Loss before tax + Interest on debt + Depreciation and amortisation expense) / Interest on debt

14 Other income for the quarter ended 31 March 2021 includes profit on disposal of property, plant and equipment and interest on income tax refund aggregating ₹ 12.27 crore and ₹ 11.15 crore, respectively.

15 Gain/ (loss) on fair valuation of equity instruments' represents movement in carrying value of financial assets (investments) measured at fair value through Other comprehensive income.

16 Figures for the quarters ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited financial statements for the year ended on that date and the year to date figures upto the end of third quarter of the respective financial year.

17 Figures for the previous quarters/ year have been regrouped/ rearranged, wherever considered necessary.

for Hindustan Construction Company Limited

Ajit Gulabchand
Chairman & Managing Director

Raigad, Dated : 23 June 2021

Annexure I

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

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2021

[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ crore)

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	2,642.38	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	2	Total Expenditure	3,211.07	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	3	Exceptional items - gain / (loss)	(274.03)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	4	Net Profit/(Loss) for the year after tax	(566.45)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	5	Earnings/(Loss) per Share	(3.74)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	6	Total Assets	10,769.91	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	7	Total Liabilities	10,158.05	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	8	Net Worth	611.86	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a.	**Details of Audit Qualification:**		
			(i) Note 6 to the accompanying Statement, the Company has accounted for managerial remuneration paid / payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.	
			(ii) Note 7 to the accompanying Statement, the Company's, current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹ 2.10 crore and ₹ 500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been provided to us by the management of the Company. Further, in respect of certain loans while the principal balances have been confirmed from the direct confirmations issued by banks / lenders, the interest accrued amounting to ₹ 115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ deposits with banks included under bank balances other than cash and cash equivalents, as at 31 March 2021 amounting to ₹ 2.10 and ₹ 10.91 crore respectively. In the absence of such direct confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.	
			(iii) Note 10 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences which are continued to be recognised by the Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company, uncertainty with respect to outcome of the resolution plan and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections 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 31 March 2021.	
			(iv) Note 11(b) to the accompanying Statement, the Company had written back a loss provision aggregating ₹ 331.40 crore during the year ended 31 March 2020, which was earlier recognised by the Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests/ rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Company to sell / assign the arbitration awards and claims of the Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the financial results as at 31 March 2021.	
	b.	**Type of Audit Qualification:**	Qualified Opinion	
	c.	**Frequency of Qualification:**	Qualification II (a) (i) and II a) (iv) - Incuded since review report for the quarter/ period ended 31 December 2019; Qualification II (a) (ii) and II a) (iii) - Included since audit report for the quarter and year ended 31 March 2020.	

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Hincon House, L.B.S. Road, Vikhroli (W)
MUMBAI-83

II.	d.	For Audit Qualifications where the impact is quantified by the auditor, Management views:	Not Applicable
	e.	For Audit Qualifications where the impact is not quantified by the auditor:	
		i) Management's estimation on the impact of audit qualification:	Not ascertainable
		ii) If management is unable to estimate the impact, reasons for the same:	

II a) (i) Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stood abated. The Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹ 8.74 crore was proposed to be recovered.

During the previous quarter, the Company was advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there was no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Company adjusted the excess remuneration paid to the CMD, held in trust, for the financial year 2013-14 with the unpaid remuneration for the financial year 2014-2015 and also the excess managerial remuneration for the financial year 2015-16 has been regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, accrual/ payment of excess managerial remuneration for the year 2014-15 and 2015-16 stands approved by the lenders.

Further, on 26 September 2019, the Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Director for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Company as detailed below:

(₹ in crore)

Financial Year	Designation	Remuneration accrued (a)	Remuneration paid (b)	Remuneration as per prescribed limit (c)	Excess remuneration accrued / paid (d = a - c)	Excess remuneration paid held in trust (e = b - c)
2019-20	CMD and Whole Time Director	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
Total		27.07	5.19	-	27.07	5.19

II a) (ii) Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 December 2020: ₹ 273.56 crore and 31 March 2020: ₹ 165.55 crore), ₹ 2.10 crore (31 December 2020: ₹ 9.57 crore and 31 March 2020: Nil), Nil (31 December 2020: Nil and 31 March 2020: ₹ 591.04 crore) and ₹ 500.72 crore (31 December 2020: ₹ 399.68 crore and 31 March 2020: ₹ 336.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 871.75 crore (31 December 2020: ₹ 1,396.01 crore and 31 March 2020: ₹ 864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 115.37 crore (31 December 2020: ₹ 87.50 crore and 31 March 2020: ₹ 42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, for balances with banks (included under cash and cash equivalents), earmarked balances/ fixed deposits, included under bank balances other than cash and cash equivalents and guarantees issued by banks on behalf of the Company as at 31 March 2021 include balances amounting to ₹ 2.10 crore (31 December 2020: Nil and 31 March 2020: Nil), ₹ 10.91 crore (31 December 2020: ₹ 20.97 crore and 31 March 2020: ₹ 5.46 crore) and Nil (31 December 2020: Nil and 31 March 2020: ₹ 76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Company's management.

II a) (iii) On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the standalone financial results for the current period.

As at 31 March 2021, the Company continues to recognize net deferred tax assets amounting to ₹ 715.99 crore (31 March 2020: ₹ 437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Company management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

II a) (iv) During the year ended 31 March 2019, the Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Company decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020.

iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above

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III.	Signatories:	
	For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No. 001076N / N500013 RAKESH RAMAWATAR AGARWAL Digitally signed by RAKESH RAMAWATAR AGARWAL Date: 2021.06.23 14:32:35 +05'30' Rakesh R. Agarwal Partner Membership No.: 109632 Place: Mumbai Date: 23 June 2021	For Hindustan Construction Company Limited Ajit Gulabchand Chairman & Managing Director Shri Mahendra Singh Mehta Audit Committee Chairman Place: Mumbai / Raigad Date: 23 June 2021

HINDUSTAN CONSTRUCTION COMPANY LTD.
Hincon House,
L.B.S. Road,
Vikhroli (W)
MUMBAI-83.

Walker Chandiok & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

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

To the Board of Directors of Hindustan Construction Company Limited

Qualified Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') 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, joint ventures and joint operations for the year ended **31 March 2021**, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

2. 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 audited financial statements/ financial information of the subsidiaries, associates, joint ventures and joint operations, as referred to in paragraphs 15 and 16 below, the Statement:

   (i) includes the annual financial results of the entities listed in Annexure 1;

   (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matters described in paragraph 3 below; and

   (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, its associates, joint ventures and joint operations, for the year ended 31 March 2021, except for the possible effects of the matters described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in:

   (i) Note 7 to the accompanying Statement, the Holding Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the consolidated financial results for the year ended 31 March 2020 and for the quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

(ii) Note 6 to the accompanying Statement, the Holding Company has recognised deferred tax assets (net) amounting to ₹ 715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences, which are continued to be recognised by the Holding Company on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company, uncertainty with respect to the outcome of resolution plan and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2021.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the consolidated financial results for the year ended 31 March 2020 and for the quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

(iii) Note 9 to the accompanying Statement, the Group's current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹ 2.10 crore and ₹ 500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been provided to us by the management of the Group. Further, in respect of certain loans while the principal balances have been confirmed from the direct confirmations issued by banks/ lenders, the interest accrued amounting to ₹ 115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmation from banks have not been received for balances with banks included under cash and cash equivalents and earmarked balances/ deposits with banks included under bank balances other than cash and cash equivalents as at 31 March 2021 amounting to ₹ 2.10 crore and 10.91 crore, respectively. In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the consolidated financial results for the year ended 31 March 2020 and for the quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

(iv) Note 10(b) to the accompanying Statement, the Holding Company had written back a loss provision aggregating ₹ 331.40 crore during the the year ended 31 March 2020, which was earlier recognised by the Holding Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests/ rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Holding Company to sell/ assign the arbitration awards and claims of the Holding Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the financial results as at 31 March 2021.

Our audit report dated 9 July 2020 and review report dated 9 February 2021 on the consolidated financial results for the year ended 31 March 2020 and for the quarter and nine month ended 31 December 2020, respectively, were also qualified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, its associates, joint ventures and joint operations, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraphs 15 and 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to Note 8 to the accompanying Statement which indicates that the Group has incurred a net loss of ₹ 610.02 crore during the year ended 31 March 2021 and, as of that date, that the Group has accumulated losses amounting to ₹ 4,219.36 crore as at 31 March 2021, which has resulted in full erosion of net worth of the Group and its current liabilities exceeded its current assets by ₹ 370.41 crore as on that date. As further disclosed in aforesaid note, the Holding Company has continued to default in repayment of principal and interest in respect of borrowings and has overdue operational creditors outstanding as at 31 March 2021. Certain operational creditors of the Holding Company have also applied to the National Company Law Tribunal ('NCLT') for the debt resolution under the Insolvency and Bankruptcy Code, 2016 which have not been admitted by the NCLT for further proceedings as of the date of this report. The above factors, together with the uncertainties relating to impact of the ongoing COVID-19 pandemic on the operations of the Group as described in Note 4 to the accompanying Statement, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, based on ongoing discussion with the lenders of Holding Company and lenders of an erstwhile subsidiary of the Group, for restructuring of loans which are subject to their internal approvals, revised business plans and other mitigating factors as mentioned in the Note 8, management is of the view that going concern basis of accounting is appropriate for preparation of the accompanying Statement.

The component auditors of twelve (12) subsidiaries, one (1) foreign subsidiary group {comprising of six (6) step-down subsidiaries, four (4) associates and two (2) joint ventures} and two (2) joint ventures have also reported material uncertainty relating to going concern in their auditor's reports on the respective standalone/ consolidated financial statements of such companies/ group as at and for the year ended 31 March 2021. Further, the component auditor of one (1) subsidiary has issued an adverse opinion with respect to use of the going concern basis of accounting in the financial statements. Our opinion is not modified in respect of this matter.

Emphasis of Matters

6. We draw attention to:

(i) Note 2 to the accompanying Statement, regarding uncertainties relating to recoverability of unbilled work-in-progress (other current assets) and current trade receivables belonging to the Holding Company, amounting to ₹ 833.67 crore and ₹ 295.33 crore, respectively, as at 31 March 2021, which represent various claims raised in the earlier years in respect of projects substantially closed or suspended. Further, current trade receivables as at 31 March 2021 includes ₹ 2,748.55 crore, representing favorable arbitration awards (including interest thereon) which have subsequently been challenged by the clients in courts. Further, during the year ended 31 March 2021, the Holding Company has settled certain favourable arbitration awards and claims with one of the customers amounting to ₹ 1,213.39 crore at a net loss of ₹ 274.03 crore, which has been considered as an exceptional item as further described in Note 10 of the accompanying Statement. The aforementioned receivables are presently under various stages of negotiations/ arbitration/ litigation with clients. Based on the current progress in each case/ related legal opinions, management is of the view that the aforementioned receivables are fully recoverable.

(ii) Note 3 to the accompanying Statement, regarding Group's non-current investment in HCC Concessions Limited ('HCL'), a Joint Venture Company of HCC Infrastructure Company Limited ('HICL'), a wholly owned subsidiary of the Holding Company, aggregating ₹ 385.86 crore as at 31 March 2021. The consolidated net-worth of the aforesaid joint venture, has been partially eroded; however, based on certain estimates and other factors, including the joint venture's future business plans, growth prospects, valuation report from an independent valuer, future contractual consideration receivable for a joint venture of HICL sold during the year 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.

(iii) Note 4 to the accompanying Statement, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Group's operations and management's evaluation of its impact on the accompanying Statement as at the reporting date, the extent of which is significantly dependent on future developments.

(iv) Note 12 to the accompanying Statement, regarding delays in payment of foreign currency trade payables against the supply of goods and payment of foreign currency capital vendors against the supply of equipment aggregating ₹ 38.22 crore and ₹ 3.19 crore respectively, that are outstanding as at 31 March 2021, for a period beyond the timelines stipulated in FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The management of the Holding Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of such delays. The management is of the view that the penalties, if any, which may be levied for these contraventions is currently unascertainable and is not expected to be material to the accompanying consolidated financial results. Accordingly, the accompanying consolidated financial results does not include any consequential adjustments with respect to such delays/ defaults.

(v) Note 5 to the accompanying Statement, pertaining to matter on which following emphasis of matter has been included in the audit report dated 24 May 2021 on the financial statements of HREL Real Estate Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, which is relevant to our opinion on the consolidated financial results of the Group, and reproduced by us as under:

> "Note XX to the accompanying financial statements of the Company, the Company had provided corporate guarantees and put options aggregating ₹ 5,764.70 crore (Previous Year ₹ 4,547.72 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 entities. 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 20 December 2018, respectively and Resolution Professionals (RP) were 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 Resolution Professional and have also invoked the corporate guarantee/ put options issued by the Company. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. The Resolution Professional is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of the Company shall be determined once the debts due to these lenders are settled by Resolution Professional upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been made in the financial statements by the management stating that the impact, if any is currently unascertainable."

(vi) Notes 13 and 14 to the accompanying Statement, pertaining to matters on which following emphasis of matters have been included in the audit report dated 21 June 2021 on the financial statements of Raiganj Dalkhola Highways Limited, a subsidiary of the joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, which are relevant to our opinion on the consolidated financial results of the Group, and reproduced by us as under:

"Note XX of 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 ₹ 367 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."

"Note XX and XX to the financial statements, 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 (except Yes Bank) including interest thereon as recorded in books of accounts of Company are unconfirmed."

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

Responsibilities of Management and Those Charged with Governance for the Statement

7. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group including its associates, joint ventures and joint operations in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group and its associates and joint ventures, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates and joint ventures, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

8. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations, are responsible for assessing the ability of the Group and of its associates, joint ventures and joint operations, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors/ management of the companies included in the Group and of its associates, joint ventures and joint operations, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates, joint ventures and joint operations.

Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

11. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates, joint ventures and joint operations, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates, joint ventures and joint operations, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, and its associates, joint ventures and joint operations, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

15. We did not audit the annual financial statements/ financial information of twenty four (24) subsidiaries included in the accompanying Statement, whose financial information (before eliminating inter-company transactions and balances) reflects total assets of ₹ 4,380.87 crore as at 31 March 2021, total revenues of ₹ 5,658 crore, total net profit after tax of ₹ 25.79 crore, total comprehensive income of ₹ 79.96 crore, and cash flows (net) of ₹ 233.63 crore for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 17.94 crore and total comprehensive loss of ₹ 17.89 crore for the year ended 31 March 2021, in respect of five (5) associates and seven (7) joint ventures, whose annual financial statements/ financial information have not been audited by us. These annual financial statements/ financial information have been audited by other auditors, whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

    Our opinion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

16. We did not audit the annual financial statements / financial information of seven (7) joint operations included in the accompanying Statement, whose annual financial statements / financial information (before eliminating inter-company transactions and balances) reflects total assets of ₹ 153.85 crore as at 31 March 2021, and total revenues of ₹ 198.27 crore, total net loss after tax of ₹ 7.80 crore, total comprehensive loss of ₹ 7.80 crore and cash flows(net) of ₹ 5.45 crore for the year ended on that date, as considered in the Statement. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraphs 11 above.

    Further, of these joint operations, 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 ICAI. The Holding Company's management has converted the financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Group management. Our opinion on the accompanying Statement, 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 Holding Company's management and audited by us. Our opinion 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.

17. The Statement also includes the annual financial information of one (1) joint operation, which have not been reviewed/ audited by their auditors, whose annual financial information reflects total assets of ₹ 2.83 crore as at 31 March 2021, total revenues of ₹ 1.55 crore, total net loss after tax of ₹ 7.28 crore, total comprehensive loss of ₹ 7.28 crore, and cash flows (net) of ₹ 0.07 crore for the year then ended as considered in the Statement. These annual financial informations have been furnished to us by the Group's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint operation, is based solely on such unreviewed /unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group. Our opinion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

18. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

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

RAKESH RAMAWATAR AGARWAL
Digitally signed by RAKESH RAMAWATAR AGARWAL
Date: 2021.06.23 14:37:30 +05'30'

Rakesh R. Agarwal
Partner
Membership No:109632

UDIN: 21109632AAAAGF8476

Place: Mumbai
Date: 23 June 2021

Annexure 1

List of entities included in the Statement

Subsidiary Companies	
HCC Construction Limited	HCC Aviation Limited
Western Securities Limited	Steiner AG
HREL Real Estate Limited *(formerly known as HCC Real Estate Limited)*	Dhule Palesner Operations & Maintenance Limited
Panchkutir Developers Limited	HCC Power Limited
HCC Mauritius Enterprises Limited	HCC Realty 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	Steiner (Deutschland) GmbH
HRL (Thane) Real Estate Limited	VM + ST AG
Nashik Township Developers Limited	Steiner Leman SAS
Maan Township Developers Limited	Steiner India Limited
Manufakt8048 AG	Prolific Resolution Private Limited (w.e.f. 8 March 2021)
Powai Real Estate Developer Limited	

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 (upto 22 September 2020)	Alpine - HCC Joint Venture
Baharampore-Farakka Highways Limited	HCC Samsung Joint Venture CC 34
Raiganj-Dalkhola Highways Limited	Nathpa Jhakri Joint Venture
ARGE Prime Tower, Zürich	HCC- HDC Joint Venture
Werkarena Basel AG (w.e.f. 19 September 2019)	HCC - VCCL Joint Venture (w.e.f. 29 January 2020)

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STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

₹ in crore except earnings per share data

Sr. No.	Particulars	Quarter ended			Year ended	
		31 March 2021	31 December 2020	31 March 2020	**31 March 2021**	31 March 2020
		Unaudited (Refer Note 17)	Unaudited	Unaudited (Refer Note 17)	**Audited**	Audited
1	**Income**					
	(a) Income from operations	**2,354.18**	2,406.01	2,336.99	**8,248.42**	9,444.30
	(b) Other income (Refer note 15)	**44.20**	10.92	39.69	**86.57**	77.57
	Total income (a+b)	**2,398.38**	2,416.93	2,376.68	**8,334.99**	9,521.87
2	**Expenses**					
	(a) Cost of construction materials consumed	**205.74**	167.41	162.14	**525.57**	690.72
	(b) Subcontracting expenses	**1,648.38**	1,482.09	1,500.25	**5,834.87**	6,153.71
	(c) Changes in inventories	**(11.59)**	(8.22)	(16.98)	**(16.51)**	159.20
	(d) Construction expenses	**94.75**	70.95	86.07	**260.76**	295.76
	(e) Employee benefits expense	**253.84**	249.89	267.33	**954.85**	982.95
	(f) Finance costs	**329.99**	234.32	236.61	**1,001.06**	816.98
	(g) Depreciation and amortisation expense	**32.84**	35.53	31.14	**135.51**	151.84
	(h) Other expenses	**64.53**	61.17	99.57	**297.64**	317.72
	Total expenses (a+b+c+d+e+f+g+h)	**2,618.48**	2,293.14	2,366.13	**8,993.75**	9,568.88
3	**Profit/ (loss) before exceptional items, share of profit of associates and joint ventures, and tax (1-2)**	**(220.10)**	123.79	10.55	**(658.76)**	(47.01)
4	Exceptional items - Gain/ (loss) (Refer note 10)	**52.80**	-	(110.17)	**(274.03)**	221.23
5	**Profit/ (loss) before share of profit of associates and joint ventures and tax (3+4)**	**(167.30)**	123.79	(99.62)	**(932.79)**	174.22
6	Share of profit of associates and joint ventures (net) (Refer note 11)	**291.43**	0.60	302.29	**65.44**	187.73
7	**Profit/ (loss) before tax (5+6)**	**124.13**	124.39	202.67	**(867.35)**	361.95
8	**Tax expense/ (credit)**					
	(a) Current tax	**(1.19)**	6.12	2.14	**8.96**	13.16
	(b) Deferred tax (Refer note 6)	**(31.96)**	(0.31)	(110.85)	**(266.29)**	151.76
		(33.15)	5.81	(108.71)	**(257.33)**	164.92
9	**Profit/ (loss) for the period (7-8)**	**157.28**	118.58	311.38	**(610.02)**	197.03
10	**Other comprehensive income/ (loss)**					
	(a) Items not to be reclassified subsequently to profit or loss (net of tax)					
	- Gain/ (loss) on fair value of defined benefit plans	**37.05**	(4.09)	21.26	**24.96**	(1.72)
	- Gain/ (loss) on fair value of equity instruments (Refer note 16)	**(2.00)**	5.05	(7.19)	**5.70**	(11.31)
	(b) Items to be reclassified subsequently to profit or loss					
	- Translation gain/ (loss) relating to foreign operations	**4.21**	4.31	(20.48)	**28.27**	(32.97)
	Other comprehensive income/ (loss) for the period, net of tax (a+b)	**39.26**	5.27	(6.41)	**58.93**	(46.00)
11	**Total comprehensive income/ (loss) for the period, net of tax (9+10)**	**196.54**	123.85	304.97	**(551.09)**	151.03
	Profit/ (loss) for the period attributable to:					
	Owners of the parent	**157.28**	118.58	311.38	**(610.02)**	197.03
	Non - controlling interest	**0.00***	(0.00)*	0.00*	**0.00***	(0.00)*
	Other comprehensive income/ (loss) for the period attributable to:					
	Owners of the parent	**39.26**	5.27	(6.41)	**58.93**	(46.00)
	Non - controlling interest	**0.00***	(0.00)*	0.00*	**0.00***	(0.00)*
	Total comprehensive income/ (loss) for the period attributable to:					
	Owners of the parent	**196.54**	123.85	304.97	**(551.09)**	151.03
	Non - controlling interest	**0.00***	(0.00)*	0.00*	**0.00***	(0.00)*
12	Paid up equity share capital (Face value of ₹ 1 each)	**151.31**	151.31	151.31	**151.31**	151.31
13	Other equity (excluding revaluation reserves)				**(1,468.90)**	(910.49)
14	Earnings/ (Loss) per share (Face value of ₹ 1 each)					
	(a) Basic EPS (not annualised) (in ₹)	**1.04**	0.78	2.06	**(4.03)**	1.30
	(b) Diluted EPS (not annualised) (in ₹)	**1.04**	0.78	2.06	**(4.03)**	1.30
	* represents amount less than ₹ 1 lakh See accompanying notes to the consolidated financial results					

HINDUSTAN CONSTRUCTION COMPANY LTD.
Hincon House, L.B.S. Road, Vikhroli (W)
MUMBAI-83.

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AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

₹ in crore

Particulars	As at 31 March 2021 Audited	As at 31 March 2020 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	549.56	426.47
Right-of-use assets	245.77	275.18
Capital work-in-progress	1.61	178.41
Investment property	2.67	2.70
Goodwill	3.38	3.38
Other intangible assets	64.14	63.52
Investments in associates and joint ventures	402.91	345.11
Financial assets		
Investments	15.11	9.41
Trade receivables	-	2,719.72
Loans	95.64	83.70
Other financial assets	24.28	22.13
Deferred tax assets (net)	751.36	485.77
Income tax assets (net)	143.77	276.85
Other non-current assets	74.50	88.81
Total non-current assets	**2,374.70**	**4,981.16**
Current assets		
Inventories	479.60	467.17
Financial assets		
Investments	0.15	1.50
Trade receivables	4,501.79	1,897.56
Cash and cash equivalents	642.13	276.11
Bank balances other than cash and cash equivalents	619.49	566.91
Loans	20.60	19.58
Other financial assets	53.89	48.91
Other current assets	4,080.16	3,926.62
	10,397.81	**7,204.36**
Assets classified as held for sale	6.49	14.76
Total current assets	**10,404.30**	**7,219.12**
TOTAL ASSETS	**12,779.00**	**12,200.28**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	151.31
Other equity	(1,468.90)	(910.49)
Equity attributable to owners of the parent	**(1,317.59)**	**(759.18)**
Non-controlling interest	(0.00)*	0.00*
Total Equity	**(1,317.59)**	**(759.18)**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,408.28	1,586.84
Lease liabilities	215.98	249.22
Other financial liabilities	1,508.17	1,238.59
Provisions	189.45	232.71
Total non-current liabilities	**3,321.88**	**3,307.36**
Current liabilities		
Financial liabilities		
Borrowings	2,054.65	1,406.00
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	48.00	23.99
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,999.54	3,005.27
Lease liabilities	27.70	29.18
Other financial liabilities	2,378.10	1,933.52
Other current liabilities	3,013.21	3,021.94
Current tax liabilities	0.74	10.92
Provisions	252.77	221.28
Total current liabilities	**10,774.71**	**9,652.10**
TOTAL EQUITY AND LIABILITIES	**12,779.00**	**12,200.28**

* represents amount less than ₹ 1 lakh

See accompanying notes to the consolidated financial results

HINDUSTAN CONSTRUCTION COMPANY LTD. Hincon House L.B.S. Road, Vikhroli (W) MUMBAI-83.

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STATEMENT OF AUDITED CONSOLIDATED CASH FLOW STATEMENT

₹ in crore

	Particulars	Year ended 31 March 2021 Audited	Year ended 31 March 2020 Audited
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit/ (loss) before tax	(867.35)	361.95
	Adjustments for:		
	Depreciation and amortisation expense	135.51	151.84
	Finance costs	1,001.06	816.98
	Interest income	(27.10)	(12.68)
	Reversal of loss provision in respect of arbitration awards and claims	-	(331.40)
	Loss on settlement with customer	274.03	-
	Impairment of financial and non-financial assets	-	98.72
	Reversal of gain on settlement of debts	-	11.45
	Share of profit of associates and joint ventures	(65.44)	(187.73)
	Loss allowance on financial assets	-	16.95
	Dividend income	(1.05)	(0.50)
	Unrealised foreign exchange loss/ (gain) (net)	5.95	(4.01)
	Profit on disposal of property, plant and equipment (net)	(12.93)	(1.53)
	Provision no longer required written back	(23.32)	(7.24)
		1,286.71	**550.85**
	Operating profit before working capital changes	419.36	912.80
	Adjustments for changes in working capital:		
	(Increase)/ decrease in inventories	(12.43)	164.50
	Increase in trade receivables	(134.46)	(429.08)
	Increase in current/ non-current financial assets and other assets	(161.71)	(465.58)
	Increase/ (decrease) in provisions	(11.78)	111.10
	Increase in trade payables, other financial liabilities and other liabilities	134.99	308.26
	Cash generated from operations	**233.97**	**602.00**
	Direct taxes refund/ (paid) {net}	113.93	(64.31)
	Net cash generated from operating activities	**347.90**	**537.69**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances/ payables)	(74.81)	(87.27)
	Proceeds from sale of property, plant and equipment and assets held for sale (including advance received)	14.14	20.75
	Proceeds from sale of investments	9.00	1.27
	Net proceeds from/ (investments in) in bank deposits	(53.06)	21.15
	Interest received	29.11	7.89
	Dividend received	1.05	0.50
	Net cash used in investing activities	**(74.57)**	**(35.71)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of long-term borrowings	(89.72)	(294.25)
	Proceeds from short-term borrowings (net)	648.65	231.60
	Repayment of finance lease obligations	(34.72)	(26.33)
	Interest and other finance charges	(423.39)	(425.12)
	Net cash generated from/ (used in) financing activities	**100.82**	**(514.10)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**374.15**	**(12.12)**
	Cash and cash equivalents at the beginning of the period	276.11	270.70
	Unrealised foreign exchange (loss)/ gain	(8.13)	17.53
	Cash and cash equivalents at the end of the period	**642.13**	**276.11**

The above statement of cash flow has been prepared under the "Indirect method" set out in Ind AS 7 - Statement of Cash Flows.

HINDUSTAN CONSTRUCTION COMPANY LTD. Hincon House, L.B.S. Road, Vikhroli (W) MUMBAI-83.

CONSOLIDATED SEGMENT-WISE REVENUE, PROFIT AND LOSS, ASSETS AND LIABILITIES

(₹ in crore)

Sr No.	Particulars	Quarter ended			Year ended	
		31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	**Segment revenue**					
	Engineering and construction	2,351.61	2,397.80	2,305.28	8,212.11	9,381.97
	Infrastructure	5.45	7.74	29.08	35.11	80.61
	Real estate	-	-	0.24	-	0.24
	Others	4.75	0.94	3.14	10.53	13.47
	Less: Inter segment revenue	(7.63)	(0.47)	(0.75)	(9.33)	(31.99)
	Total	2,354.18	2,406.01	2,336.99	8,248.42	9,444.30
2	**Segment results**					
	Engineering and construction	104.08	350.66	234.03	313.14	722.13
	Infrastructure	1.03	2.85	12.89	10.91	39.30
	Real estate	(2.36)	2.31	0.52	(0.12)	2.47
	Others	(0.37)	0.06	(1.43)	(1.48)	(1.68)
	Less: Unallocable expenditure (net of unallocable income)	(322.48)	(232.09)	(235.46)	(981.21)	(809.23)
	Profit/ (loss) before exceptional items, share of profit of associates and joint ventures, and tax	(220.10)	123.79	10.55	(658.76)	(47.01)
	Exceptional items - Gain/ (Loss)					
	- Engineering and construction	52.80	-	(110.17)	(274.03)	221.23
	Profit/ (loss) before share of profit of associates and joint ventures and tax	(167.30)	123.79	(99.62)	(932.79)	174.22

Sr No.	Particulars	As at 31 March 2021	As at 31 December 2020	As at 31 March 2020
		Audited	Unaudited	Audited
3	**Segment assets**			
	- Engineering and construction	11,356.88	11,530.70	10,933.47
	- Infrastructure	47.12	64.08	79.26
	- Real estate	39.28	41.68	41.67
	- Others	22.41	24.29	27.23
	- Unallocable assets	1,313.31	1,086.20	1,118.65
		12,779.00	12,746.95	12,200.28
4	**Segment liabilities**			
	- Engineering and construction	7,731.86	8,093.25	7,689.03
	- Infrastructure	273.36	181.99	196.53
	- Real estate	56.88	57.94	58.60
	- Others	7.06	5.31	8.63
	- Unallocable liabilities	6,027.43	5,923.31	5,006.67
		14,096.59	14,261.80	12,959.46

HINDUSTAN CONSTRUCTION COMPANY LTD. Hincon House, L.B.S. Road, Vikhroli (W) MUMBAI-83.

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Notes:

1 Hindustan Construction Company Limited (the 'Holding Company') and its subsidiaries are together referred to as 'the Group' in the following notes. These 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 consolidated financial results have been reviewed and recommended to the Board of Directors by the Audit Committee of the Holding Company in its meeting held on 22 June 2021 and subsequently approved by the Board of Directors of the Holding Company on 23 June 2021.

2 Unbilled work-in-progress (Other current assets) and current trade receivables include ₹ 833.67 crore and ₹ 295.33 crore, respectively, outstanding as at 31 March 2021 representing receivables from customers of the Holding Company, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended projects. Further, current trade receivables as at 31 March 2021 also include ₹ 2,748.55 crore (net of advances of ₹ 2,738.80 crore), representing claims awarded in arbitration, including interest thereon, in favour of the Holding Company which have been challenged by the customers in higher courts. These aforementioned receivables 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 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 management is confident of recovery of these receivables.

3 The Group, as at 31 March 2021, has non-current investments amounting to ₹ 385.86 crore in its joint venture, HCC Concessions Limited ('HCL'), having Build, Operate and Transfer (BOT) SPVs under its fold. While consolidated net-worth of HCL as at 31 March 2021 has been partially eroded, however, the net-worth of HCL 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, pursuant to the share purchase agreement for sale of a BOT SPV by HCL during the year, HCL continues to remain entitled to its share of proceeds from settlement with the NHAI, an earn-out consideration and royalty representing revenue share from the BOT SPV over concessions period, which are estimated to be significantly material. Also, one of its entity has claims against its customer mainly in respect of cost-overrun arising due to client caused delays and termination of contracts which are under arbitration/ litigation wherein management has been legally advised that it has good case on merits. Therefore, based on certain estimates of future business plans, growth prospects, future consideration from the entity sold as well as considering the contractual tenability and expected outcome of arbitration/ litigations, the management believes that the realizable amount of HCL is higher than the carrying value of the non-current investments due to which these are considered as good and fully recoverable.

4 The outbreak of COVID-19 had disrupted regular business operations of the Group due to the lock down restrictions and other emergency measures imposed by the Government from time to time. The operations of the Group have started recovering from the economic slowdown caused by COVID-19 pandemic and reaching normalcy. The Group management has taken into account the possible impacts of known events, upto the date of the approval of these financial results, arising from COVID-19 pandemic on the carrying value of the assets and liabilities as at 31 March 2021. While the Group continues to closely monitor the impact of COVID-19 pandemic, there exists uncertainty in estimating the future impact of COVID-19 pandemic on the Group and, accordingly, the actual impact in the future may be different from those presently estimated.

5 As at 31 March 2021, HREL Real Estate Limited ('HREL'), a subsidiary company, has provided corporate guarantees and put options aggregating ₹ 5,764.70 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 20 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. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of 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 results, as impact, if any, is currently unascertainable.

6 On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Holding Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the consolidated financial results.

As at 31 March 2021, the Holding Company continues to recognize net deferred tax assets amounting to ₹ 715.99 crore (31 December 2020: ₹ 670.14 crore and 31 March 2020: ₹ 437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Holding Company's management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized. Statutory auditors report is modified in respect of this matter.

HINDUSTAN CONSTRUCTION COMPANY LTD. Hincon House, L.B.S. Road, Vikhroli (W) MUMBAI-83

7 Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Holding Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stood abated. The Holding Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹ 8.74 crore was proposed to be recovered.

During the previous quarter, the Holding Company was advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there was no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Holding Company adjusted the excess remuneration paid to CMD, held in trust, for the financial year 2013-2014 with the unpaid remuneration for the financial year 2014-15 and also the excess managerial remuneration for the financial year 2015-16 was regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, the accrual/ payment of excess managerial remuneration for the year 2014-15 and 2015-16 stands approved by the lenders.

Further, on 26 September 2019, the Holding Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Directors ('WTD') for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Holding Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Holding Company as detailed below:

(₹ crore)

Financial Year	Designation	Remuneration accrued	Remuneration paid	Remuneration as per limit	Excess remuneration accrued / paid	Excess remuneration held in trust
		(a)	(b)	(c)	(d = a - c)	(e = b - c)
2019-20	CMD & Whole Time	13.57	3.75	-	13.57	3.75
2020-21	Director	13.50	1.44	-	13.50	1.44
Total		**27.07**	**5.19**	**-**	**27.07**	**5.19**

In absence of any specific approval from lenders for remuneration payable to CMD/ WTD for financial years 2019-20 and 2020-21, statutory auditors report is modified in respect of this matter.

8 The Group has incurred net loss of ₹ 610.02 crore during the year ended 31 March 2021 and as of that date has accumulated losses aggregating ₹ 4,219.36 crore which has resulted in full erosion of its net worth and its current liabilities exceeded its current assets by ₹ 370.41 crore. The Holding Company also continues to default on payment to lenders along with overdue to operational creditors. Further, the COVID-19 pandemic has also disrupted business operations of the Group during the period and there continues to exist uncertainty with respect to the pandemic on Group's operations.

Further, in respect of Steiner AG, a material foreign subsidiary group, there are uncertainties consequent to impact of COVID-19 including its impact on budget and liquidity planning as well as uncertainties related to the pending renewal of syndicate revolving guarantee facility agreement which are expiring on 31 August 2021. There are also events or conditions existing in few other group entities, casting significant doubt on the ability of the these entities to continue to as going concern. The above factors indicate that events or conditions exist, which may cast significant doubt on the Group's ability to continue as a going concern.

As at 31 March 2021, the Holding Company has received and accounted favorable arbitration awards (including interest thereon) aggregating ₹ 2,748.55 crore (net of advance ₹ 2,738.80 crore). Further, the Holding Company has also lodged claims aggregating ₹ 9,776 crore on its customers which are presently at various stages of negotiation/ discussion/ arbitration/ litigation. The Holding Company is in advanced stages of completing a resolution plan with its lenders, including resolution of debt of an erstwhile subsidiary, whose liabilities were taken over by the Holding Company in earlier years at settlement value basis the settlement terms entered between the Holding Company and lenders. Pursuant to the resolution plan, economic and beneficial interest of a portion of the aforesaid arbitration awards and claims of the Holding Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Holding Company. The resolution plan has received an in-principal approval from majority lenders and is subject to final approval by their respective Board/ Committees. The Board of Directors of the Holding Company, have approved the aforementioned resolution plan on 27 May 2021 and will be put up for approval with the shareholders in the ensuing extra-ordinary general body meeting. The Holding Company is confident of concluding the resolution plan under guidelines issued by Reserve Bank of India.

Accordingly, based on the expectation of the implementation of the resolution plan with lenders, as well as the underlying strength of the Group's business plans and future growth outlook as assessed, the management is confident of improving the credit profile of the Group, including through time-bound monetisation of assets including arbitration awards, claims and other assets which would result in it being able to meet its obligations in due course of time. Accordingly, the management considers it appropriate to prepare these financial results on a going concern basis.

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9 Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 December 2020: ₹ 273.56 crore and 31 March 2020: ₹ 165.55 crore), ₹ 2.10 crore (31 December 2020: ₹ 9.57 crore and 31 March 2020: Nil), Nil (31 December 2020: Nil and 31 March 2020: ₹ 591.04 crore) and ₹ 500.72 crore (31 December 2020: ₹ 399.68 crore and 31 March 2020: ₹ 336.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 871.75 crore (31 December 2020: ₹ 1,396.01 crore and 31 March 2020: ₹ 864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 115.37 crore (31 December 2020: ₹ 87.50 crore and 31 March 2020: ₹ 42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Group has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, for balances with banks (included under cash and cash equivalents), earmarked balances/ deposits with banks (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Group as at 31 March 2021 includes balances amounting to ₹ 2.10 crore (31 December 2020: Nil and 31 March 2020: Nil), ₹ 10.91 crore (31 December 2020: ₹ 20.97 crore and 31 March 2020: ₹ 5.46 crore) and Nil (31 December 2020: Nil and 31 March 2020: ₹ 76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Group's management. Statutory auditors report is modified in respect of this matter.

(₹ in crore)

10

Exceptional Items	**Quarter ended**			**Year ended**	
	31 March 2021	**31 December 2020**	**31 March 2020**	**31 March 2021**	**31 March 2020**
(a) Loss on settlement with customer [Refer note (i) below]	52.80	-	-	(274.03)	-
(b) Reversal of loss provision in respect of arbitration awards and claims [Refer note (ii) below]	-	-	-	-	331.40
(c) Impairment of financial and non-financial assets	-	-	(98.72)	-	(98.72)
(d) Reversal of gain on settlement of debts	-	-	(11.45)	-	(11.45)
Total gain/ (loss)	**52.80**	**-**	**(110.17)**	**(274.03)**	**221.23**

Note:

(i) During the current quarter, Baharampore Farakka Highways Limited ('BFHL'), a joint venture, and Farakka Raiganj Highways Limited ('FRHL'), an erstwhile joint venture, have entered into settlement agreements with one its customer for a comprehensive closure of all outstanding disputes in respect of respective claims of BFHL and FRHL ('Concessionaire') and the Holding Company (EPC contractor of Concessionaire), for an aggregate amount of ₹ 1,259 crore. Pursuant to the above settlements, the Holding Company's receivables aggregating ₹ 635.27 crore have been settled for ₹ 682.55 crore resulting in a surplus of ₹ 47.28 crore (net), which has been presented as an exceptional item by the Holding Company in the financial results for the quarter ended 31 March 2021. Further, BFHL has also recognised its share of the proceeds from settlement and the resultant surplus of ₹ 148.76 crore has been recognized in its financial statements during the current quarter. Group's share of resultant surplus of ₹ 127.11 crore has been included and presented in the consolidated financial results under Share of profit of associates and joint ventures. However, in view of certain existing uncertainties and condition precedents, HCL's share of proceeds from FRHL's settlement is presently unascertainable and accordingly receivables have not been recognised in HCL's financial statements and Group's consolidated financial results as at 31 March 2021.

Also, in earlier quarters during the current year, the Holding Company also entered into similar settlement agreement with its customer to conciliate long pending dispute in respect of arbitration awards published in the Holding Company's favour, for two completed projects, which were being contested by the customer in higher courts. Pursuant to above settlement, the Holding Company settled receivables aggregating ₹ 578.12 crore for a consideration of ₹ 256.81 crore as full and final settlement with an understanding that all pending disputes stand resolved. Accordingly, the Holding Company recognised the resultant loss aggregating ₹ 321.31 crore (including gain of ₹ 5.52 crore resulting due to revision in settlement during the current quarter) as an exceptional item in these consolidated financial results.

Though the Group had a fair chance to recover entire money over the period, however, considering the time involved in the litigation and urgent need to realize monies urgently to tie up its cashflow deficit for its operations, the Group opted for these conciliations, as per the scheme provided u/s 73 of Arbitration and Conciliation Act, 2015 by Ministry of Road Transport Highways.

(ii) During the year ended 31 March 2019, the Holding Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Holding Company decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020. Statutory auditors report is modified in respect of reversal of aforesaid provision.

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11 On 22 September 2020, HCC Concessions Limited ('HCL'), a joint venture of the Holding Company, completed the 100% stake sale of its subsidiary i.e. FRHL to Cube Highways II Pte. Ltd. ('Cube'). Pursuant to the above sale, HCL received ₹ 104.35 crore towards consideration for sale of equity shares and accordingly a resultant loss on sale of FRHL aggregating ₹ 259.31 crore was recognised during the quarter ended 30 September 2020. During the current quarter, pursuant to settlement with NHAI, the condition precedents for release of holdback considerations stand fulfilled and accordingly HCL has recognised the hold back receivable aggregating ₹ 217.06 crore during the quarter ended 31 March 2021, which has resulted in reduction of the loss on sale of FRHL recognised during the earlier quarter. Additionally, as part of the agreement with Cube, HCL continues to remain entitled to its share of proceeds from settlement with NHAI, earn-outs (contingent on traffic/ revenue projections) and royalty representing revenue share from FRHL over the concessions period, which is expected to be substantial considering the overall sale consideration agreed with Cube.

12 The outstanding balances of Holding Company, as at 31 March 2021, include trade payables aggregating ₹ 38.22 crore and capital vendors payable aggregating ₹ 3.19 crore to companies situated outside India. These balances are pending for settlement due to financial difficulties presently being faced by the Holding Company and have resulted in delay in remittance of payments beyond the timeline stipulated by the FED Master Direction No. 17/2016-17, under the Foreign Exchange Management Act, 1999. The Holding Company is in the process of regularising these defaults by filing necessary applications with the appropriate authority for condonation of delay. Pending conclusion of the aforesaid matters, the amount of penalty, if any, that may be levied, is not ascertainable but expected not to be material to the standalone financial results, and accordingly, the consolidated financial results do not include any adjustments that may arise due to such delay/ default.

13 Delay in acquisition of land of more than seven years in Raiganj Dalkhola Highways Limited ('RDHL'), a joint venture, resulted in a substantial increase of project cost. The inability of the lenders consortium to fund the cost overrun in the absence of extended benefits in the event of termination from NHAI has led to the issuance of termination notice by NHAI. RDHL has filed claim for ₹ 367 crore as a termination payment and for ₹ 852 crore as losses on account of contractors dues before arbitration tribunal as the requisite land to carry out the desired work was not made available by NHAI. Based on the legal advice obtained in this respect, the management is confident of recovering the receivable from NHAI amounting to ₹ 177.42 crore as at 31 March 2021.

14 Non-current borrowings and other current financial liabilities (including current maturities of long-term borrowings) of RDHL, as at 31 March 2021 includes ₹ 44.54 crore and ₹ 60.39 crore, respectively in respect of which, in the absence of confirmation from the lenders/ bankers, RDHL has provided for interest and other penal charges based on the latest communication available from the lenders/ bankers at the interest rate specified in the agreements. RHDL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, the classification of these borrowings into current and non-current as at 31 March 2021 is based on the original maturity terms as stated in the agreements with the lenders/ bankers.

15 Other income for the quarter ended 31 March 2021 includes profit on disposal of property, plant and equipment and interest on income tax refund aggregating ₹ 12.27 crore and ₹ 11.15 crore, respectively.

16 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.

17 Figures for the quarters ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited financial statements for the year ended on that date and the year to date figures upto the end of third quarter of the respective financial year.

18 Previous year figures have been regrouped/ reclassified, wherever considered necessary to conform to current year.

***for* Hindustan Construction Company Limited**

Ajit Gulabchand
Chairman & Managing Director

Raigad, Dated :23 June 2021

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 2021
[See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]

(Amount in ₹ Crore)

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	8,334.99	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	2	Total Expenditure	8,993.75	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	3	Exceptional items Gain / (Loss)	(274.03)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	4	Net Profit / (Loss) for the year after tax	(610.02)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	5	Earnings/ loss per Share	(4.03)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	6	Total Assets	12,779.00	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	7	Total Liabilities	14,096.59	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	8	Net Worth	(1,317.59)	Not ascertainable [Refer notes II (a) (i) to (iv) below]
	9	Any other financial item(s) (as felt appropriate by the management)	-	
II.	Audit Qualification			
	a.	Details of Audit Qualification:	**Auditor's Qualification**	
			(i) Note 7 to the accompanying Statement, the Holding Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 27.07 crore for the financial years ended 31 March 2021 and 31 March 2020, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.	
			(ii) Note 6 to the accompanying Statement, the Holding Company has recognised deferred tax assets (net) amounting to ₹ 715.99 crore outstanding as at 31 March 2021, on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences, which are continued to be recognised on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company and the impact of COVID-19 on business operations, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid deferred tax assets as at 31 March 2021.	
			(iii) Note 9 to the accompanying Statement, the Group's current borrowings and other current financial liabilities as at 31 March 2021 include balances amounting to ₹ 2.10 crore and ₹ 500.72 crore, respectively, in respect of which direct confirmations from the respective banks/ lenders have not been provided to us by the management of the Group. Further, in respect of certain loans while the principal balances have been confirmed from the direct confirmations issued by banks/ lenders, the interest accrued amounting to ₹ 115.37 crore has not been confirmed by the banks/ lenders. Further, direct confirmation from banks have not been received for balances with banks included under cash and cash equivalents and earmarked balances/ deposits with banks included under bank balances other than cash and cash equivalents as at 31 March 2021 amounting to ₹ 2.10 crore and 10.91 crore, respectively. In the absence of such direct confirmations from the banks / lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with the principles of Ind AS 1, Presentation of financial statements, if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.	
			(iv) 10(b) to the accompanying Statement, the Holding Company had written back a loss provision aggregating ₹ 331.40 crore during the the year ended 31 March 2020, which was earlier recognised by the Holding Company during the year ended 31 March 2019 in cognizance of the assignment of beneficial interests/ rights in a portfolio of identified arbitration awards and claims based on a non-binding term sheet with a consortium of investors along with a letter of commitment, due to cancellation of the said proposed transaction. However, such write-back is inconsistent with the continued intent of the Holding Company to sell/ assign the arbitration awards and claims of the Holding Company to other potential investors as evidenced in the proposed resolution plan with lenders. Pending the finalization of the proposed resolution plan with lenders, we are unable to comment on the extent of loss provision required to be provided for in the consolidated financial results as at 31 March 2021.	
	b.	Type of Audit Qualification:	Qualified Opinion	
	c.	Frequency of Qualification:	Qualification II(a)(i) and (iv) - Incuded since review report for the quarter/ period ended 31 December 2019; Qualification II(a)(ii) and (iii) - Included since audit report for the quarter and year ended 31 March 2020.	

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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:

Not ascertainable

ii) If management is unable to estimate the impact, reasons for the same:

II a) (i) Pursuant to notification of the Companies (Amendment) Act, 2017 amending Section 197 of the Companies Act, 2013 ('the Act'), with effect from 12 September 2018, the Holding Company's application to the Ministry of Corporate Affairs ('MCA') for approval in respect of remuneration of Chairman and Managing Director (CMD) accrued/ paid in excess of the prescribed limit for the financials years 2014-15 and 2015-16 stood abated. The Holding Company, vide resolution dated 10 September 2019, had obtained approval from the shareholders for the payment of remuneration in respect of the aforesaid years, to be only given effect to, post receipt of the approval of the lenders which was pending. Further, the excess managerial remuneration for financial year 2013-14 aggregating ₹ 8.74 crore was proposed to be recovered.

During the previous quarter, the Holding Company was advised by a senior legal counsel that the requisite approval from lenders for payment of remuneration in earlier years through Monitoring Committee of lenders is still valid and persisting and there was no need to obtain fresh approvals from lenders under Section 197 of the Act. Accordingly, based on the legal advice, the Holding Company adjusted the excess remuneration paid to CMD, held in trust, for the financial year 2013-2014 with the unpaid remuneration for the financial year 2014-15 and also the excess managerial remuneration for the financial year 2015-16 was regularized. Subsequent to 31 March 2021, an external agency appointed by lenders vide its report has confirmed the compliance of the conditions laid out by Monitoring Committee of lenders in earlier years. Pursuant to the confirmation from external agency, the accrual/ payment of excess managerial remuneration for the year 2014-15 and 2015-16 stands approved by the lenders.

Further, on 26 September 2019, the Holding Company in its shareholder's meeting had also obtained approvals vide special resolutions for remuneration of CMD and Whole Time Directors ('WTD') for the period 1 April 2019 to 31 March 2022, to be given effect to, only post receipt of the approval of lenders. The Holding Company expects requisite approvals from lenders to be obtained along side implementation of the resolution plan. Pending receipt of lenders approvals, managerial remuneration continue to be accrued/ paid by the Holding Company as detailed below:

(₹ crore)

Financial Year	Designation	Remuneration accrued	Remuneration paid	Remuneration as per limit	Excess remuneration accrued / paid	Excess remuneration held in trust
		(a)	(b)	(c)	(d = a - c)	(e = b - c)
2019-20	CMD & Whole Time Directors	13.57	3.75	-	13.57	3.75
2020-21		13.50	1.44	-	13.50	1.44
Total		27.07	5.19	-	27.07	5.19

II a) (ii) On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1 April 2019 subject to certain conditions. However, the Holding Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the consolidated financial results.

As at 31 March 2021, the Holding Company continues to recognize net deferred tax assets amounting to ₹ 715.99 crore (31 December 2020: ₹ 670.14 crore and 31 March 2020: ₹ 437.08 crore) on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. Based on the expected profits from the unexecuted orders on hand, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of arbitration awards, the Holding Company management is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

II a) (iii) Non-current borrowings, current borrowings, other non-current financial liabilities and other current financial liabilities as at 31 March 2021 include balances amounting to Nil (31 December 2020: ₹ 273.56 crore and 31 March 2020: ₹ 165.55 crore), ₹ 2.10 crore (31 December 2020: ₹ 9.57 crore and 31 March 2020: Nil), Nil (31 December 2020: Nil and 31 March 2020: ₹ 591.04 crore) and ₹ 500.72 crore (31 December 2020: ₹ 399.68 crore and 31 March 2020: ₹ 338.82 crore) respectively, in respect of which confirmations/ statements from the respective banks/ lenders have not been received. Further, in respect of non-current borrowings and current borrowings aggregating ₹ 871.75 crore (31 December 2020: ₹ 1,396.01 crore and 31 March 2020: ₹ 864.23 crore), while the lenders have confirmed the principal outstanding, the accrued interest aggregating ₹ 115.37 crore (31 December 2020: ₹ 87.50 crore and 31 March 2020: ₹ 42.76 crore) have not been confirmed. In the absence of confirmations/ statements from the lenders, the Group has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Group's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, for balances with banks (included under cash and cash equivalents), earmarked balances/ deposits with banks (included under bank balances other than cash and cash equivalents) and guarantees issued by banks on behalf of the Group as at 31 March 2021 includes balances amounting to ₹ 2.10 crore (31 December 2020: Nil and 31 March 2020: Nil), ₹ 10.91 crore (31 December 2020: ₹ 20.97 crore and 31 March 2020: ₹ 5.46 crore) and Nil (31 December 2020: Nil and 31 March 2020: ₹ 76.93 crore), respectively, in respect of which confirmation/ statements from banks have not been received inspite of incessant efforts by Group's management.

II a) (iv) During the year ended 31 March 2019, the Holding Company had recognized a provision of ₹ 331.40 crore pursuant to the signing of a non-binding term sheet with a consortium of investors along with a letter of commitment, for an assignment of the beneficial interest in portfolio of identified arbitration awards and claims ('specified assets') for an aggregate consideration of ₹ 1,750 crore. The said provision continued thereafter in view of mutual extension of the said transaction till 31 December 2019. In the absence of any further extension, the Holding Company decided to cancel this proposed transaction, which had been reported to and confirmed by statutory auditors. Pursuant to the cancellation of the aforesaid transaction, the provision of ₹ 331.40 crore, related to specified assets, recognized earlier has been written back during the year ended 31 March 2020.

iii) Auditors' comments on (i) or (ii) above

Included in details of auditor's qualifications stated above

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III.	Signatories:	
	For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No. 001076N / N500013 RAKESH RAMAWATAR AGARWAL Digitally signed by RAKESH RAMAWATAR AGARWAL Date: 2021.06.23 14:38:01 +05'30' Rakesh R. Agarwal Partner Membership No.: 109632 Place: Mumbai Date: 23 June 2021	For Hindustan Construction Company Limited Ajit Gulabchand Chairman & Managing Director Shri Mahendra Singh Mehta Audit Committee Chairman Place: Mumbai / Raigad Date: 23 June 2021

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