



HCC/SEC/BM-INT/2024

November 14, 2024

<b>BSE Limited</b> The Corporate Relationship Dept, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Scrip Code – 500185	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. Symbol - HCC
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Dear Sir/Madam,

**Sub: Monitoring Agency Report for the quarter ended September 30, 2024**

In compliance with Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 82(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith the Monitoring Agency Report for the quarter ended September 30, 2024 in relation to the Rights Issue of Equity Shares of the Company, issued by Care Ratings Limited.

Thanking you,  
Yours faithfully,  
For **Hindustan Construction Company Ltd.**

**Nitesh Kumar Jha**  
**Company Secretary**

Encl.: As above

**Hindustan Construction Co Ltd**

Hincon House,  
LBS Marg, Vikhroli (West),  
Mumbai - 400 083, India  
Tel : +91 22 2575 1000 Fax : +91 22 2577 7568  
CIN : L45200MH1926PLC001228

[www.hccindia.com](http://www.hccindia.com)

**No. CARE/HRO/GEN/2024-25/1037**

**The Board of Directors**  
**Hindustan Construction Company Limited**  
Hincon House, LBS Marg, 247 Park,  
Vikhroli West  
Mumbai  
Maharashtra 400083

November 13, 2024

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended September 30, 2024 - in relation to the Rights issue of Hindustan Construction Company Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Rights Issue for the amount aggregating to Rs.350 crore of the Company and refer to our duties cast under 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended September 30, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated March 12, 2024.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,



**Puja Jalan**

Director

puja.jalan@careedge.in

CARE Ratings Limited

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Hyderabad - 500 029  
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Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLC071691

## Report of the Monitoring Agency

Name of the issuer: Hindustan Construction Company Limited

For quarter ended: September 30, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

### Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

### Signature:



Name and designation of the Authorized Signatory: Puja Jalan

Designation of Authorized person/Signing Authority: Director

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**1) Issuer Details:**

Name of the issuer : Hindustan Construction Company Ltd.  
 Name of the promoter : Mr. Ajit Gulabchand  
 Industry/sector to which it belongs : Construction

**2) Issue Details**

Issue Period : March 26, 2024 to April 05, 2024  
 Type of issue (public/rights) : Rights  
 Type of specified securities : Equity  
 IPO Grading, if any : Not applicable  
 Issue size (in crore) : Rs.350 crore

**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate <sup>1</sup>	All the proceeds from Rights issue have been utilized for the objectives mentioned in the letter of offer	
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	Not applicable	
Whether all Government/statutory approvals related to the object(s) have been obtained?	Govt/statutory approvals not required	Not applicable	Not applicable	
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	Not applicable	

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Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Is there any other relevant information that may materially affect the decision making of the investors?	No	Chartered Accountant certificate <sup>1</sup>	Not applicable	

<sup>1</sup>Chartered Accountant certificate from M/s. S Ramanand Aiyar & Co. Chartered Accountants (Member of Peer Review Board) dated October 24, 2024.

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

#### 4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Funding long-term working capital requirements of the company	Chartered Accountant certificate <sup>1</sup>	254.00	254.00	In line with the objects in letter of offer			
2	Payment of outstanding dues in terms of the Framework Agreement	Chartered Accountant certificate <sup>1</sup>	16.72	16.72	In line with the objects in letter of offer			
3	General Corporate Purposes	Chartered Accountant certificate <sup>1</sup>	63.58	63.61	The surplus funds from unutilized issue expenses (Rs.0.03 crore) were utilized towards GCP			
<b>Total</b>			<b>334.30</b>	<b>334.33</b>				

<sup>1</sup>Chartered Accountant certificate from M/s. S Ramanand Aiyar & Co. Chartered Accountants (Member of Peer Review Board) dated October 24, 2024.

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## (ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Funding long-term working capital requirements of the company#	Chartered Accountant certificate <sup>1</sup> , utilization certificate from the management <sup>2</sup>	254.00	135.66	118.34	254.00	0.00	The company fully utilized Rs.254 crore towards funding long-term working capital requirements of the company, in line with the objects of the offer.		
2	Payment of outstanding dues in terms of the Framework Agreement	Chartered Accountant certificate <sup>1</sup> , utilization certificate from the management <sup>2</sup>	16.72	6.19	10.53	16.72	0.00	The company fully utilized Rs.16.72 crore towards payment of outstanding dues in terms of Framework Agreement, in line with objects of the offer.		
3	General Corporate Purposes	Chartered Accountant certificate <sup>1</sup> , utilization certificate from the management <sup>2</sup>	63.58	41.27	22.34	63.61	0.00	The company fully utilized Rs.63.58 crore towards General Corporate Purposes, in line with objects of the		

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Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
								offer. Further, the unutilized issue expenses of Rs.0.03 crore were used towards GCP during Q2FY25.		
<b>Total</b>			<b>334.30</b>	<b>183.12</b>	<b>151.21</b>	<b>334.33</b>	<b>0.00</b>			

<sup>1</sup>Chartered Accountant certificate from M/s. S Ramanand Aiyar & Co. Chartered Accountants (Member of Peer Review Board) dated October 24, 2024.

(iii) Deployment of unutilized proceeds: Not applicable

(iv) Delay in implementation of the object(s) – NA. As per the offer document, the entire amount of Rs.350 crore is to be spent in FY25. Accordingly, the issue amount has been fully utilized as on September 30, 2024.

**5)Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head ^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Salaries, Legal and arbitration expenses and other operational expenses	63.58	Chartered Accountant certificate <sup>1</sup>	As per offer document, the amount allocated towards GCP was Rs.63.58 crore. However, the surplus funds from unutilized issue proceeds of Rs.0.03 crore were spent towards GCP during Q2FY25.	

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Sr. No	Item Head <sup>^</sup>	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
				The company expensed Rs.41.27 crore towards GCP as on June 30, 2024. During Q2FY25, the company incurred an amount of Rs.22.34 crore and total utilization of issue proceeds towards GCP stood at Rs.63.61 crore as on Sept. 30, 2024. Out of Rs.22.34 crore expensed towards GCP during Q2FY25, about Rs.12.36 crore was utilized towards salaries and employee payments, Rs.3.78 crore was towards Legal and Arbitration expenses while the remaining amount was used towards meeting other operational expenses. The utilization of proceeds was in line with the provisions of letter of offer. Section from the letter of offer related to GCP is presented below.	
	<b>Total</b>	<b>63.58</b>			

<sup>1</sup>Chartered Accountant certificate from M/s. S Ramanand Aiyar & Co. Chartered Accountants (Member of Peer Review Board) dated October 24, 2024.

**<sup>^</sup> Section from the offer document related to GCP:**

"Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ 63.58 crore towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 20% of the Net Proceeds, in compliance with SEBI ICDR Regulations and shall not be utilized towards funding the working capital requirements of our Company. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, (a) brand building and other marketing expenses; (b) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (c) meeting of exigencies which our Company may face in course of any business; and (d) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals / consents, as applicable."

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**Disclaimers to MA report:**

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "Monitoring Agency/MA"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

**CARE Ratings Limited**

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