

HCC



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Highlights 2014-15

- Group turnover crossed the ₹ 10,000-crore mark and is currently at ₹ 10,353 crore
- HCC E&C Orderbook is at ₹ 14,451 crore
- Honourable Prime Minister Shri Narendra Modi inaugurated three HCC constructed hydroelectric power projects in Jammu & Kashmir - Chutak, Nimoo Bazgo and URI stage II
- HCC created a World Record in Long Distance Concrete Pumping at its Sainj Hydroelectric Power Project and successfully completed first Tunnel Boring Machine (TBM) operations in the Himalayan region, for its Kishanganga hydroelectric power project
- HCC's sustainability report received the highest accreditation of A+ for the fifth consecutive year by the Global Reporting Initiative (GRI)
- Steiner AG (100% subsidiary of HCC) registered a Turnover of CHF 854 million (₹ 5,604 crore). Steiner AG continues its profitability streak since taken over by HCC
- Lavasa city is now a popular destination for Film & Advertisement shoots and tourism, with over 9.5 lakh tourist visits during the year. Lavasa received the coveted awards for "India's Smart City in Tourism" and "Best Eco-Tourism"
- HCC Concessions (a stepdown subsidiary of HCC) signed definitive documents to sell its stake in two SPVs - Dhule Palesner in Maharashtra and Nirmal BOT in Andhra Pradesh

HCC's Projects at a Glance

ANDHRA PRADESH

01. Ramagundam Thermal Power Project
02. Vizag Monolith, West Wall Protection
03. Godavari Barrage at Rajahmundry
04. Papavinasam Dam
05. Chimney at Vijayawada
06. Railway Bridge over River Godavari
07. Vijayawada Tunnel Works
08. Godavari LIS Phase I
- 09. Godavari LIS Phase II
- 10. Polavaram Project Right Main Canal
- ★ 11. North-South Corridor NHDP Phase II Package AP-8
- 12. Cavern for Crude Oil Storage, Vishakhapatnam
- 13. Rajiv Dummugudem LIS
- 14. Pula Subbaiah Veligonda Tunnel
- 15. JCR Devadula LIS Phase III
- 16. Pranahita Chevella LIS

ARUNACHAL PRADESH

- 17. Pare HEP

ASSAM

18. Brahmaputra Bridge
19. Civil Works for Refinery at Guwahati
- 20. Four-laning of NH-54 (AS23)
- 21. Bogibeel Bridge
- ▲ 22. Numaligarh to Jorhat section of NH-37
- ▲ 23. Jamugurihat to Biswanath Chariali bypass of NH-52

BIHAR

24. Sone Barrage
25. Ganga Bridge at Mokameh
26. Barauni Thermal Power Plant
27. Panchet Powerhouse
28. Rail-cum-Road Bridge Munger
- 29. Muzaffarpur Thermal Power Plant
- 30. Sone Bridge

CHATTISGARH

31. Bhilai Steel Plant
32. Bailadila Project

DELHI

33. Water and Sewage Treatment Plants

34. DMRC - Vishwa Vidyalaya to ISBT
35. DMRC - Airport Metro Express Line Contract AMEL - C1
36. DMRC - Airport Metro Express Line Contract AMEL - C6
- 37. DMRC - Netaji Subhash Palace to Shalimar Bagh
- 38. DMRC - Janakpuri West to Palam Station
- ★ 39. Delhi Faridabad Elevated Expressway
- ▲ 40. DMRC - Dwarka to Najafgarh
- ▲ 41. Flyover linking existing Munirka flyover to Army RR Hospital

GOA

42. Goa Barge Berth at Marmugoa

GUJARAT

43. Kandla Oil Jetty
44. 180 m High Chimney at Wanakbori
45. Tapi Road Bridge
46. Kakrapar Atomic Power Project
47. Two Cooling Towers at Gandhinagar
48. Gujarat State Highways Project - Mehsana to Palanpur
49. Kalol Mehsana Gas Pipeline
50. Pumped Water Supply Scheme from Kesaria to Sonari (NC-25)
- 51. Saurashtra Branch Canal Pumping Scheme
52. Swarnim Gujarat Kutch Water Grid, NC-31 Pipeline
- 53. Kachchh Branch Canal
- 54. Reliance J3 Jamnagar

HARYANA

55. Road Bridge at Palwai
56. Panipat Chimney
57. Hathnikund Barrage

HIMACHAL PRADESH

58. Chamera HEP, Stage I
59. Nathpa Jhakri HEP
60. Chamera HEP, Stage III
- 61. Sainj HEP
- 62. Kashang HEP
- ▲ 63. HRT for Sawra Kuddu HEP

JAMMU & KASHMIR

64. Salal HEP
65. Udhampur - Srinagar - Baramulla Rail
66. Pir Panjal Tunnel (Zone-VA)

67. Pir Panjal Tunnel (Zone-VB)
68. Chutak HEP
69. Nimmo Bazgo HEP
- 70. Uri-II HEP
- 71. Mughal Road
- 72. Kishanganga HEP
- 73. T-48 tunnel on Dharam-Qazigund Section
- 74. T-49 Tunnel on Dharam-Qazigund Section

JHARKHAND

75. Chandil Dam
76. Icha Dam
77. Grand Trunk Road Improvement Project

KARNATAKA

78. Tunnel and Powerhouse at Sharavati
79. Dockwork for MPT at Mangalore
80. Kadra Dam
81. Karnataka State Highways Project
- 82. Cavern for Crude Oil Storage, Padur
- 83. Yettinahole Project - Pkg IV

KERALA

84. Tanker Terminal and Fertiliser Berth, Cochin
85. Dam across Kulamavu
86. Dam of Peppara
87. Dam across Idamalayar
88. Lower Periyar Tunnel
89. Dam across Moozhiyar and Veluthodu
90. Sebarigiri Dam
91. Wellington Bridge, Cochin
92. Lower Periyar Dam and Powerhouse
93. Brahmapuram Diesel Power Plant

MADHYA PRADESH

94. Satpura TPS
95. Tons Road Bridge
96. Tons HEP
97. Road Bridge over River Indravati

MAHARASHTRA

98. Uran Turbine and LPG Station
99. Bhandup Water Treatment Complex
100. BARC Civil Works
101. SSSF Project at Tarapur
102. Sina Aqueduct

103. Panvel Creek Bridge	143. Road Bridge across Mahanadi	181. Allahabad Bypass Road
104. Barvi Expansion Project	144. Syphons at Kuakhai and Khushbhadra	182. Lucknow-Muzaffarpur National Highway Project LMNHP-EW II (WB)
105. Railway Bridges over Vasai Creek	145. Naraj Barrage, New Cuttack	▲ 183. Indo Nepal Border to Rudhauri of NH - 233
106. Bhorphat Tunnel	146. Paradip Port Road	
107. Factory Civil Works for Premier Automobiles Limited	■ 147. Aditya Aluminium Project	
108. Ambernath/Ulhasnagar STP	PUNJAB	UTTARAKHAND
109. Water Treatment Plant, Pune	148. 140 m High Chimney at Ropar	184. Dhauliganga HEP
110. Underground Powerhouse, Koyna	149. Rail Coach Factory at Kapurthala	● 185. Tehri Pumped Storage
111. Kolkewadi Dam	RAJASTHAN	● 186. Vishnugad Pipalkoti HEP
112. Bridge over River Ulhas	150. Chambal Bridge at Dholpur	WEST BENGAL
113. Trombay Chimney Works	151. East-West Corridor Project,	187. Farakka Barrage
114. Nhava Sheva WTP Works, Raigadh	152. Rajasthan Atomic Power Project, Units 1 & 2	188. Mahananda Barrage
115. Tunnel between Sewri and Futka	153. Rajasthan Atomic Power Project, Units 3 & 4	189. Kolkata Metro
116. Koyna Stage IV Powerhouse	154. Rajasthan Atomic Power Project, Units 5 & 6 Package-EW-II (RJ-7)	190. Teesta Barrage
117. Tunnel between E Moses Road and Ruparel College, Mumbai	● 155. Rajasthan Atomic Power Project, Units 7 & 8	191. Haldia Docks Project
118. Aerated Lagoons, Mumbai	SIKKIM	192. Environmental Engineering Works at Kolkata
119. Bandra Effluent and Influent Disposal, Mumbai	● 156. Teesta HEP Stage VI	193. Kalyani Bridge
120. Housing Complex, Navi Mumbai	TAMIL NADU	194. Earthworks for Farakka STPP
121. Ghatkopar High Level Tunnel, Mumbai	157. Kadamparai Pumped Storage	195. Dauk Barrage
122. Mumbai-Pune Expressway	158. Lower Mettur Barrages, Substructure and Powerhouse	196. RCC Chimney for Kolaghat TPS
123. Vaitarna Dam	159. Chennai Ore Berth, Jetty, Wharf	197. Underwater works for KTHP
124. Satara Kolhapur Road, NH-4	160. Sewage Treatment Plant, Chennai	198. Golden Quadrilateral Road Project - Kolaghat to Kharagpur
125. Water Supply Tunnel from Bhandup to Charkop, Mumbai	161. Upper Nirar Tunnel	199. Purulia Pumped Storage Project
126. Bandra-Worli Sea Link	162. Navamalai Tunnel	● 200. Teesta Low Dam HEP Stage IV
127. Gosikhurd Spillway, Nagpur	163. Ennore Port-Rock Quarrying	● 201. Elevated Road from Park Circus to E.M. Bypass, Kolkata
● 128. Lavasa, Pune	164. Ennore Breakwater	★ 202. Bahrapore - Farakka Section of NH-34
★ 129. Pune Paud BOT Road	165. Mass Rapid Transit System, Chennai	★ 203. Farakka - Raiganj Section of NH-34
● 130. Ghodazari Branch Canal	166. Kudankulam Nuclear Power Project, Units 1 & 2	★ 204. Raiganj - Dalkhola Section of NH-34
★ 131. NH-3 MP/Maharashtra Border - Dhule	167. Tirupur Water Supply Project	
● 132. Water Supply Tunnel Maroshi Ruparel College, Mumbai	168. Chennai Bypass, Package CBP2	BHUTAN
133. Middle Vaitarna Water Pipeline	● 169. Building works for Fast Reactor Fuel Cycle Facility	205. Kurichhu Hydroelectric Dam Project
● 134. DGNP Dry-Dock and Wharves, Mumbai	UTTAR PRADESH	206. Tala HEP, Package C-1
■ 135. VAG Corridor, Mumbai	170. Maneri Bhali Hydel Project	207. Tala HEP, Package C-4
● 136. Bhama Askhed Pipeline	171. Narora Atomic Power Project	● 208. Punatsangchhu HEP - Powerhouse
▲ 137. Bhandup Pipeline	172. Rihand Dam	■ 209. Dagachhu Hydro Power Plant (Civil Works), 114 MW
MANIPUR	173. Rihand STPP	
● 138. Railway Tunnel No. 1 between Jiribam and Tupul	174. Shards and Ghogra Barrages	
● 139. Railway Tunnel No. 3 between Jiribam and Tupul	175. Yamuna Hydel Project	
● 140. Railway Tunnel No. 10 between Jiribam and Tupul	176. Gomti Aqueduct	
● 141. Railway Tunnel No. 12 between Jiribam and Tupul	177. Sai Aqueduct	
ORISSA	178. Varanasi Bridge	
142. Dam at Upper Kolab	179. Malvika Steel Works	
	180. Naini Cable Stayed Bridge	

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

Dear Shareholder,

It has been a year since the BJP-led National Democratic Alliance (NDA) government under Prime Minister Narendra Modi has come into power. Although things could have been, perhaps, a bit better, India has certainly witnessed positive developments on the economic front.

The extent of the disastrous effect of the policies of the previous Government is now becoming apparent. It is clear now that it will take longer for the economy to return to good health than was earlier expected. Yet the new Government has done well to start the process of laying a solid foundation for economic growth. The world had forgotten India and is once again looking forward to India playing a big role and is hopeful of the Indian economy once again growing fast.

According to the Central Statistical Organisation, real Gross Value Added (GVA), the new measure of national income for 2014-15 (FY 2015) grew by 7.5% versus 6.6% in FY 2014. This has been accompanied by some revival in investment. Though at an early stage, growth in gross fixed capital formation, which has hit a low of - 0.3% in FY 2013 has improved to 4.1% in FY 2015. The construction sector's growth also has picked up from - 4.3% in FY 2013 to 2.5% in FY 2014 and then to 4.5% in FY 2015. However, it must be said while trends are in the right direction, India has not yet seen the kind of investments needed in the real sectors of the economy to regain its earlier high growth trajectory.

Equally, there have been two positive trends in FY 2015. First, there has been fresh interest in India from foreign investors — not only in portfolio investments but also in foreign direct investment (FDI). For the April-February period, for which data is available, FDI into India increased by 23% from US\$ 26.5 billion in FY 2014 to US\$ 32.7 billion in FY 2015.

Second, inflation seems to be under control. Thanks to sharp drop in crude oil and food prices, the consumer price index (CPI) inflation was at 5.2% in March 2015. It has been the lowest rate in three months and is significantly below the CPI inflation rate between 2012 and end - 2014, when it averaged 8.7%.

In the context of a benign inflationary outlook, a comfortable current account situation, and the fact that the Government of India maintained the tight fiscal deficit target that it had set for itself for FY 2015, many of us expected the Reserve Bank of India (RBI) to significantly ease up on interest rates. While the RBI has cut the benchmark repo rate in two instalments of 25 basis points each to 7.5%, it could have done more. I, along with others in various industries, believe that it is time for the RBI as well as the commercial banks to further cut interest rates at least by 200 to 400 basis points — without which it will be difficult to increase the rate of growth of infrastructure and, thus, the economy. At the present interest rates projects must earn IRRs of at least 20%. Projects with such high earnings are too few and too risky to find interest from entrepreneurs and investors. It must be understood that the IRR requirement of any project/new investment must come down to 14% for evincing a robust response from entrepreneurs and investors.

Let me now turn to the performance of your Company. In a year that continued to see very little growth in infrastructure and deep financial distress of engineering and construction enterprises, your Company has performed quite creditably. Here are some key facts for FY 2015:

- The order book as on 31 March 2015 is ₹ 14,451 crore. Your Company also has a record number of L - 1 positions in bids aggregating to ₹ 3,435 crore.
- Revenue from operations increased by 4.6% to ₹ 4,301 crore.
- EBITDA is ₹ 773.7 crore in FY 2015 — an increase of 20.8% over the previous year. The EBITDA margin has increased from 15.9% in FY 2014 to above 18.8% in FY 2015. There has been an improvement in the EBITDA margin at the project operations level.
- PAT was ₹ 81.65 crore.



As you know, HCC had availed a Corporate Debt Restructuring (CDR) package with a consortium of its bankers. During FY2015, while there were some delays due to challenging market conditions, your Company has paid its dues as per the conditions.

Your Company has also successfully raised ₹ 400 crore through a Qualified Institutional Placement (QIP), which was oversubscribed and closed in April 2015. The proceeds from this QIP has helped balance cash flow and provided necessary working capital for future business.

Let me now dwell upon something that I shared with you last year which affects not just your Company but every player in the engineering and construction sector. This is about claims settlement.

Throughout the world, most if not all construction contracts involve changes of specifications, scope, variations and delays that are often on account of the clients — and not the contractors. In such instances, the contractors place claims upon the clients to recover the additional costs.

In most parts of the world, either these claims are more or less accepted and settled by the clients, or else these go to the officially appointed and bilaterally recognised 'Engineer to the Contract'. When the disputed amount is beyond the Engineer's purview, it is referred to a commonly agreed upon Dispute Resolution Board, and beyond that to arbitration. Usually, such matters are settled within six to nine months. Only the really controversial arbitrations take over a year. Not so in India.

Almost every claims dispute that involves a government or public sector client is referred to a third party for decision-making. If that decision goes in favour of the contractor, the client appeals against it in court. Today, there are thousands of crores worth of awards languishing in courts, many of which will be taken by the public sector and government clients to successively higher courts lest they be censured by the CAG or the Central Vigilance Commission or be investigated by the CBI.

Consider the case of HCC. After going to CDR, your Company has filed for claims over ₹ 10,000 crore due to various project related disputes. Of these, almost ₹ 2,220 crore worth of claims has been awarded to HCC through arbitration. Another approximately ₹ 1,500 crore is currently under arbitration. Unfortunately, these arbitration awards have been further disputed by clients. Thus several awards that were positive to your Company have been taken to the judiciary.

What does this mean for a contracting firm? It has already incurred such additional costs as are being claimed — which have been typically met by additional borrowings from banks. Without the awards being settled, the borrowing has burgeoned along with interest costs. As this continues, the debt so large as

to make it financially impossible for the contractors to meet the interest and principal repayment dues. This is the case of almost all engineering and contracting firms in India.

Thankfully, HCC has a strong contracts management department. Thus, despite clients escalating contract claims up to High Courts and other courts of law, your Company has managed to get cash pay-out against claims worth roughly ₹ 400 crore. However, it is still a tiny fraction of all such claims made by HCC.

The only solution to this problem is to change the laws and regulations to make them more equitable for the contractors than these currently are. The present Government is aware of the problem and wants to settle this issue in a sensible and time-bound manner. I can only hope that we in the construction and engineering industry will see such a resolution by FY 2016.

I am neither an economist nor a soothsayer. However, I believe that FY 2016 will see somewhat higher growth than FY2015. Given the prospects of a less than normal monsoon and relatively little actual infrastructure activity on the ground, I do not expect a significant increase in the growth rate. Indeed, I would be happy to see real GVA growing at 8% or thereabout.

As large economies come out of a trough on to a path of higher growth, sectors such as services, consumer goods and consumer durables are the first to respond. More often than not, infrastructure investments tend to lag by a few quarters. Therefore, even if India were to witness 8% growth in FY 2016, I would still expect infrastructure and, hence, construction growth to remain somewhat muted for the first half of the year.

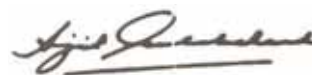
In such a context, your Company will have to continue focusing as before on sharply optimising costs, improving productivity and systematically monetising its non-key assets. We cannot afford to take our eyes off these fundamental drivers. Neither now, nor even in the good days that ought to come.

I am cautiously optimistic about your Company's prospects in FY 2016. Cautious of the rate of growth of the top-line and the number of new and significant projects that will be tendered. And optimistic of the fact that we shall never again take our eyes off the fundamentals of performance — that is, maximising productivity with an unwavering attention to controlling costs.

We have turned the corner from the dark days of loss-making. The CDR taught us very important lessons. Today, more than ever before, a leaner, more productive and focused HCC is back on the path of profitable growth. May this journey continue.

As always, thank you for your support.

Yours,



Ajit Gulabchand
Chairman & Managing Director

Company Information

BOARD OF DIRECTORS

Ajit Gulabchand
Chairman & Managing Director

Rajas R. Doshi

Ram P. Gandhi

D. M. Popat

Sharad M. Kulkarni

Anil C. Singhvi

Harsha Bangari (w.e.f. July 31, 2014)

Dr. Omkar Goswami (w.e.f. April 30, 2015)

Rajgopal Nogja
Group Chief Operating Officer & Whole-time Director

Shalaka Gulabchan Dhawan
Whole-time Director w.e.f. April 30, 2015

COMPANY SECRETARY

Vithal P. Kulkarni

AUDITORS

Walker Chandiok & Co.,LLP Chartered Accountants

ADVOCATES & SOLICITORS

Mulla & Mulla & Craigie Blunt & Caroe

Cyril Amarchand Mangaldas

BANKERS/FINANCIAL INSTITUTIONS

ICICI Bank Ltd.

Punjab National Bank

State Bank of India

IDBI Bank Ltd

Indian Bank

Oriental Bank of Commerce

The Jammu & Kashmir Bank

Canara Bank

State Bank of Patiala

Union Bank of India

Bank of Baroda

Vijaya Bank

DBS Bank Ltd

The Federal Bank Ltd

Standard Chartered Bank

Exim Bank of India

Toronto Dominion (Texas) LLC

LIC of India

Central Bank of India

Axis Bank Ltd

Bank of Maharashtra

State Bank of Travancore

Syndicate Bank

State Bank of Mysore

United Bank of India

IFCI Ltd

Indian Overseas Bank

State Bank of Hyderabad

NABARD

REGISTRAR & SHARE TRANSFER AGENTS

TSR Darashaw Ltd.

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

REGISTERED OFFICE

Hincon House, 11th Floor,
247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai - 400 083.



Sainj Hydro Electric Power Project, Himachal Pradesh

HCC has created a 'World Record' in the Long Distance Concrete Pumping by successfully pumping concrete to a distance of 2432 meters during the construction of Head Race tunnel of 100MW (2x50MW) Sainj Hydroelectric Project in Kullu district of Himachal Pradesh. While implementing the project, HCC team overcame various geological, technical and logistical challenges to complete the project in time.



First TBM success in Himalayan Terrain by HCC - Kishanganga Hydel Power Project, Jammu & Kashmir

HCC has created history by successfully completing the first tunnel constructed by a Tunnel Boring Machine (TBM) in the Himalayan Terrain for its 330 MW Kishanganga Hydroelectric Power Project in Jammu and Kashmir. The tunnel boring machine completed 14.75 km section of the 23.2km long head race tunnel on June 10, 2014. The balance 8.14 km tunnel was constructed by conventional drill and blast method.



Polavaram Right Main Canal Package - III, Andhra Pradesh

HCC has successfully completed the 31.712 km long Package-3 of the right main canal of Polavaram Project. Polavaram Project is a multi-purpose irrigation project consisting of 174 km Polavaram to Vijayawada link canal that will transfer surplus water from the Godavari River basin to the Krishna River basin in Andhra Pradesh. HCC has constructed Package-3 of this project on EPC basis. The project aims to irrigate 5.82 lakh hectares land in Andhra Pradesh.



Delhi Metro Rail Corporation - Package CC34

HCC team made a rare double TBM breakthrough on August 04, 2014, when its two powerful tunnel boring machines broke through simultaneously at the Dabri Mor station. Such double TBM breakthrough has happened for the first time in India and only the second time in the World. These boring machines were engaged in construction of twin tunnels at the 4.475 km underground metro line between Janakpuri West and Palam Metro Stations of Delhi Metro.



SkyKey, Zurich, Switzerland

SkyKey, a new landmark in Zurich North and a key to greater sustainability and energy efficiency, has been inaugurated in October 2014. The project was developed as well as executed by Steiner AG as general contractor. This will be the first building in Switzerland with highest level of LEED certification, the Platinum v2009. The SkyKey has also received the pilot certification for the 'Swiss Standard for Sustainable Construction'.



Allmendingen, Berne, Switzerland

The foundation stone for the second building phase of the housing development, Schlosspark Allmendingen, was celebrated on September 12, 2014 in Allmendingen near Berne. The project with a total of 41 owner-occupied apartments lies in an idyllic setting, next to Allmendingen Castle. It offers individual architecture with spaciouly designed apartments. Building is scheduled for completion in spring 2016.



Lavasa: Life in Full

Dasve enjoys the distinction of being the first town developed in Lavasa City. Centered around Lake Dasve on India's first double sided dam, Dasve town is already a home to schools, healthcare and hospitality and has seen 8 lakh visitors last year. It also boasts of a world-class business and convention centre built along the lines of the Davos Congress Centre. Over 600 residential units have been completed of which over 500 units have already been occupied.



India's first Jetovator comes to Lavasa city this Summer

Lavasa city introduced the world's latest water-sports craze, the exciting 'Jetovator'. Lakeshore Water Sports, the water sports facility at Lavasa is the only place in India where thrill seekers can avail this spectacular ride. Internationally, Jetovator is quite a rage as it combines acrobatic aptitudes of an aircraft with the simplicity of riding a motorbike. This revolutionary water sport offering from Lake Shore Water Sports accentuates the adventure sport experience in the hill city.



HCC shareholders visit Lavasa

A group of 80 HCC Shareholders from Mumbai visited Lavasa City on February 24, 2015. This visit was in line with the requests made by shareholders at the last Annual General Meeting for witnessing the Lavasa City development. The shareholders were taken through a detailed presentation at the Lavasa International Convention Center followed by a visit to Christel House, where the children from nearby villages are given high-quality education. They visited Lakeshore Water Sports for a river ride before retiring for a night-halt at Dasve.



Commissioning of Baharampore Farakka Highway Project (National Highway 34, West Bengal) in May 2014

HCC Concessions Ltd commenced commercial operations of its ₹ 1,169 crore, Baharampore Farakka Highway (101 km), the first leg of the largest PPP highway project in West Bengal and part of NH-34 on May 14, 2014. The widening of NH-34 will facilitate greater connectivity between Kolkata and the country's interior, especially the land-locked Seven Sisters in the North East. HCC Concessions is developing three contiguous sections on NH-34 from Baharampore to Dalkhola (250 km) with an investment of over ₹ 3,200 crore.



Rejuvenation of diversion based irrigation system on Mhalungi River, Sinnar District, Maharashtra

HCC has rejuvenated an old diversion based irrigation system built in the pre-independence era on Mhalungi River in Sinnar district of Maharashtra. This involved repairing of the damaged check dam, de-silting of the dam and reconstruction of the canal system. With increased availability of water, the farmers could prolong their farming season and adopt suitable cropping patterns. This intervention helped to improve socio-economical status of the villagers.



Awards

During FY 2014-15, HCC won seven industry awards including CIDC Vishwakarma Award 2015 for Mughal Road project; EPC Awards for Maroshi Ruparel Water Tunnel Project and Pir Panjal Railway Tunnel Project; Zee Business India's Best Market Analyst award for Pir Panjal Railway Tunnel Project, Construction Week awards 2014 for Mughal Road Project and Maroshi Ruparel Water Tunnel and Construction Week Runners-up Award for Road contractor of the year.

Management Discussion and Analysis

Founded by the legendary nationalist entrepreneur, Walchand Hirachand, and a legacy that spans almost nine decades, Hindustan Construction Company ('HCC' or 'the Company') is one of India's leading construction companies. Since its inception in 1926, not only has the Company matured and evolved by continuously adopting best-in-class operational practices, but has also learnt to deal with the vagaries of investment cycles that are intrinsic to the infrastructure development industry.

Over the last four years, the infrastructure sector in India has witnessed a severe downturn. The slowdown has been very sharp, severe and widespread over the last three. Thus, HCC, like all similar companies in the industry, had to abruptly realign its business from an emphasis on delivering high growth to one that focuses on tightening operations and generating cash flows to meet short term obligations.

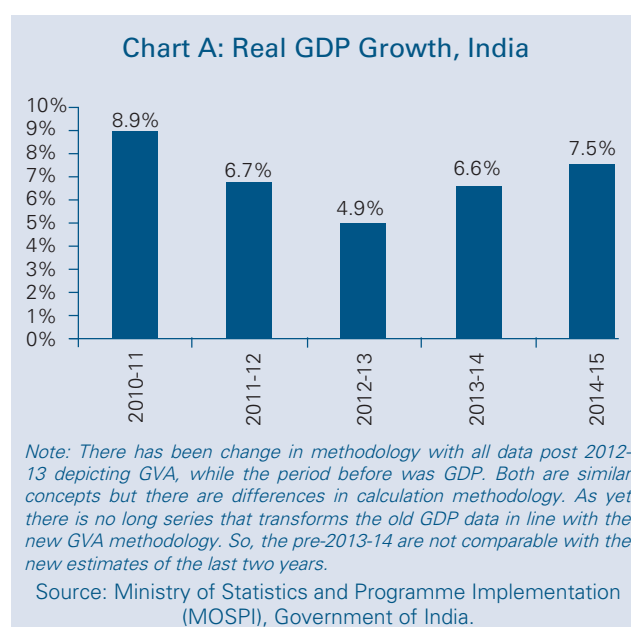
Like all others in the infrastructure space, the Company has been a victim of very challenging unforeseen circumstances. When market conditions were buoyant, HCC, similar to others in the industry, used debt financing to make the best of opportunities and propel higher top-line and profit growth. The sudden, sharp and prolonged slowdown has resulted in the Company's revenue and profits suffer due to slow order inflows, execution bottlenecks of the clients, rising interest cost and delays in payments from various customers. Consequently, there has been disequilibrium between the Company's ability to generate cash and service debt. Thankfully, HCC did get some breathing space in 2012, when it successfully entered into an agreement for Corporate Debt Restructuring (CDR) with its consortium of financial lenders that provided some moratorium to interest rate payments and readjustment of tenures.

Today, HCC remains steadfast in its pursuit to meet the CDR obligations ahead of schedule and deleverage the balance sheet. To realise this objective, the Company is putting a concerted effort to generate cash by growing the order book, squeezing operational efficiencies, pursuing all means to get money out of the legitimate claims it has made upon its clients for past projects and in monetising non-core assets.

HCC has taken concrete steps on all these fronts during 2014-15. However, it needs stating that the Company's efforts, as indeed those by others in this business, have been largely determined by the prevailing business environment—which, as this Management Discussion and Analysis goes to press, remains both problematic and uncertain.

Macroeconomic Review

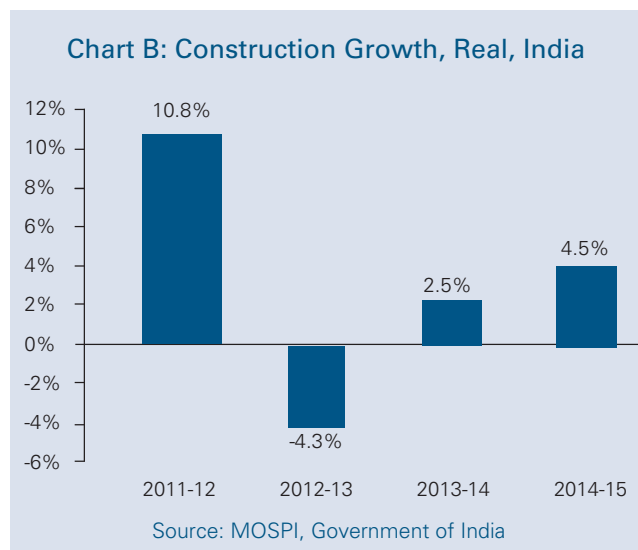
While there have been positive signals with the new BJP led government coming to power in 2014, the macro economic recovery is still very gradual. Admittedly, there have been moves in the right direction. However, the pace of recovery on the ground has been slow. The new GDP estimates, as yet not accepted by all concerned even within different ministries of the central government, suggest that real Gross Value Added (GVA) grew by 7.5% in 2014-15 versus 6.6% in 2013-14 (see Chart A). However, the data also shows that much of the improvement occurred because of significantly higher coverage of the services sector, which recorded 10.6% growth in 2014-15.



To be sure, there have been positive signals of business confidence such as significantly greater interest of foreign institutional investors in the Indian equity market. Moreover, there is a small uptick in real investments. For instance, growth in gross fixed capital formation (GFCF), which had hit a low of (-)0.3% in 2012-13 has improved to 4.1% in 2014-15. The construction sector's growth also has picked up from (-)4.3% in 2012-13 to 2.5% in 2013-14 and 4.5% in 2014-15 (Chart B). However, it is only fair to say that while trends may be in the right direction, India has not yet seen the kind of investments needed in the real sectors of the economy to regain its earlier high growth trajectory.

Despite the cautionary tone of this chapter upto now, it needs stating that there were two positive trends in 2014-15. First, as touched upon earlier, there has been renewed interest in India from foreign investors. This has certainly reflected in terms of foreign portfolio investments (FPI) in the stock market. For portfolio investments, while

in 2013-14 there was capital flight with a US\$487 million net outflow, in 2014-15 there has been a net inflow of US\$38.9 billion. Moreover, we are perhaps beginning to see greater interest in foreign direct investments (FDI). For the April-February period, where data is available, FDI into India increased by 23% from US\$26.5 billion in 2013-14 to US\$32.7 billion in 2014-15.



The other positive news is that inflation seems to be under control. Measured in terms of the consumer price index (CPI), inflation reduced to 5.2% in March 2015 from 5.4% in February. It has been the lowest rate in three months thanks to a reduction in food prices, and is significantly below the average CPI inflation rate in India between 2012 and end-2014, when it averaged 8.7%. While the Reserve Bank of India (RBI) has signalled a gradual easing of interest rates with two 25 basis points cut in the benchmark repo rate—bringing the level down from 8% in December 2014 to 7.5% in April 2015—more needs to be done. Indian industry, in general, and the construction sector, in particular, is suffering from high interest costs. In the absence of any near-term worries about an overheated economy and given a benign inflation environment, many believe that it is time for the RBI and the commercial banks to further cut interest rates and stimulate much needed growth in the real economy.

So, while there are some positive signals for the India's economic growth, there are clear concerns that we are far from being on the runway for a take-off. And, one of the biggest anxieties relate to infrastructure and construction activities, which not only provide the sinews for further economic growth but also provide serious opportunities for increasing employment for the country's huge labour force.

India's Infrastructure Sector

It is amply evident that India needs to invest significantly in creating physical infrastructure of the kind that can support the growth aspirations of the country. If industrial growth

is to be ratcheted up to around 10% levels with the kind of trade growth projected, the demand for the provision of power, transportation and logistics will also grow commensurately. The International Monetary Fund (IMF) estimates suggest that overall infrastructure investment will need to increase substantially from around 5-6% of GDP as of today to around 8% during the 2020s and beyond. These are levels consistent with the economic growth and transformation experiences of South East and East Asian countries.

Insofar as public investments are concerned, it is heartening to see that the Government of India has significantly increased allocation of funds by ₹ 70,000 crore for investments in infrastructure in the Union Budget 2015-16. If these funds were to materialise and be used for infrastructure, none could complain about the lack of public investment or fiscal support.

However, greater public investment is a necessary condition. It isn't sufficient. Unfortunately, the entire infrastructure investment climate in India today is plagued with structural issues of the past few years. Primarily, it is the legacy of the very large number of stalled projects. According to the Government of India's *Economic Survey* 2014-15, the rate of stalled projects has increased alarmingly in the last five years. By December 2014, the total value of stalled projects across sectors was ₹ 880,000 crore (US\$139 billion at an exchange rate of US\$1 = ₹ 63.4). Put differently, what it means is that for every ₹ 100 of projects under implementation, ₹ 10.3 worth of projects have been stalled, and the bulk of these were in manufacturing and infrastructure.

Within infrastructure, 80 projects stalled were related to electricity and power, where the main issue is non-availability of the primary feedstock, especially coal. Another 143 hindered infrastructure projects relate to construction and real estate, where the major reason for delays and halt is the lack of environmental clearances—a fact that indicates a serious overhang of 'policy paralysis' in the matter of regulatory approvals. In terms of value, the distribution of stuck projects is top heavy: a small number of projects account for a large value. Actually, the top 100 account for 83% of the value of stalled projects. The silver lining is that the rate of delay has plateaued over the last three quarters and indeed marginally lessened. Across all sectors, estimates suggest that the value of stalled projects has reduced to 7% of GDP in 2014-15 versus 8.3% in 2013-14.

Not surprisingly, this legacy of stalled projects has generated a vicious cycle of financial instability for infrastructure related companies and banks. Under such conditions, public investment needs to step in to recreate an environment to re-invigorate or 'crowd-in' private sector investment in the short term. Efforts must also be made to rework the modalities based on the experience of the

last few years and revitalise the public-private partnership model of investment. In addition, serious consideration must be given to setting up an independent renegotiation committee for past projects under stress. In the presence of weak mechanisms for bankruptcy and exit in India, one has to develop creative solutions to amicably distribute pain amongst the different stakeholders from past deals gone sour.

By their very nature, the financial performances of companies who are into project development depend on the time taken for project execution. Apart from the pure slowdown in receipts based on stage-wise completion of contracts, when projects get delayed the contractor incurs several additional costs primarily related to idling or underutilising of resources, mobilising and demobilising expenses, extended bank guarantee costs, higher insurance costs, greater resource costs, price escalations, overhead costs and loss of profits.

Typically, when a project gets delayed for reasons beyond a contractor's control, he is entitled to raise claims against all relevant cost overruns because these are actual expenses incurred by him for a project delay. In an environment of stalled projects, India is witnessing a massive build up of claims initiated by construction companies on their customers. While there is a prescribed arbitration process that includes a hearing and settlement process supervised by an arbitration panel selected by both disputing parties, this procedure has not been effective with most disputes being invariably taken by the client to the judiciary. The inability to recover much of these sunk expenses has further affected the balance sheet of construction companies. In a welcome move the Government of India has initiated a bill on revising arbitration processes to make them more effective. Till this follows the due process and becomes the law of the land, the pain of long drawn dispute processes for settling of unpaid claims will continue.

HCC: Key Developments

HCC is primarily in the business of **Engineering and Construction (E&C)** projects. The standalone financial result mostly reflects the performance of this core business. With an overall focus on cash generation, the division today is pursuing three broad strategic objectives:

- To continuously grow the order book to have a sizable set of projects to execute that can efficiently utilise the large capital outlay and establishment costs of the Company.
- To execute existing projects in the most efficient manner by adopting world class practices that promote the best in class parameters in terms of quality, cost and delivery while effectively structuring contracts and meeting their obligations.

- To establish legitimate claims for issues related to past projects or projects under execution and proactively work on recovering uncompensated expenses through established processes.

While there have been some positive signals and increased activity in the infrastructure sector in India, it did not translate into any noteworthy opportunities on the ground. In the aggregate, there was no significant increase in the number of new projects. In terms of the area where HCC operates, there was a renewal of some activities in transportation, especially roads and metro rails; there was also some positive development in water supply projects driven primarily by state governments; however, the energy segment continued to witness a widespread slowdown. In this backdrop, HCC's unexecuted order book marginally increased to ₹ 14,451 crore. However, it needs stating that there has been a perceptible rise in number of contracts where the Company secured L1 status, or the most competitive bid value. However, these are yet to be formally awarded and therefore do not feature in HCC's unexecuted order book for the year ended 31 March 2015. As a matter of interest, as on 31 March 2015, the Company has ₹ 3,435 crore of such contracts where it was L1.

HCC has also made conscious efforts to identify and pursue business growth in some new sectors where it has developed specific operational advantages. For example, in 2014-15 alone, the Company did 53,000 MT of structural fabrication and erection work. This functional expertise can be translated into an aggressive push in the industrial segment, where the Company has already made some positive inroads. There are some other similar segments where the core functional competence of HCC can be modified and leveraged. These efforts are expected to positively impact the order book in the next two years.

Emphasis continued on continuous improvements in project execution efficiencies. These have resulted in notable gains in terms of inventory turnover, operating margins, cash collections as well as employee productivity measured as revenue generated per employee. All of these have played their roles in the Company improving its operational EBITDA margins in a highly price competitive environment. In addition, there has been emphasis on reducing fuel consumption of all equipment used in various projects. While focusing on these initiatives, HCC has taken concrete steps to maintain customer relations and adhere strictly to project delivery norms. This has translated into the customer satisfaction index reaching an all time high of 4 out of a maximum level of 5, by the end of 2014-15.

Deployment of the integrated management system (IMS) is being continuously improved, which is reflected in a steady progress in safety and environment related parameters. For example, the frequency severity index, a measure of work hours lost due to on site safety related

incidents, has reduced by 58% in 2014-15 compared to 2013-14. A method for proactive supervision of safety parameters has also been initiated.

There have been focused efforts to restructure some on-going projects, which were under duress. In addition, some 6 projects were successfully closed and mutually settled with the clients. These efforts have helped clean up some of the financially stressed projects from the order backlog and also release both capital and management bandwidth.

HCC has always had a strong contracts management department. Considerable effort is put into analysing and understanding contracts in terms of commitments, responsibilities, risks and returns. Most of the operations have been geared to undertake projects strictly guided by the underlying contracts. It is this philosophy which has helped the Company stake claims for client-side delays in several earlier projects. Over the last couple of years, since going to CDR, the Company has filed for claims over ₹ 10,000 crore due to various project related disputes with clients. The efficacy of such claims is borne out by the fact that almost ₹ 2,220 crore worth of claims has been awarded to HCC through the arbitration process. In 2014-15, alone, ₹ 777 crore was awarded to HCC. Another approximately ₹ 4,900 crore is currently under arbitration.

Unfortunately, as touched upon earlier, under the present regulatory system, arbitration awards can be further disputed by clients in court of law—which almost invariably takes place. Thus, several of awards that were positive to the Company have been taken to the judiciary by the clients. Even in such a difficult scenario, HCC has already got cash pay-outs against claims worth around ₹ 400 crore since the CDR. Of this, approximately ₹ 200 crore was received in 2014-15.

Performance Highlights: Stand Alone

In a situation of very difficult market conditions, HCC's financial performance is largely a reflection of its efforts at streamlining operations, optimising efficiencies of on-going projects and a concerted push to pursue just financial claims at every level. The salient points of the performance are:

- The order book as on 31 March 2015 is ₹ 14,451 crore. The Company also has a record number of L-1 positions in bid aggregating to ₹ 3,435 crore
- Revenue from operations increased by 4.6% to ₹ 4,301 crore in 2014-15.
- EBITDA is ₹ 773.7 crore in 2014-15—an increase of 20.8% over the previous year. The EBITDA margin has increased from 15.9% in 2013-14 to 18.8% in 2014-15. While there has been an improvement in EBITDA margins at the project operations level through improved efficiencies and control of fixed costs, some of the margin improvements are also attributable to accounting method of recognising costs and revenues

on accounting of claims awarded that were evident both in 2014-15 and 2013-14.

- PAT marginally increased to ₹ 81.7 crore in 2014-15 as compared to ₹ 80.6 crore in the previous year.

HCC had availed a Corporate Debt Restructuring (CDR) package with a consortium of its bankers. During 2014-15, while there were some delays due to challenging market condition, the Company has successfully paid its dues as per the conditions of this package.

In April 2015, the Company also successfully raised ₹ 400 crore through a QIP (Qualified Institutional Placement), which got oversubscribed. The proceeds from this Issue has helped balance cash flows and provided necessary working capital for future business.

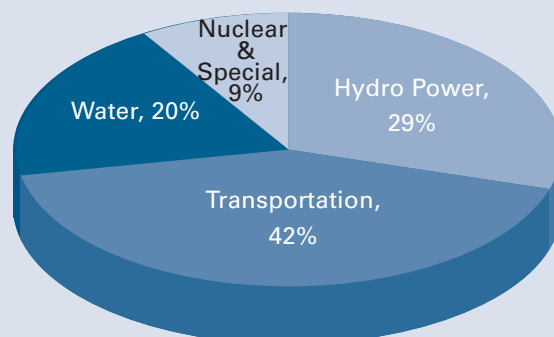
Engineering and Construction Division – Projects Update

The Company's order backlog is distributed across various sectors which include power, transport, water and industrial. A distinct trend in 2014-15 was the increased contract award in the transport sector. Consequently, the share of transport in HCC's order backlog has steadily increased to a predominant position. Chart C gives the industry wise distribution of the order backlog.

Transportation

Over 80% of the contracts secured in 2014-15 were in the transport sector. The major ones include three EPC contracts for the Ministry of Road Transport and Highways, which are:

Chart C: Order backlog – Sector Distribution, as on 1 April 2015



- Four-laning of Numaligarh to Jorhat section of NH37 in Assam. This is a ₹ 455 crore contract to be completed in three years.
- Rehabilitation and up-grading of a 66 km section of NH233 in Uttar Pradesh from Indo Nepal Border to Rudhauli for a price of ₹ 393 crore.
- Four-laning of Jamgurihat to end of Biswanath Chariali Bypass (26 km) of NH52 in Assam for a price of ₹ 392 crore

Besides this, the Company also secured two bridge contracts of over ₹ 250 crore each, a contract for 1.2 km tunnel and one station building for the Delhi Metro Rail Corporation (DMRC).

Walchand Hirachand took up the challenge of successfully completing the Bhor Ghat tunnel systems from Khandala to Karjat in the 1920s. Since then, HCC has firmly established itself as the foremost tunnelling contractor in the country. It uses variety of construction techniques like tunnel boring machines, cut and cover method, and new Austrian tunnelling method. In 2014-15, the Company completed the tunnelling work in one of the contracts for DMRC. With this, HCC has successfully built over 12 km of tunnels for Delhi Metro since 2000.

One of the Company's road concession packages achieved commercial operations in 2014-15. Fabrication works for the Bogibeel Bridge steel super structure has picked up speed and seven bridge spans have been launched.

Power

Hydro Power

Due to a wide range of issues that are both local and macroeconomic, including environmental concerns, order activity continues to be subdued in the hydroelectric sector. The Company secured the only one new contract in this area. This was the Head Race Tunnel for Sawra Kuddu Hydro Electric Project in Himachal Pradesh.

Project execution, however, continues to progress well. Here are some facts:

- Kishanganga HEP: The highly challenging task of 14.75 km tunnelling in Himalayan geology with a tunnel boring machine was successfully accomplished ahead of the scheduled time period.
- Vishnugad Pipalkoti HEP: Concerted efforts are on to start tunnelling in 2015-16.
- Dagachhu Hydro Power Plant in Bhutan has been completed and commissioned.
- Punatsangchhu I HEP continues to make good progress.
- Teesta Low Dam IV: Roller Compacted Concrete (RCC) is nearing completion.
- Two hydro electric projects for Himachal Pradesh Corporation Ltd, namely Kashang and Sainj, are at advanced stages of completion.
- Pare HEP: Dam concreting has commenced

Nuclear Power

Work on the reactor buildings at Rajasthan Atomic Power Project (RAPP) is progressing well. The project is expected to pick up speed in the next year.

Water Supply and Irrigation

During 2014-15, one contract was secured for large diameter water pipeline at the Bhandup Water Treatment Complex in Mumbai. Two other water supply pipeline contracts, one for Yettinahole Project in Karnataka and the other for Pune Municipal Corporation are progressing well.

Industrial

Work is substantially complete on Aditya Aluminium Plant at Sambhalpur (Orissa) for Hindalco Industries Ltd. Two crude oil storage caverns for Indian Strategic Petroleum Reserves Ltd. at Vishakhapatnam (Andhra Pradesh) and Padur (Karnataka) are complete. The industrial sector is expected to yield new orders in the future.

Marine Works

Work on the reconstruction of Dry Dock and Wharves in Mumbai for Director General Naval Project continues to progress well.

Investee Companies

While participating across diverse elements of the infrastructure industry value chain, HCC has developed specific competencies that need focused nurturing to create value. Some of these have been developed as independent businesses where HCC has provided equity investment and financial support. Each such enterprise addresses different markets, requires diversified skill sets and operates under different risk-return profiles. While these investee companies continue to focus on growth and value creation, HCC is today strategically exploring opportunities for monetising some of the underlying value created by these businesses. The portfolio of investee companies includes:

- **Infrastructure:** This subsidiary focuses on asset creation through Public Private Partnership (PPP), largely in national highways. The value chain includes fundamental analysis, design, financing, construction management, operations and maintenance. During 2014-15, the business focused on executing existing projects and raising capital by divesting its stake in some of the developed assets.
- **Real Estate:** This business concentrates on developing commercial property and redevelopment projects primarily related to slum rehabilitation. While continuing to develop the projects under execution, the business today is focusing on monetising some of the existing assets.
- **Integrated Township and Urban Development:** Through this subsidiary, HCC pursues its business of developing complete integrated townships. Today, it is actively pursuing the creation of India's first hill station in the private sector called Lavasa.

- **Total Services Contractor:** As an extension of the engineering and construction division, the Company had acquired in 2010 a Swiss company called Karl Steiner AG (or 'Steiner'), which operates out of Switzerland and services client primarily in Europe on all facets of building development. In 2013-14, the HCC Group became 100% shareholder of Steiner with acquisition of the remaining 34% stake. Apart from the steady operations in Switzerland, Steiner is actively setting up footprints in the Indian market and has a team that focuses only on Indian operations.
- **Information Technology:** In 2010, the Company has also extended its information technology (IT) function as separate company, Highbar Technologies, which is involved in improving IT utilisation in the construction industry.

The consolidated financial performance of HCC reflects the developments in all the investee companies, as well as the core business of engineering and construction. On a consolidated basis, HCC's:

- Turnover increased by 7.1% to ₹ 10,353 crore in 2014-15.
- Net losses after minority interest reduced from ₹ 277 crore in 2013-14 to ₹ 159 crore in 2014-15.

Infrastructure Division

HCC Infrastructure Company Limited (or 'HCC Infra'), the infrastructure development subsidiary of HCC, invests in and develops large public infrastructure assets through PPP in transportation, power and water concessions. HCC Infra's material subsidiary, HCC Concessions manages a ₹ 5,500 crore portfolio comprising six NHAI (National Highways Authority of India) road concessions. In the last seven years, the company has gained significant experience and has a strong management team, whose skills extends from concept innovation and evaluation of risk and return to construction management and operations.

Earlier in May 2014, the company commissioned operations and began toll collection for Baharampore Farakka Highways Ltd., the first leg of the ₹ 3,200 crore NH-34 development in West Bengal. In addition, 79% completion was achieved on the second and largest leg, between Farakka and Raiganj with toll collection expected to commence by the end of 2015. Material defaults by the NHAI, largely due to delayed handing over land for all three NH-34 packages have resulted in the concessionaire's claiming ₹ 883 crore in damages so far. Despite such delays and the recessionary environment in the past few years, the NH-34 projects continue to be a substantial source of value creation for the portfolio.

Four of the six developments under management are de-risked, cash generating operating assets. Through 2014-

15, the company has focused on completing its under-construction projects and generating capital through stake sales of its mature subsidiaries. HCC Concessions signed definitive agreements with Highway Concessions One Pvt. Ltd. (an IDFC Alternatives sponsored equity fund) in December 2014 for the sale of Nirmal BOT Ltd. This project was the portfolio's first asset and has been operational for more than five and half years. The deal is expected to close shortly. The company has also entered into definitive agreements with the Sadbhav Group for the sale of its entire economic stake in Dhule Palesner Tollway Ltd. The transaction is subject to receipt of necessary approvals.

The infra business of this division has also contributed indirectly to the parent company, HCC, since during the course of constructing and developing these assets, HCC Infrastructure has been the source of large EPC contracts for the parent company.

Project awards in the road BOT space by NHAI have been insignificant in the past year and only around 740 km has been awarded during 2014-15. While there has been limited new business opportunity for the company in the past year, the change of guard at the central government has witnessed significant progress on the execution front. A focus on development, governance and ending of policy paralysis has started to yield dividends on the ground with approvals and clearances coming in faster. However, speedy resolutions on the liquidity crunch faced by the sector caused by past delays still remain elusive. This is because government authorities continue to dispute claims through lengthy legal processes, leaving the sector to finance these defaults on their own balance sheets, thereby causing distress.

The company is closely following the policy reforms of the government which could help improve the liquidity crisis in the sector. It expects clarity on the exit policy for sponsors of BOT projects which will help release much needed capital to complete delayed projects and for deleveraging of the balance sheet. Potential amendments to the dispute resolution mechanism will further help the company to realise claims in a shorter period of time and reduce frivolous litigation that is aimed at simply delaying payment. These policy changes should reduce risk premiums associated with infrastructure assets and further help the company in raising capital, besides boosting shareholder value through the timely recovery of claims. A part of this freed up capital would be used toward the future growth of the portfolio.

Lavasa

Much of 2014-15 was about consolidating the position of this enterprise while overcoming challenges of cash flow constraints.

In 2014-15, Lavasa gave possession to over 677 residential units. A new apartment complex called 'City Centre'

was launched. This is strategically located near hotels, educational institutes and healthcare facilities in Dasve with amenities such as clubhouse, outdoor sports facilities and retail on the ground floor. Construction work continues to progress at Dasve and the second town of Mugaon with optimal utilisation of scarce capital. Renewed focus on collection and sales for Mugaon and Dasve has yielded good results.

Mugaon, the second town of Lavasa, also witnessed the launch of new apartments. These were designed to cater to the demand for compact apartments. Select villas offering panoramic views of Dasve Lake and the Warasgaon Lake line were also opened for sale with enhanced amenities.

In institutional sales, the prime focus was on collections and activations of sites. The company closed a transaction with Hindustan Times Media Limited, the premier media establishment of India, which has acquired over six acres of land. They propose to establish a state-of-art training centre for its executive staff.

Hazel Hotels, which had acquired two plots aggregating 2.1 acres with a built up area of 40,000 square feet has been granted building plan approval by Special Planning Authority (SPA) and proposes to commence construction of a Ramada Encore branded hotel. J. Vora Hospitality is all set for a soft launch of its 80 bed vegetarian hotel in Dasve by December 2015. SOSFIPL, an NGO, has obtained approval for a bakery with a built up area of 20,000 square feet in Bhoini and will commence construction activity this year.

The Doon Public School has acquired a 10 acre plot in Mugaon to start a school while Symbiosis International University has already been granted building plan approval by the SPA and will commence construction of its large campus post monsoon.

During 2014-15, the company completed purchase of 10,574 acres of land including 455 acres of land on lease.

The Environment Management Plan is being implemented regularly. Continuous monitoring of environmental aspects such as air quality, water quality, noise quality and soil quality are being carried out as per MoEF guidelines and have been observed to be within the stipulated limits. As per the environment clearance requirement, the Environmental Compliance Report is being submitted to MoEF once in six months; the last report (6th report) was submitted in December 2014. A yearly environment statement, a requirement as per the consent document of Maharashtra Pollution Control Board (MPCB), is being submitted in the month of September each year, with the last report being presented on 29 September 2014. The Lavasa Sustainability Report for the period 2010-13 was prepared and accorded highest rating application level A+ as per Global Reporting Initiative (GRI) guidelines.

Development Status: Dasve

Lavasa first town, Dasve, is ready with all basic infrastructures such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services. Till date 801 properties are handed over to the City Management Services department for handing over to customers. Of these, 677 units have been already handed over to the buyers.

The Park Plaza, Thicket Park, Games Arcade, Nature Trail, Kids Play area, neighbourhood parks and other scenic points are completed and are opened for tourists. Facilities like rappelling and rock climbing are operational at X Thrill—The Adventure Sports & Academy. The Oase Fountain, a multimedia fountain which incorporates a sound and laser show is complete. The work on Sahayadri Park and the Adventure and Amateur Trail is completed. Portofino E to I and Christ College has been handed over. The hostel block at Tower A is operational.

Work on rest of properties is in progress. This includes the Lake View apartments, Club View apartments, Delfino apartments, Valley View apartments, Brook View apartments, rental housing, retail and Hostel Tower B, Christel House Phase II, Novotel Hotel and Holiday Inn.

Development Status: Mugaon

Work on infrastructure for the second town of Mugaon has accelerated. Utilities development is also under progress. Work has commenced on 29 buildings. The improvement to the existing Mugaon-Tamhini Zilla Major District road (excluding the stretch crossing through forest land) is complete. A part of this road will also form a section of the approach road for the proposed tunnel between Tamhini and Mugaon. Work on the 6 km inter-village road from Mugaon to Dhamanohol has also been completed.

Rehabilitation work on new *gaothans* has commenced. By the end of the year, 50 units will be ready to accommodate villagers, along with other city infrastructure like school and community centre. This rehabilitation will also help augment the construction of the first phase of the apartments in Mugaon.

Commercial Real Estate

HCC Real Estate (or 'HREL') is developing the following projects:

Vikhroli 247 Corporate Park Phase II: The company has initiated the development of commercial office building with approximately 800,000 square feet total construction area and some 400,000 square feet of saleable area. The project is based on the 'Public-Parking Policy' finalised by Municipal Corporation of Greater Mumbai (MCGM). It has received preliminary approvals from Joint Commissioner (Traffic) for 520 car parks on the basis of extensive traffic

surveys conducted by traffic consultants. Subsequently, architects, structural engineers and traffic consultants have prepared reports for submission to all relevant authorities and after complying with due processes, this scheme has, recently, been approved by the state government. The project team has conducted prequalification exercise for the civil and other contractors for the construction. Commencement of construction is expected by 2016. The marketing and sales department of the company has submitted Request for Proposals (RFP) for built-to-suit (BTS) commercial office space requirement and the company expects receiving a good response given the success of 247Park Phase I.

Urban Redevelopment (Slum Rehabilitation), Powai:

A MOU-cum-Development Agreement and Power of Attorney were executed by the land owner in favour of the SPV, Panchkutir Developers Ltd., a subsidiary of HCC, for 12 acres of land. Due to non-performance by the land owner of the various obligations under the MOU-cum-Development Agreement in spite of repeated follow up, HCC has invoked the arbitration clause. Accordingly, arbitration proceeding has been initiated and is progressing as per due process.

Urban Redevelopment (Slum Rehabilitation), Vikhroli

East: Out of the total land holding of around 32 acres by the Panchkutir Developers Ltd. in Vikhroli (E), the survey of tenements on Phase-I of 14.5 acres of land to ascertain the development potential of the free sale component has been completed. Out of the 1,960 slum residents, consent of about 1,400 residents representing more than 70% has already been obtained and the process of forming a society in progress. A proposal has been submitted to SRA for Phase-I.

Slum declaration of Phase-I land was challenged by a litigant. This was set aside by the Special Slum Tribunal. Subsequently, the litigant filed a writ petition challenging the order of the Slum Tribunal in the High Court. The High Court upheld the order and asked the Tribunal for actual verification of the slum. However, the litigant has filed an appeal challenging the order of on divisional bench in the High Court. The case is in progress,

Township Projects: HREL has certain land parcels in Thane as well as Pune through its 100% subsidiaries. These are:

- **HRL (Thane) Real Estate Limited:** It initiated the acquisition of 183 acres of land at Ghodbunder Road, Thane for Integrated Township Development. So far, the Development Agreement and Power of Attorney for 32 acres has been executed in favour of the company. The company has continued its activity of securing its position for land title and other documentation.
- **Maan Township Developers Limited:** The company had earlier acquired approximately 28 acres of land

in Pune, near Hinjewadi IT Park (Phase 1), and the Development Agreement and Power of Attorney have been executed in favour of the company. As a part of the asset monetisation strategy, it has now decided to sell the land in parcels.

Charosa Wineries Limited: HREL signed an agreement with a subsidiary company named Charosa Wineries Limited for providing project management for land acquisition and related approvals, construction of various buildings, health-safety and environment management. The land acquisition is completed and Charosa Wineries has been set up on 230 acres of land. The operational capacity of the winery is 5 lakh litres per annum and there is a closing stock of 5 lakh litres as on 31 March 2015.

With the harvest season for 2015 over, the yield has met expectations and conformed to all stringent pre-set parameters. From 81 acres of plantation, 205 MT of wine was crushed. The wine crushed in the 2015 harvest season is undergoing further processing in tanks and some of it will be transferred to oak barrels for ageing.

Since its launch to customers in Mumbai and Pune during October 2013, Charosa Wines has spread its distribution to Goa, Kolhapur, Kerala, Karnataka, Telangana, Puducherry, Daman and Gujarat markets. The wines have been well accepted by connoisseurs and bloggers, and has established itself as a premium product.

Steiner AG (formerly Karl Steiner AG, or 'Steiner')

Steiner AG is a leading total and general contracting company in Switzerland, specialising in turnkey construction, including refurbishments and real estate development. It offers services across all aspects of real estate development and construction. Today, it is a 100% subsidiary of HCC. Steiner AG's technical skill set is being exploited to leverage opportunities in the Indian market through its subsidiary Steiner India, which is executing construction work at Lavasa and third party building projects in Mumbai and Pune.

2015 is the centenary year for Steiner AG. In FY2014-15, Steiner AG has registered a revenue of CHF 853.9 million (₹ 5604.2 crore) compared to CHF 796.7 million (₹ 5,228.7 crore) in the previous year. The net profit stood at CHF 1.7 million (₹ 11.2 crore) compared to CHF 8.15 million (₹ 53.4 crore). The company secured fresh orders worth CHF 796 million (₹ 5,106 crore). The order backlog was CHF 1.12 billion (₹ 7,195 crore) at the end of the year. In addition to this, the company has secured orders for more than CHF 192 million (₹ 1,232 crore), where the contracts are yet to be signed. The closing cash balance of the company was CHF 103 million (₹ 658.5 crore) reflecting company's steady financial performance and strong liquidity position.

Highlights of Steiner AG's operations during 2014-15 include:

- Housing development Schlosspark Allmendingen is progressing well. The foundation stone for the second phase was laid in September 2014.
- Handover of Urbahn project, the new city district in Schaffhausen, which received an award for urban planning quality shortly after its inauguration.
- Building permit for the Mariazellweg project in Sursee was granted.
- Handover of first residential building to the cooperative building society "mehr als wohnen" in October 2014.
- SkyKey, a landmark project in Zurich North, was timely finalized and became the new headquarters of Zurich Insurance Switzerland.
- Contract signed for redevelopment of the 'HPM KOPFBAU' laboratory building on the Honggerberg Campus of Swiss Federal Institute of Technology in Zurich (ETH).
- Building permit for Vulcano project in Zurich granted.

Steiner India has been undertaking construction work at Lavasa with a focused objective to improve quality of construction to enhance the brand value of the township project as the best-in-league quality real estate development. For this, there has been concerted work on improving construction techniques, establish stringent quality controls and developed standard operating processes.

In addition, Steiner India made a breakthrough into securing two large building projects. This includes the contract for the 40 floor commercial high-rise building called Aether in Mumbai. This ₹ 48 crore project is the tallest in Steiner's 100 year history so far. It is also the first turnkey project where Steiner is the complete general contractor. The other contract is for a ₹ 52 crore project called Ipanema in Nariman Point, Mumbai. The company is strategically making inroads into the high quality building segment in India by leveraging its high end technical know-how and customising it for the cost conscious Indian market.

Highbar Technologies

Highbar Technologies is positioned to be an end-to-end IT solution provider for infrastructure industry. Highbar focuses on IT initiatives from a business transformation perspective rather than that of pure technology implementation. Gartner, the world's leading IT research and advisory company, has published a case study on managing successful IT spin-off with Highbar as an example.

In 2014-15, which is just the fifth year of operations, Highbar was able to service 16 new customers including 6

from Middle East, Africa and Switzerland—taking the total tally of clients to 94. This is especially creditable given that Highbar's primary customer segment, the construction industry, is dealing with a slowdown and cash constraints. Notably, the orders won by Highbar have contributed highest value through new customers in SAP's ecosystem for infrastructure sector in calendar year 2014.

Highbar has started providing SAP related services across multiple sectors like Manufacturing, BPO, Agro-Chemicals in addition to Infrastructure, Real Estate, Retail, Telecom, Consumer Products, PEB (Pre-engineered Buildings), Iron & Steel etc. It has developed capabilities to successfully concurrently execute large sized projects. Some customers have started demonstrating their faith in Highbar by awarding five-year support deals in addition to implementation.

Its Dubai subsidiary, Highbar Technologies FZ-LLC, has started strengthening its presence with 10 major customers in the Middle-East region. Today, Highbar operates not only in India and Middle-East but also in Africa (Nigeria) and Europe (Switzerland).

Highbar has grown its IT capabilities and the expertise in various areas including ERP (Enterprise Resource Planning), Business Intelligence and dashboards, cloud offerings through Highbar CloudConnect, Employee Portals, CRM (Customer Relationship Management), and DMS (Document Management System). It has also ventured into SAP HANA implementation in 2014-15. The new offerings like SAP Fiori, Screen Persona, Mobility solutions, e-procurement through Ariba sourcing solutions have increased the breadth of business.

Services provided by Highbar have gone much beyond SAP into process consulting and IT infrastructure support such as data-centre and networking. Solutions like Highbar RapidStart and Highbar RapidStart Analytics are based on a templatised approach to ERP and Business Intelligence respectively and are intellectual properties (IP) assets of Highbar. It has maintained a strategic alliance with SAP at the level of a 'Gold Partnership' and is a preferred partner for SAP implementation and re-implementation for the infrastructure industry. More than 10 of Highbar's implementations have now become global case studies, published on SAP's website as reference cases. Highbar continues to support HCC group companies including HCC, HCC Infrastructure, HCC Real Estate, Lavasa and Steiner India across the IT value chain.

Operations Support

The operations of the different divisions are supported by management systems, intellectual property rights, branding and human resource.

Management Systems

HCC has adopted an Integrated Management System (IMS) towards Quality, Environment, Health and Safety in its business practices. The objective of IMS is to inculcate

a culture of continuous improvement that can enhance quality of the product and maintain the highest standards of environment protection, the safety of the project team and maximise customer satisfaction.

IMS is based on standards stipulated by ISO 9001:2008 for Quality; ISO 14001:2004 for Environment; and BS OHSAS18001:2007 for Occupational Health and Safety with focuses on creating a culture that continuously reduces the frequency of incidents to achieve the goal of 'Zero Reportable Injuries'. To achieve this objective, IMS has started 'Proactive Safety Observation Programme'. It is worth noting that 25 of the Company's projects have clocked more than two million safe man hours of working.

Dagachhu HEP, Bhutan & Aditya Aluminium Project, Orissa are the most notable of them having crossed 18 millionsafe manhours.

The Company is also committed to reducing the impact on environment during execution or construction of projects by continuous monitoring. To achieve these objectives, engineers and workers at various functional levels are trained by professional agencies.

Branding

The current economic climate is tough for many businesses in the construction and infrastructure industry. In order to stand out one needs to focus on the brand and remind prospects and clients why HCC is 'the right company for the job'. A strong brand is not achieved overnight. It needs constant investment to build and sustain strong brand equity. HCC continued its brand value enhancement initiatives through a structured programme by various internal and external communications initiatives.

An important element of successful brands is consistency. Continuous efforts were made at HCC's project sites through brand induction sessions to orient and refresh project brand champions towards standardisation of brand practices. Brand audits introduced three years earlier have led to uniformity across project sites and awareness as well as compliance of the corporate branding guidelines.

In addition, key organisational milestones and the HCC Group highlights were communicated through the periodic in-house news magazine and e-newsletters to keep our employees informed, engaged and oriented towards the Company's accomplishments. A new brochure was developed for business development purpose that realigned HCC's positioning with a focus towards the changing business environment. This will be replicated with revamp of the corporate website in the coming year.

Whether an inauguration, foundation stone laying ceremony, conference or expo, consistent branding gives the impression of a well-organised company. HCC's participation in important business and industry events and expositions in several parts of the country provided

excellent opportunities for high visibility of HCC's brand identity among relevant target audiences. HCC enhanced its brand value by achieving many important milestones during 2014-15. Some of these were:

- First successful tunnel boring machine (TBM) operation in Himalayan region for Kishanganga hydroelectric power project.
- A rare double TBM breakthrough in Delhi Metro.
- Setting a world record in long distance concrete pumping at Sainj hydroelectric power project.
- Commissioning of Dagachhu hydroelectric power project and NH34 package III road project.
- Prime Minister Shri Narendra Modi inaugurated three hydroelectric power projects built by HCC in Jammu & Kashmir: Chutak, Nimoo Bazgo and Uri stage III.

A structured communication programme highlighting these achievements created connect between HCC and the nation's critical infrastructure projects—centred on the core philosophy of 'Responsible Infrastructure'.

During the year, the Company won the following awards:

- Global Sustainability Leadership Award
 - o "Best Community Action" – HCC's Community Development Project - 'Ujjivana'
- Construction Week Awards 2014
 - o "Road & Highways Project of the Year" – Mughal Road
 - o "Water Project of the Year" – Maroshi Ruparel Water Tunnel
 - o Runners-up award for "Road Contractor of the Year"
- Zee Business India's Best Market Analyst award
 - o Infrastructure Project of the Year – Pir Panjal Railway Tunnel
- EPC World Awards
 - o "Outstanding Contribution in Urban Infrastructure" – Maroshi Ruparel Water Tunnel
 - o "Outstanding Contribution in Railway Project" – Pir Panjal Railway Tunnel
- CIDC Vishwakarma Achievement Award 2015
 - o "Best Construction Project" under Highways Category - Mughal Road Project.

Human Resources (HR)

2014-15 started with an objective of further improving operational efficiencies and becoming organisationally ready by building internal capabilities for expansion into new sectors, as well as securing new projects in the core sectors that HCC operates in. This was also done in anticipation of the markets opening up and an increased flow of infrastructure projects getting awarded.

While the organisation structure remained the same, at execution level portfolio realignment was done whenever necessary to optimise productivity and benefit from the technical expertise. With several new projects coming in different sectors and couple of existing projects reaching de-mobilisation phase, external recruitment, re-allocation and re-deployment of existing manpower remained as key focus areas. Strengthening the business development team as well as the engineering team remained as other key focus areas.

Periodic reviews of the manpower numbers and costs at the sites and the head office were undertaken to ensure that manpower cost remains within the budget and the key manpower related ratios are maintained. The key deliverables for the senior team and the project level management remained aligned to the overall organisation objective for the Company and Projects respectively.

Training and re-training the workforce at project sites continued during the year. Special emphasis was given on safety, equipment operations and maintenance training. In addition to the functional trainings which are conducted every year for the site personnel, programs on environment protection and ergonomics also were conducted for site and head office personnel. In addition, through constant co-ordination and interaction with external agencies, track is being kept on the skills development plans being put in place by various Government/autonomous bodies and the possibility of adopting the same for the organisation.

Financial Review

Table 1 gives the abridged profit and loss for HCC, as a standalone company, while **Table 2** lists the key financial ratios.

Table 1: Abridged Profit and Loss account of HCC

(₹ crore)

	2014-15	2013-14
Total Income from Operations	4301.14	4113.49
Less: Company's share of turnover from integrated JVs	174.44	74.01
Income from operations excluding integrated JVs	4126.7	4039.48
Company's share of profit/loss from integrated JVs	8.1	3.04
Total Income from Operations (including integrated JVs)	4134.8	4042.52
Operating Expenses	3353.03	3398.76
EBIDTA (excluding profit/loss from integrated JVs)	773.67	640.72
Depreciation	150.3	144.61

(₹ crore)

	2014-15	2013-14
Other Income	134.53	213.59
Foreign Exchange Gain/Loss	12.45	-13.85
EBIT	778.45	698.89
Interest	651.13	607.94
PBT	127.32	90.95
Tax	45.67	10.31
PAT	81.65	80.64

Table 2: Key Financial Ratios

	2014-15	2013-14
EBIDTA/Total Income from Operations*	18.8%	15.9%
EBIT/Total Income from Operations	18.8%	17.3%
PBT/Total Income from Operations	3.1%	2.2%
PAT/Total Income from Operations	1.9%	1.9%
ROCE=EBIT/Capital Employed	12.5%	11.8%
RONW=PAT/Net Worth	5.9%	6.4%

*excluding share of income from integrated JVs

Internal Controls and their Adequacy

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

Cautionary Statement

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

Corporate Social Responsibility (CSR): Responsible Infrastructure

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

Having said so, as per section 135 of The Companies Act 2013, HCC has formalised a CSR policy. It defines five heads of interventions: Health, Education, Environment, Rural Development, Disaster Management. The IMS procedure for effective implementation of the policy has been made.

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

- **Bogibeel Bridge, Assam:** The Bogibeel site had started the "Tatisal Project" and continued supporting it this year as well. Tatisal is Assamese for hand-made cloth weaving from loom made of bamboo or wood. This project is funded by HCC and has been implemented by an NGO, the Aurobindo Choudhuri Memorial Great India Dream Foundation, at the Bogibeel panchayat in the Dibrugarh District of Assam. The project is aimed at empowering local women weavers for self reliance and income generation to create sustained livelihood. Skill development for weaving is imparted by training the focus group of women. A total of 34 Self Help Groups (SHGs) of the weaving community have brought under one umbrella, in which 391 women are the members of the SHGs.
- **Kashang HEP site, Himachal Pradesh:** Primary health check-up and first aid is provided to the villagers from the surrounding villages Pangi, Kwangi, Telangi and Reckong Peo at the medical centres at the site. The community at Reckong Peo was provided drinking water facilities through water tankers particularly in winter season when due to extreme low temperatures, the water distribution system collapsed. Due to heavy rainfall the road from Pangi to Kandae had collapsed. Financial support was given to Kinnaur District Indian Red Cross Society for the relief work. In addition, support was also given to the local community to repair the road.
- **Kishanganga HEP, Jammu & Kashmir:** HCC supported the local school for repairing its roof by providing materials such as sheets at Badibeth village, Bandipora, J&K. As part of the J&K flood disaster response, material was provided for relief work at District Collector's office, Bandipora, and the Tehsil Office, Sumbal. Support and contributions were provided towards the rescue and relief operations in various affected areas of Bandipora district during the floods in Kashmir in September 2014.
- **NH-34 Pkg 4, West Bengal:** Rescue operation was conducted with the help of machineries and manpower of HCC for a private bus accident on the highway.
- **Pare HEP, Arunachal Pradesh:** Drinking water is being provided to villages covering 450 people. Every day, four tankers are sent to the villagers. HCC has set up the medical centre at the project office which is also extended to the villagers near or at the site.
- **RAPP, Rajasthan:** A blood donation camp was organised at Thamlav. Blood was donated by HCC's employees. The event was organised with the support of Kota Blood Bank, Kota, Rajasthan. HCC also helped construct a cowshed for stray cows at Rawatbhala.
- **Sainj HEP, Himachal Pradesh:** For the last four years, HCC has financed paying the salary of teachers of the school that covers the villages of Gadapalli and Senser. The school facilitates about 198 students who come from surrounding valley. Support was provided to the Senser Grampanchayat for construction of a stadium at the school to facilitate sports among the students and children in the community. On 8 June 2014, 24 engineering students drowned in the Larji Dam. Support was extended by giving ambulance, bus, and manpower for rescue work along with government officials.
- **Vishnugad Pipalkoti HEP, Uttarakhand:** Medical treatment and free medicine is provided to the local villages of Naurakh, Pipalkoti, Helang, Gulabkoti, Batula and Mayapur at the medical centre set up for the project site. A total of 333 villagers availed benefits of the facility. Drinking water supply was made available to 147 families of Gulabkoti. Transport facilities were provided to 20 school going children of the village of Helang; as it was to women of the Langsi village to attend the International Day for Women.
- **AS 23 Road, Assam:** In support of the Government of India's Swachh Bharat Abhiyan (Campaign for Clean India), the project team cleaned roads and the locality adjoining to the project site.

Disaster relief and response

HCC is a founding member of the World Economic Forum's Disaster Resource Network. This initiative in India focuses on training and building capacity to respond to emergency situations and support disaster relief operations. The Company has provided timely interventions in a number of rescue and relief operations within India and internationally,

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

In recognition of the serious impact of HIV/AIDS on migrant workers, HCC formed an HIV/AIDS workplace policy and adopted an intervention programme that focuses on educating and raising HIV/AIDS awareness amongst migrant workers that forms the core of the workforce at the Company's projects. The policy was implemented these policies in collaboration with the International Labour Organisation. The Company observes World AIDS Day every year on 1 December. Events are conducted with strong employee participation, and these involve rallies, pinning of red ribbons, awareness and lectures. Posters and material given by NACO/ ILO and the state-level AIDS control societies are prominently displayed. In 2014- 15, World AIDS Day events were conducted at 23 locations in India. The theme was Getting to Zero: "Zero new HIV infection. Zero discrimination. Zero AIDS-related deaths"

Water conservation and management

The Company is committed to monitor and conserve the amount of water used across its construction project sites. HCC, the first Indian Company to endorse United Nations Global Compact's 'The CEO Water Mandate' and an industry partner of the World Economic Forum (WEF), makes it a point to embed the principles of water resources management in all its activities. As a responsible corporate citizen, it has focused on sharing best practices of water stewardship. In doing so, it has adopted various methodologies at the sites to reduce the fresh water consumption. For example, HCC installed waste-water treatment plants at various project such as the Padur and Visakhapatnam cavern projects and the Kishanganga hydro electric power project, which helped to reduce fresh water

consumption at those sites by recycling of treated waste-water. HCC also commissioned a decentralised waste water treatment system at the Bogibeel road and bridge project site to treat and reuse the sewage water from toilet blocks. The Company is also engaged in national and international forum, such as the World Economic Forum, The Energy and Resources Institute, the World Business Council for Sustainable Development, the Alliance for Water Stewardship, CDP (formerly the Carbon Disclosure Project) and the Federation of Indian Chambers of Commerce and Industry.

In 2014-15, HCC's fresh water withdrawal—comprising groundwater, surface water, rainwater and water from municipalities and water tankers, desalinated water—stood at 1407 million litres. In comparison, 65 million litres of water was recycled and reused; and 792 million litres waste-water generated in work operations first treated before being discharged into the environment.

Sustainability Reporting

HCC believes in environmental transparency and disclosing the economic, environmental and social impacts of its activities through sustainability reports. It has published five sustainability reports, each of which have been accredited by the Global Reporting Initiative guidelines with an A+ grade, and is now working on the sixth report. The Company engages a third-party assurance provider to review the contents and accuracy of our sustainability reporting.

One of HCC's overarching sustainability priorities is to design and build infrastructure in an environmentally responsible manner. Its Integrated Management System reflects the commitment to improving environmental, safety and quality performance in ways that go beyond regulatory compliance. The Company is also conscious of material consumption and water footprint and encourages the adoption of energy efficient practices.

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

Report on Corporate Governance

Responsible infrastructure development with sustainable business practices forms the core of HCC's business strategy. The efforts are always focused on long term value creation. Inherent to such an objective is to continuously engage and deliver value to all its stakeholders including shareholders, customers, partners, employees and the society at large. This is supported by a business ethos that focuses on upholding a strong sense of ethics and being a responsible corporate citizen.

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

HCC takes pride in being a responsible corporate citizen and has strong ethics. This is reflected in its sense of principles, which focuses on integrity and fairness in all dealings, which are periodically disclosed in the most transparent manner possible.

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

The entire governance structure is actively supervised by Board of Directors, who oversee management activities and ensures their effectiveness in delivering member value. To implement this, HCC has always strived to promote an informed Board that functions independently.

This Chapter reports the Company's compliance with the Clause 49 of the Listing Agreement with the Stock Exchange.

I) Board of Directors

(a) Composition of the Board

The composition of the Board is in conformity with Clause 49 (II) of the Listing Agreement which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and at least 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on March 31, 2015, the Board comprised eight Directors. Of these, two are Executive Directors, including the Chairman & Managing Director who is a Promoter Director.

Out of the Six Non-Executive Directors, five are Independent Directors. During the year under review, the Company has also appointed one Woman Director.

Prof. Fred Moavenzadeh, a Non-Executive Director, retired from the Board on June 20, 2014.

The Board of Directors at its Meeting held on April 30, 2015, subject to the approval of the Members of the Company, has appointed Dr. Omkar Goswami as an Additional Director to hold office as an Independent Director of the Company and Ms. Shalaka Gulabchand Dhawan as Whole-time Director of the Company. Both these appointments are effective from April 30, 2015.

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

As mandated under Clause 49 of the Listing Agreement, the Independent Directors on the Board of the Company:

- are persons of integrity and possesses relevant expertise and experience;
- are not the Promoters of the Company or its holding, subsidiary or associate company;
- are not related to Promoters or Directors of the Company, its Holding, Subsidiary or Associate Companies;
- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its holding, subsidiary or associate company or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
- None of whose relatives has or had pecuniary or transaction with the Company, its holding, subsidiary or associate company or their Promoters, or Directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 lacs or such higher amount as prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- Neither themselves nor any of their relatives hold or have held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in the immediately preceding three financial years i.e. FY 2011-12, 2012-13 and 2013-14;
- Are not partner(s) or executive(s) or were not partner(s) or executive(s) during the preceding three years, of any of the following:
 - i. Statutory audit firm or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;
 - ii. Legal firm(s) and consulting firm(s) that have a transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- Are not holding together with their relatives 2% or more of the total voting power of the Company;
- Are not the CEO or Director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
- Are not material supplier(s), service provider(s) or customer(s) or lessor(s) or lessee(s) of the Company, which may affect their independence as a Director;
- Are not less than 21 years of age
- Are independent of the Management

Save and except Ms. Shalaka Gulabchand Dhawan, who is the relative of Mr. Ajit Gulabchand, Chairman and Managing Director of the Company, the other Directors of the Company are not related to each other.

(b) Number of Board Meetings

The Board of Directors met 4 times during the financial year 2014-15. The meetings were held on May 2, 2014, July 31, 2014, October 30, 2014 and January 29, 2015. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

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

As mandated by Clause 49 of the Listing Agreement, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/she is a Director.

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

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

(d) Information to the Board

A detailed agenda folder is sent to each Director in advance of the Board Meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. Inter alia, the following information, as may be applicable and required, is provided to the Board as a part of the agenda papers.

- Annual operating plans and budgets and any updates
- Capital budget-purchase and disposal of plant, machinery and equipment.
- Quarterly, Half yearly and Annual results of the Company.
- Minutes of the Meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, any material effluent or environmental pollution related matters.
- Any material default in financial obligations to and by the Company, or substantial non-payments by clients.
- Any issue, which involves possible public or product liability/claims of substantial nature, including any judgments or orders which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture agreement or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources or on the industrial relations front such as signing of wage agreement, etc.

- Sale of material nature, of investments, subsidiaries, assets, which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by the Management to limit the risk of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and members' service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any. Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Clause 49 of the Listing Agreement, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies and a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Companies are placed before the Board.

Table 1: Details of the Directors as on March 31, 2015**

Name of the Director	Category	Number of Board meetings held during FY 2014-15	Number of Board meetings attended during FY 2014-15	Whether attended last AGM	Number of Directorships of other public companies*	Committee Positions#		Whether having any pecuniary or business relation with the Company.
						Chairman	Member	
Ajit Gulabchand	Promoter, Chairman and Managing Director	4	4	Yes	8	1	2	None
Rajas R. Doshi	Independent Director	4	4	Yes	6	2	5	None
Ram P. Gandhi	Independent Director	4	4	Yes	6	1	Nil	None
Prof. Fred Moavenzadeh \$	Non-executive Director	4	1	No	-	-	-	None
D. M. Popat	Independent Director	4	1	Yes	2	Nil	Nil	Partner of Mulla & Mulla & Craigie Blunt & Caroe, Solicitors to the Company
Sharad M. Kulkarni	Independent Director	4	3	Yes	6	4	3	None
Anil C. Singhvi	Independent Director	4	4	Yes	6	2	2	None
Rajgopal Nogja	Group Chief Operating Officer and Whole-time Director	4	4	Yes	7	-	2	None
Harsha Bangari	Non-Executive Director	4	2	No	-	-	-	Nominee of Exim Bank

** Note: Subsequent to the close of the financial year, the Board of Directors of the Company at its Meeting held on April 30, 2015, has appointed Dr. Omkar Goswami as an Independent Director and Ms. Shalaka Gulabchand Dhawan as Whole-time Director of the Company. Both the appointments are effective April 30, 2015.

* Excludes private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in other public companies have been considered.

\$ Prof. Fred Moavenzadeh has retired from the Company w.e.f. June 20, 2014.

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

The Chairman & Managing Director and the Whole time Director receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees.

(f) Remuneration to Directors:

Remuneration was paid Mr. Rajgopal Nogja, Group Chief Operating Officer & Whole-time Director and Mr. Arun V. Karambelkar as President & Whole-time Director pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and the Members of the Company.

The Company has made an application seeking approval from Ministry of Corporate Affairs for payment of managerial remuneration of ₹ 10,65,60,000/- to Mr. Ajit Gulabchand, Chairman & Managing Director for FY 2014-15 which is in excess of the limits specified under the Companies Act, 2013. Pending approval from the Ministry, no payment has been made to Mr. Ajit Gulabchand.

The below mentioned **Table 2** gives the details of remuneration paid / payable to Directors for the year ended March 31, 2015 along with the details of outstanding Stock Options granted to them.

Table 2: Remuneration paid / payable to Directors during the year ended March 31, 2015

Name of the Director	Salaries, perquisites & Allowances ⁺	Commission	Sitting fees [*]	Technical / Professional fees [#]	Total (₹)	No. of outstanding stock options ^{\$}
Ajit Gulabchand** (Chairman & Managing Director)	10,65,60,000	-	-	-	10,65,60,000	Nil
Rajas R. Doshi	-	-	13,60,000	-	13,60,000	37,730
Ram P. Gandhi	-	-	7,80,000	-	7,80,000	37,730
Prof. Fred Moavenzadeh	-	-	20,000	14,58,750	14,78,750	Nil
D. M. Popat	-	-	3,00,000	-	3,00,000	37,730
Sharad M. Kulkarni	-	-	6,00,000	-	6,00,000	37,730
Anil C. Singhvi	-	-	19,00,000	-	19,00,000	37,730
Dr. Ila Patnaik	-	-	-	2,00,000	2,00,000	Nil
Harsha Bangari [^]	-	-	2,00,000	-	2,00,000	Nil
Rajgopal Nogja (Group Chief Operating Officer & Whole-time Director)	4,98,49,065	-	-	-	4,98,49,065	1,88,760
Arun V. Karambelkar @ (in his capacity as President & Whole-time Director)	23,74,400	-	-	-	23,74,400	3,01,950
Total	15,87,83,465	-	51,60,000	16,58,750	16,56,02,215	6,79,360

** The Company has made an application seeking approval from Ministry of Corporate Affairs for payment of managerial remuneration of ₹ 10,65,60,000/- which is in excess of the limits specified under the Companies Act, 2013, for the financial year ended March 31, 2015. Pending approval from the Ministry, no payment has been made to him.

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

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

Technical/Professional fees paid for rendering technical / professional services (excluding Service Tax) is in accordance with erstwhile Section 309(1) of the erstwhile Companies Act 1956.

\$ As on March 31, 2015, 377410 Stock Options, in aggregate are outstanding to the account of the Directors, which can be exercised at an exercise price of ₹ 52.03 per Stock Option as per the exercise schedule.

[^] In case of Ms. Harsha Bangari, who has been appointed as Nominee Director w.e.f. July 31, 2014, the sitting fees for attending Board Meetings are paid by the Company to Exim Bank.

@ As regards Mr. Arun V. Karambelkar, the remuneration paid to him in his capacity as President & Whole-time Director of the Company upto April 28, 2014 has been disclosed. Thereafter, he was appointed as President & CEO – E&C of the Company w.e.f.. April 29, 2014.

The Company did not advance loans to any of its Directors during 2014-15.

Ms. Shalaka Gulabchand Dhawan, relative of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company was holding the position of Vice President – Business Development. The gross remuneration paid to her, for the year ended March 31, 2015, was ₹ 1.17 crore which was within the limits approved by the members and Ministry of Corporate Affairs in accordance with erstwhile Section 314(1B) of the Companies Act, 1956.

Mr. Arjun Dhawan, President & CEO – HCC Infrastructure, is the relative of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company.

The gross remuneration, paid to him, for the year ended March 31, 2015, was ₹ 2.92 crore. The remuneration so paid was well within the limits approved by the members and by the Ministry of Corporate Affairs i.e. from April 1, 2014 to October 31, 2014. For the period from November 1, 2014 to March 31, 2015, it was in accordance with the approval of the members under the provisions of Section 188 of the Companies Act, 2013

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

While the details of outstanding stock options held by Non-Executive Directors have been disclosed in Table 2, the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2015 is given in **Table 3** below.

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2015

Name of the Director	Number of Shares
Rajas R. Doshi	32,000
Ram P. Gandhi	48,000
D.M. Popat	Nil
Sharad M. Kulkarni	20,000
Anil C. Singhvi	Nil
Harsha Bangari	Nil

(h) Code of Conduct

The Board of Directors has laid down two separate Codes of Conduct ('Code(s)'), one for the Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities and the other for Executive Directors and designated employees in the Senior Management. These Codes have been posted on the Company's website

– www.hccindia.com. All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2015. A declaration to this effect signed by Mr. Ajit Gulabchand, Chairman & Managing Director is annexed to this Report.

(i) Familiarisation Programmes for Board Members

The Board Members are provided with necessary documents and policies to enable them to familiarize themselves with the Company's procedures and practices.

Periodic presentations are made to the Board on business and performance of the Company.

The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company www.hccindia.com.

Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits prescribed by the Central Government. For Board Meeting and / or Committee Meetings held on May 2, 2014, the Company has paid sitting fee of ₹ 20,000/- to each NED. The Company pays a sitting fee of ₹ 1,00,000 to each NED for their attendance at every Board meeting or Board constituted Committee Meeting held after May 2, 2014. In respect of Ms. Harsha Bangari, Nominee Director, the sitting fees are paid to Exim Bank.

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

j) Performance Evaluation and Independent Directors Meeting

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that the formal annual evaluation needs to be done by the Board of its own performance and that of its Committees and individual directors. Schedule IV to the Companies Act, 2013 states that the performance evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated.

Accordingly, the Board of Directors of the Company carried out the performance evaluation of all Directors and Committees of the Company.

During the year FY 2014-15, the Independent Directors of the Company also met once to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, and (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

II) Board Committees

The Board of Directors has constituted six Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, ESOP Compensation Committee, CSR Committee and Risk Management Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

Table 4: Details of the Audit Committee

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Sharad M. Kulkarni	Independent Director	Chairman	4	3	3,00,000
Rajas R. Doshi	Independent Director	Member	4	4	3,20,000
Anil C. Singhvi	Independent Director	Member	4	4	3,20,000
D. M. Popat	Independent Director	Member	4	1	1,00,000

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on June 20, 2014 to answer members' queries.

The terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III) (D) of the Listing Agreement and Section 177(1) of the Companies Act, 2013. Further, the Audit Committee has been granted powers as prescribed under Clause 49 (III)(C) of the Listing Agreement.

The terms of reference of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(a) Audit Committee

As on March 31, 2015, the Audit Committee comprises four Independent Directors. viz Mr. Sharad M. Kulkarni - (Chairman), Mr. Rajas R. Doshi, Mr. Anil C. Singhvi and Mr. D. M. Popat. All Members of the Audit Committee possess accounting and financial management knowledge.

The Senior Management team i.e. Chairman & Managing Director, Group Chief Operating Officer & Whole-time Director, President & CEO - E&C, Group Chief Financial Officer, COO & CFO (E&C), the Chief Internal Auditor and the representative of the statutory auditors are invited for the meetings of the Audit Committee. Mr. Vithal P. Kulkarni, Company Secretary is the Secretary to this Committee.

The Audit Committee met four times during the year, i.e. on May 02, 2014, July 31, 2014, October 30, 2014 and January 29, 2015. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in **Table 4.**

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.

- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the

audit as well as post-audit discussions to ascertain any area of concern;.

- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism.
- Approval of appointment of CFO(i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.

Review of Information by Audit Committee :

Besides the above, the role of the Audit Committee includes mandatory review of the following information

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;

(b) Nomination and Remuneration Committee

As of March 31, 2015 , this Committee comprised three Independent Directors. They are Mr. Anil Singhvi – (Chairman), Mr. D. M. Popat. and Mr. Rajas R. Doshi. Mr. Ram P. Gandhi had resigned as a member and Mr. Rajas R. Doshi was appointed as a member w.e.f. July 31, 2014 in his place.

On April 30, 2015, Mr. Ajit Gulabchand, Chairman and Managing Director of the Company has been appointed as a Member of this Committee.

This Committee met four times during the last /previous financial year i.e. on May 2, 2014, October 30, 2014, January 29, 2015 and March 3, 2015. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board.

The Chairman and Managing Director (prior to his appointment as Member of the Committee) and Group EVP- HR are invited for the meetings. The Company Secretary is the Secretary of the Committee.

The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in **Table 5** below:

Table 5: Details of the Nomination and Remuneration Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting fees paid (₹)
Anil C. Singhvi	Independent Director	Chairman	4	4	3,20,000
Ram P. Gandhi*	Independent Director	Member	4	1	20,000
D. M. Popat	Independent Director	Member	4	1	1,00,000
Rajas R. Doshi*	Independent Director	Member	4	3	3,00,000
Ajit Gulabchand \$	Chairman and Managing Director	Member	-	-	-

* Mr. Ram Gandhi resigned as Member and Mr. Rajas R Doshi was appointed as a member in his place, w.e.f. July 31, 2014.

\$ Mr. Ajit Gulabchand, Chairman and Managing Director of the Company was appointed as a Member of Nomination and Remuneration Committee w.e.f. April 30, 2015.

In accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the role of the Nomination and Remuneration Committee of the Company is as under:

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

(c) Stakeholders Relationship Committee

This Committee comprises four Directors viz. Mr. Ram P. Gandhi – (Chairman), Mr. Rajas R. Doshi, Mr. Ajit Gulabchand, Chairman & Managing Director and Mr. Rajgopal Nogja, Group Chief Operating Officer & Whole-time Director. The Company Secretary, Mr. Vithal P. Kulkarni is the Compliance Officer of the Company.

During 2014-15, the Committee met four times on May 2, 2014, July 31, 2014, October 30, 2014 and January 29, 2015. The Minutes of the Stakeholders Relationship Committee are noted by the Board.

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

Table 6: Details of the Stakeholders Relationship Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting fees paid (in ₹)
Ram P. Gandhi	Independent Director	Chairman	4	4	3,20,000
Rajas R. Doshi	Independent Director	Member	4	4	3,20,000
Ajit Gulabchand	Chairman & Managing Director	Member	4	4	-
Rajgopal Nogja	Group COO & Whole-time Director	Member	4	4	-

During 2014-15, 742 queries/complaints were received by the Company from members/investors/authorities, all of which have been redressed / resolved to date, satisfactorily as shown in **Table 7** below:

As on date, there are no pending share transfers/ complaints/queries pertaining to the year under review.

Table 7: Details of investor queries/complaints received and attended during 2014-15

Nature of Queries/ Complaints	Pending as on April 1, 2014	Received during the year	Redressed during the year	Pending as on March 31, 2015
1. Transfer/Transmission/Issue of Duplicate Share Certificates	-	51	51	-
2. Non-receipt of Dividend	-	402	402	-
3. Dematerialisation/ Rematerialisation of Shares	-	3	3	-
4. Complaints received from :				
a. Securities and Exchange Board of India	-	1	1	-
b. Stock Exchange(s) / NSDL / CDSL	-	9	9	-
c. Registrar of Companies / Ministry of Corporate Affairs / Others	-	-	-	-
d. Advocates	-	-	-	-
e. Consumer Forum/Court Case	-	-	-	-
5. Others	-	276	276	-
Grand Total	-	742	742	-

The Committee deals with the following matters:

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

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

(d) ESOP Compensation Committee

The ESOP Compensation Committee comprises three Directors. viz. Mr. Sharad M. Kulkarni (Chairman), Mr. Ram P. Gandhi and Mr. Rajgopal Nogja, Group COO & Whole-time Director.

The ESOP Compensation Committee deals with various matters relating to:

- The number of options to be granted under the Employees Stock Option Scheme per employee and in aggregate.
- The conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
- The exercise period within which the employee should exercise the options and that options would lapse on failure to exercise the options within the exercise period.
- The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- The right of an employee to exercise the options vested in him at one time or at various points of time within the exercise period.
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- The grant, vest and exercise of options in case of employees who are on long leave.
- Allotment of shares upon exercise of options.

No meetings of the ESOP Compensation Committee were held during 2014-15.

(e) Corporate Social Responsibility (CSR) Committee:

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on May 2, 2014, has constituted the CSR Committee which comprises three directors viz. Mr. Ajit Gulabchand (Chairman), Mr. Rajas R. Doshi and Mr. Ram P. Gandhi and defined the role of the Committee, which is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as

specified in Schedule VII of the Companies Act, 2013.

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

During 2014-15, the Committee met once i.e. on January 29, 2015. The Minutes of the CSR Committee are noted by the Board.

The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in **Table 8**

Table 8: Details of the CSR Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting fees paid (in ₹)
Ajit Gulabchand	Chairman & Managing Director	Chairman	1	1	-
Rajas R. Doshi	Independent Director	Member	1	1	1,00,000
Ram P. Gandhi	Independent Director	Member	1	1	1,00,000

(f) Risk Management Committee:

In accordance with the provisions of Clause 49 of the Listing Agreement, the Board of Directors of the Company at its Meeting held on October 30, 2014 constituted a Risk Management Committee. This Committee comprises 5 Members i.e. Mr. Ajit Gulabchand, Chairman and Managing Director, Mr. Rajgopal Nogja, Group COO & Whole-time Director, Mr. Rajas R. Doshi, Director, Mr. Arun V. Karambelkar, President & CEO – E&C and Mr. Praveen Sood, Group CFO & EVP – HCC Group Office.

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

No meeting of this Committee was held during the financial year i.e. 2014-15.

management, their subsidiaries or relatives, etc. are presented in the Notes to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During 2014-15, there were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company.

As required under Clause 49 of the Listing Agreement, the Company has formulated a Related Party Transaction Policy which is available on the website of the Company i.e. [www.hccindia.com \(http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf\)](http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf)

(b) Accounting treatment in preparation of financial statements

The Company has followed the Accounting standards notified by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, read with Companies (Accounts) Rules, 2014 in preparation of its financial statements.

(c) Risk Management

The Company has established a well-documented and robust risk management framework. The Board of Directors of the Company at its Meeting held on January 29, 2015 has also approved the

III) Management

Management Discussion and Analysis Report

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

Disclosures

(a) Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the

Risk Management Policy. As mentioned earlier, the Company has also constituted a Risk Management Committee, which has been delegated the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks.

To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, HCC has set in place various procedures for Risk Management.

(d) **Subsidiary Companies**

In accordance with Clause 49(V) of the Listing Agreement with Stock Exchanges, HCC Real Estate Limited (HREL), Lavasa Corporation Limited (Lavasa) and HCC Concessions Ltd. are three material non-listed Indian subsidiaries of the Company whose individual turnover or net worth (i.e. paid-up capital and free reserves) exceed 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

Mr. Sharad M. Kulkarni, Mr. Anil C. Singhvi and Mr. Rajas R. Doshi, Independent Directors of the Company are on the Board of Lavasa. Mr. Rajas R Doshi, Independent Director of the Company has also been appointed as a Director on the Board of HREL and HCC Concessions Limited.

The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and necessary management resources.

For effective governance, the Company overviews the performance of its subsidiaries, inter alia, in the following manner:

- The financial statements, in particular, the investments made by the unlisted subsidiary companies, are reviewed by the Audit Committee and the Board of Directors of the Company.
- The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company.

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

As required under Clause 49, the Company has also formulated a Policy for determining "Material Subsidiaries" which is available on the website of the Company i.e. [www.hccindia.com \(http://www.hccindia.com/pdf/HCC_Policy_for_determining_Material_Subsidiaries.pdf\)](http://www.hccindia.com/pdf/HCC_Policy_for_determining_Material_Subsidiaries.pdf)

(e) **Code for Prevention of Insider Trading Practices**

The Company has instituted a comprehensive Code for prevention of Insider Trading, for its Directors and designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.

The objective of this Code is to prevent purchase and/ or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares when the Trading Window is closed. Further the Code specifies the procedures to be followed and disclosures to be made by Directors and the designated employees, while dealing with the shares of the Company and enlists the consequences of any violations. Mr. Vithal P. Kulkarni, Company Secretary, has been designated as the Compliance Officer for this Code.

Vigil Mechanism / Whistle Blower Policy

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

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

(f) **CEO/CFO Certification**

As required under Clause 49 (IX) of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and the Group Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended March 31, 2015 which is annexed to this Report.

(g) **Pledge of Equity Shares**

During the year 2012-13, Hicon Holdings Ltd., Promoter Company of HCC, had pledged its holding of 20,07,03,600 equity shares of Re. 1 each of HCC

in favour of 3i Infotech Trusteeship Services Ltd., the Security Trustees for the CDR Lenders in accordance with the requirement of CDR package approved for the Company by the Corporate Debt Restructuring (CDR) Cell under the regulatory framework of RBI.

No other pledge has been created over the equity shares held by the other Promoters and/or Promoter Group Shareholders as on March 31, 2015.

The aggregate shareholding of the Promoters and Members of the Promoter Group as on March 31, 2015, was 281,015,080 Equity Shares of Re. 1 each representing 43.51% of the paid-up Equity Share Capital of the Company.

IV) Shareholder Information

(a) Disclosures regarding the Board of Directors:

As per the provisions of Section 152 of the Companies Act, 2013, Mr. D. M. Popat, Director of the Company retires by rotation at the ensuing Annual General Meeting. However, Mr. D. M. Popat has expressed his intention not to seek re-election as a Director of the Company.

The Board of Directors of the Company at its Meeting held on July 31, 2014, appointed Ms. Harsha Bangari as Nominee Director (Nominee of Exim Bank) w.e.f. July 31, 2014.

Based on the recommendation of the Nomination and Remuneration Committee and after reviewing the declarations submitted by Mr. Rajas R. Doshi and Mr. Anil C. Singhvi, Independent Directors, the Board of Directors of the Company by way of resolution dated March 17, 2015 passed by circulation, formed an opinion that the said Directors meet with the criteria of Independence as per Section 149(6) of the Companies Act, 2013 ("the Act") and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being appointed as the Independent Directors on the Board of the Company.

Accordingly, Mr. Rajas R. Doshi and Mr. Anil C. Singhvi, who were appointed as "Directors liable to retire by rotation" under the provisions of the erstwhile Companies Act, 1956 and who qualify for being appointed as Independent Directors of the Company are proposed to be appointed at the ensuing Annual General Meeting as Independent Directors of the Company under the Companies Act, 2013 for the

period w.e.f. March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

On the recommendation of the Nomination and Remuneration Committee and after reviewing the declaration submitted by Dr. Omkar Goswami, Independent Director, the Board of Directors of the Company at its Meeting held on April 30, 2015 formed an opinion that the said Director meets with the criteria of Independence as per Section 149(6) of the Companies Act, 2013 ("the Act") and the rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and accordingly appointed Dr. Omkar Goswami as an Additional Director to hold office as an Independent Director of the Company w.e.f. April 30, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

The Board of Directors at its Meeting held on April 30, 2015, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Shalaka Gulabchand Dhawan as Additional Director and also as Whole-time Director of the Company for a period of five years w.e.f. April 30, 2015, subject to the approval of the Members of the Company.

The Company has also received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

Detailed profile of the Directors who are seeking appointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company:

(b) Means of Communication:

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.hccindia.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

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

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2011-12 (AGM)	Friday, June 15, 2012 11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Approval of shareholders for payment of remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director during his remainder tenure i.e. for the financial years 2011-12 & 2012-13 respectively. 2. Approval for payment of remuneration to Mr. Arun Karambelkar President & Whole- time Director for a period of 3 years i.e. from April 29, 2011 upto April 28, 2014. 3. Approval for Ms. Shalaka Gulabchand Dhawan to hold and continue to hold an office or place of profit under the Company, as Vice President (Business Development) of the Company at a revised remuneration w.e.f July 1,2012. 4. Enabling Resolution for Issuance of Equity Shares/Securities under Section 81(1A) of the Companies Act, 1956 for an amount not exceeding ₹ 1,500 crore.
2012-13 (AGM)	Friday, June 21, 2013,11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Approval of shareholders for reappointment of Mr. Ajit Gulabchand as the Managing Director designated as Chairman & Managing Director of the Company for a period of 5 years and payment of remuneration for the period of 3 years w.e.f. April 1, 2013. 2. Approval for appointment of Mr. Rajgopal Nogja as the Whole-time Director of the Company designated as Group Chief Operating officer and Whole-time Director of the Company for a period of 5 years and payment of remuneration for a period of 3 years w.e.f. May 3, 2013. 3. Approval for issue on preferential basis upto 4,50,00,000 Warrants to the promoters in one or more tranches , for a value not exceeding ₹64 crore on such terms and conditions, as may be determined by the Board of the Company. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ₹ 1000 crore
2013-14 (AGM)	Friday, June 20, 2014,11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Special Resolution under Section 188 of the Companies Act, 2013 for revision in remuneration payable to Mr. Arjun Dhawan, President & CEO – Infrastructure Business of the Company w.e.f. November 1, 2014 2. Special Resolution for borrowing monies in excess of the aggregate of the paid up share capital and reserves of the Company, provided that the total amount borrowed and outstanding at any point of time apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, shall not exceed ₹ 10,000 crore 3. Special Resolution under Section 14 of the Companies Act, 2013 for amendment of Articles of Association of the Company. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ₹ 1000 crore

The quarterly and annual results are published in Business Standard (English) and Sakal (Marathi), which are national and local dailies respectively and also displayed on the Company's website for the benefit of the public at large.

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

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large.

For the benefit of the members, a separate email id has been created for member correspondence viz., secretarial@hccindia.com

(c) General Body Meetings:

The Company generally convenes the Annual General Meeting (AGM) within three months from the end of the financial year.

Postal Ballot

During the year 2014-15, two special resolutions were passed by postal ballot, the details of which are as follows:-

1. Giving Loans/Guarantees or providing Securities for and on behalf of Subsidiary Companies (including overseas subsidiaries) and/or making investments in such subsidiaries upto an aggregate amount not exceeding ₹ 500 crore.
2. Creation of charges/mortgages on the moveable properties of the Company, both present and future, in respect of borrowings of the Company not exceeding ₹ 10,000 crore.

None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.

(d) General Shareholder Information :

• Forthcoming Annual General Meeting

Date : July 14, 2015
Day : Tuesday
Time : 11.00 a.m.
Venue : Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020.

• Last date for Receipt of Proxies

Sunday, July 12, 2015 (before 11:00 a.m. at the Registered Office of the Company)

• Financial Year

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

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

1 st Quarter Results	: July 31, 2014
2 nd Quarter Results	: October 30, 2014
3 rd Quarter Results	: January 29, 2015
4 th Quarter & Annual Results	: April 30, 2015

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2016 are as follows:

1 st Quarter Results	: July 30, 2015
2 nd Quarter Results	: October 29, 2015
3 rd Quarter Results	: January 28, 2016
4 th Quarter & Annual Results	: April 28, 2016

• Dates of Book Closure

Friday, July 10, 2015 to Tuesday, July 14, 2015 (both days inclusive)

• Listing

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Global Depository Shares (GDSs) of the Company are listed on the Luxembourg Stock Exchange

The Company has paid the annual listing fees for the year 2015-16 to BSE and NSE. The Company has also paid annual maintenance fees to Luxembourg Stock Exchange.

• Stock Codes :

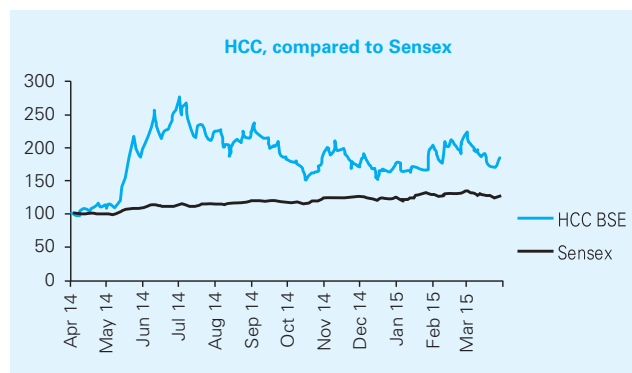
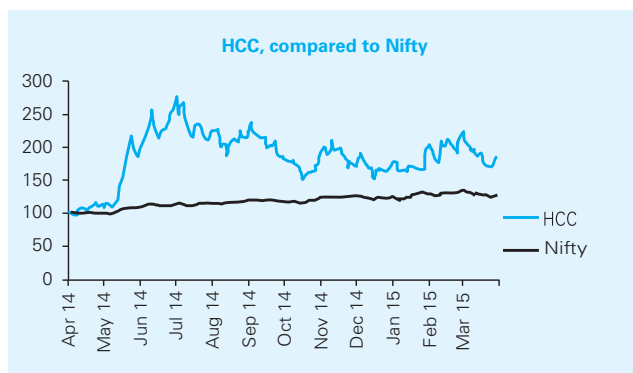
ISIN (Equity Shares) in NSDL & CDSL	INE549A01026
BSE Code	500185
NSE Code	HCC
Luxembourg Stock Exchange Code :	
GDSs (ISIN)	US4332191026

• Corporate Identification Number :

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L45200MH1926PLC001228.

Share Price Data : High/Low and Volume during each month of 2014-15 at BSE and NSE

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2014	20.80	16.70	22176308	20.80	16.65	85599836
May 2014	40.35	19.10	61568966	40.30	19.10	211589772
June 2014	47.40	33.70	36239389	47.50	33.50	134192717
July 2014	49.00	35.00	25593669	49.05	35.10	80225114
August 2014	42.50	31.80	18438599	42.70	31.80	56229920
September 2014	42.60	31.20	25549865	42.65	31.15	83806289
October 2014	33.65	26.60	18473988	33.60	26.55	61405267
November 2014	38.25	29.35	26514486	38.35	29.35	92262018
December 2014	34.75	25.90	21801439	34.80	25.80	79064822
January 2015	35.00	28.40	22899338	34.90	28.35	83966206
February 2015	39.25	30.75	42324044	39.40	30.70	159106184
March 2015	40.90	29.05	35453967	40.90	29.10	140599763



Distribution of shareholding as on March 31, 2015

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
1 to 500	27,719,802	4.29	147,465	71.34
501 to 1000	22,728,994	3.52	26,821	12.98
1001 to 2000	27,292,260	4.23	16,437	7.95
2001 to 3000	16,100,139	2.49	5,947	2.88
3001 to 4000	9,698,882	1.50	2,601	1.26
4001 to 5000	9,363,275	1.45	1,949	0.94
5001 to 10000	22,926,443	3.55	3,052	1.48
Greater than 10000	509,996,311	78.97	2,418	1.17
Total	645,826,106	100.00	206,690	100.00

Shareholding Pattern

Categories	As on March 31, 2015		As on March 31, 2014	
	No. of Shares	Percentage of Shareholding	No. of Shares	Percentage of Shareholding
Promoter and Promoter Group and Directors and Relatives	281,307,680	43.56	242,239,714	39.93
Foreign Institutional Investors/FPIs -Corporation	76,768,525	11.89	83,699,073	13.80
Public Financial Institutions/State Financial Corporation/Insurance Companies	8,382,144	1.30	8,382,144	1.38
Mutual Funds (Indian) and UTI	12,405,486	1.92	12,922,811	2.13
Nationalised and other Banks	1,260,738	0.19	1,455,761	0.24
NRI/OCBs	8,903,159	1.38	7,003,424	1.16
GDSs	17,300	0.00	120,720	0.02
Public	256,781,074	39.76	250,786,773	41.34
Total	645,826,106	100.00	606,610,420	100.00

List of Top 20 Shareholders of the Company as on March 31, 2015

Sr. No.	Name of the Shareholder	Category	No.of Shares	% To Total Capital
1	Hincon Holdings Ltd	Promoter	216,023,600	33.45
2	Hincon Finance Limited	Promoter	62,261,186	9.64
3	SIWA Holdings Limited	FII	36,082,151	5.59
4	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	FII	11,389,870	1.76
5	Sundaram Mutual Fund A/C Sundaram Select Midcap	Mutual Fund	9,985,780	1.55
6	Life Insurance Corporation of India	Insurance Co	5,940,480	0.92
7	Dimensional Emerging Markets Value Fund	FII	5,073,959	0.79
8	Jai-Vijay Resources Pvt Ltd	Bodies Corporate	5,000,006	0.77
9	MV SCIF Mauritius	FII	4,317,305	0.67
10	Pragmatic Traders Pvt Ltd	Bodies Corporate	3,673,522	0.57
11	Kotak Mahindra Investments Ltd	Bodies Corporate	3,392,746	0.53
12	Amal N Parikh	Non-Resident Without Repatriation Benefit (NRO)	3,200,000	0.50
13	The Indiaman Fund (Mauritius) Limited.	FII	2,825,000	0.44

Sr. No.	Name of the Shareholder	Category	No. of Shares	% To Total Capital
14	Copthall Mauritius Investment Limited	FII	2,777,127	0.43
15	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc (DFAIDG)	FII	2,773,413	0.43
16	Religare Securities Ltd	Bodies Corporate	2,237,557	0.35
17	Viral Amal Parikh	Resident Individual	2,185,000	0.34
18	Ajit Gulabchand	Promoter	2,117,294	0.33
19	Religare Finvest Ltd	Bodies Corporate	2,008,455	0.31
20	Vanguard Total International Stock Index Fund	FII	2,007,730	0.31
Total			385,272,181	59.66

- Dematerialization of Shares and Liquidity**

As on March 31, 2015, 63,76,60,423 equity shares representing 98.74% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2015, is given below:

Particulars	No. of shares	Percentage
Physical Segment	8165683	1.26
Demat Segment :-		
NSDL	560630716	86.81
CDSL	77029707	11.93
Total	64,58,26,106	100.00

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

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

- Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

(a) Global Depository Shares (GDSs)

The Company had issued Global Depository Shares (GDSs) in 2006 and the underlying shares against each of the GDSs were issued in the name of the Depository, Citi Bank N.A. As on

March 31, 2015, 17,300 GDSs were outstanding and represented an equal number of underlying equity shares. Since the underlying Equity Shares represented by GDSs have been allotted in full, the outstanding GDSs have no impact on the Equity Share Capital of the Company.

(b) Employees Stock Options (ESOPs)

As on March 31, 2015, 32,39,330 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ₹ 52.03 per stock option.

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

During the year under review, no options got vested to the employees of the Company.

No options were exercised by the optionees during the year.

- Details regarding Listing and redemption of Debt Securities**

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

During the year under review, the Company has neither issued any fresh debentures nor redeemed existing debentures.

The existing Non Convertible Debentures (NCDs) of ₹ 120 crore held by Axis Bank and ₹ 100 crore held by LIC stands restructured under approved CDR package as per CDR Letter of Approval dated June 29, 2012. Accordingly there is a 2 years moratorium and 8 years for repayment of the aforementioned principal amount to the Lenders. As of 31st March 2015, an amount of ₹ 100.80 crore was outstanding as regards NCDs issued and allotted to Axis Bank and an amount of ₹ 84 crore was outstanding for NCDs held by LIC.

- **Share Transfer system**

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

- **Address for members' correspondence:**

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

- **Registrars and Share Transfer Agents :**

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

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

Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

Members may contact the Compliance Officer and/or the Investor Relations Officer at the following address:

- **Compliance Officer:**

Mr. Vithal P. Kulkarni
Company Secretary

Hindustan Construction Co. Ltd. Hincon House,
11th Floor, 247Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083, India.
Tel: +91-22-2575 1000 Fax: +91-22-2577 5950
Website: www.hccindia.com
Email: secretarial@hccindia.com

- **Investor Relations Officer:**

Mr. Pankaj Bahal / Mr. Santosh Kadam
Hindustan Construction Co. Ltd.
Hincon House, 11th Floor,
247Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai-400 083, India
Tel: +91-22-2575 1000 Fax: +91-22-2577 5950
Website: www.hccindia.com
Email: secretarial@hccindia.com

V) Compliance:

(a) **Compliance under Clause 49 of the Listing Agreement:**

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

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed or passed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

(ii) **Compliance with mandatory requirements**

The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the Listing agreement with the Stock Exchanges, relating to Corporate Governance.

(iii) **Adoption of non-mandatory requirements**

Audit Qualifications:

During the year under review, there is no audit qualification in the Auditor's Report. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

(iv) Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Clause 49 of the Listing Agreement, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

(b) Compliance with Clause 5A of the Listing Agreement – Uniform procedure for dealing with unclaimed shares:

In accordance with the requirement of Clause 5A (II) of the Listing Agreement, in respect of the Bonus Equity Share certificate(s) dispatched by the Company in August 2010, which were "returned undelivered", TSR Darashaw Limited, Registrar and Share Transfer Agents of the Company have sent two reminders to all such member(s) at their addresses as per Register of Members.

As and when response from members have been/ will be received, the respective Share Certificate(s) in respect of the unclaimed shares are/will be re-dispatched to those members.

Upon completing the process of dispatching the mandatory third reminder letter, the Company shall comply with the other formalities prescribed under Clause 5A for dealing with the unclaimed shares, if any.

(c) Disclosure under Clause 53 of the Listing Agreement regarding certain agreements with the media companies:

Pursuant to the requirement of Clause 53 of the Listing Agreement, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company

and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates.

VI) Investor safeguards and other information:

• **Dematerialisation of Shares**

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

• **Revalidation of Dividend Warrants**

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

• **Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF)**

Under the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

Dates of declaration of dividends since FY 2007-08 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below.

Financial year ended	Date of declaration of dividend	Amount remaining unclaimed / unpaid as on 31.03.2015 (₹)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
31.03.2008	13.06.2008	1,210,681.60	19.07.2015	18.08.2015
31.03.2009	12.06.2009	1,868,548.80	18.07.2016	17.08.2016
31.03.2010	11.06.2010	1,669,735.20	17.07.2017	16.08.2017
31.03.2011	10.06.2011	2,462,787.60	16.07.2018	15.08.2018

Separate letters have already been sent on December 22, 2014 to the Members who are yet to encash the dividend for the financial year 2007-08 indicating that the unclaimed amount will be transferred to IEPF, if not claimed by the members before the due date of transfer to the said Fund. Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents i.e. TSR Darashaw Limited at their communication address for encashing the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.

- **Update Address/ E-Mail Address/Bank Details**

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

- **Electronic Service of Documents to Members at the Registered Email Address**

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

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

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members / members whose shareholding

is in dematerialized form and whose email ids are registered with the Depository for communication purposes. As regards Members / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, M/s TSR Darashaw Limited at their specified address, so as to update their registered email address from time to time.

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

- **E-Voting Facility to members**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 89th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

- [Consolidate multiple folios \(in respect of physical shareholding\)](#)

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

- [Register Nomination\(s\)](#)

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may

obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

- [Dealings of Securities with Registered Intermediaries](#)

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

CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The Board of Directors,
Hindustan Construction Co. Ltd.

We have reviewed the financial statements and the cash flow statement of Hindustan Construction Co. Ltd. for the year ended March 31, 2015 and to the best of our knowledge and belief:

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

Praveen Sood

Group Chief Financial Officer

Ajit Gulabchand

Chairman & Managing Director

Mumbai, April 30, 2015

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members
Hindustan Construction Co. Ltd.

I hereby declare that all the Directors and the designated employees in the Senior management of the Company have affirmed compliance with their respective codes for the financial year ended March 31, 2015

For Hindustan Construction Co. Ltd.

Ajit Gulabchand
Chairman & Managing Director

Mumbai, April 30, 2015

AUDITORS CERTIFICATE OF CORPORATE GOVERNANCE UNDER REVISED CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members,
Hindustan Construction Co. Ltd.

We have examined the compliance of conditions of Corporate Governance by Hindustan Construction Co. Ltd. ("the Company") for the year ended March 31, 2015, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the revised Clause 49 of the abovementioned Listing Agreement.

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

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co.)
Chartered Accountants
(Firm Registration No.001076N/N500013)

Per Amyn Jassani
Partner
Membership No. 46447

Mumbai, April 30, 2015

Notice

NOTICE is hereby given that the Eighty- Ninth Annual General Meeting of the Members of Hindustan Construction Company Limited will be held on Tuesday, July 14, 2015 at 11.00 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400020, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2015 including the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the vacancy caused by the retirement by rotation of Mr. D. M. Popat, who has not sought re-appointment, be not filled in at this Meeting or any adjournment thereof.”
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s Walker Chandiok & Co.LLP, Chartered Accountants Mumbai (Firm's Registration No. 001076N) as Auditors of the Company for a term of 5 years i.e. till the conclusion of 93rd Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting to be held in the financial year 2016-17 on such remuneration as may be determined by the Board of Directors.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized in consultation with the Company's Auditors to appoint Branch Auditor(s) of the Company, to audit the accounts of the Company's Project Sites within and outside India, present and

future, on such terms and conditions including remuneration as the Board of Directors may deem fit.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass , the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Rajas R. Doshi (holding DIN 00050594), Director of the Company, who was appointed as a Director liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956 and who has given declaration that he meets with the criteria of independence and qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office effective from March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.

5. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Anil C. Singhvi (holding DIN 00239589), Director of the Company who was appointed as a Director liable to

retire by rotation under the provisions of the erstwhile Companies Act, 1956 and who has given declaration that he meets with the criteria of independence and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office effective from March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 (hereinafter referred to as Act) and Clause 49 of the Listing Agreement, Dr. Omkar Goswami (holding DIN 00004258), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who has given a declaration that he meets with the criteria of independence as provided in sub section (6) of Section 149 of the Act and qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office effective from April 30, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts

and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) (“ the Act”) and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval to the appointment of Ms. Shalaka Gulabchand Dhawan (holding DIN 00011094), as a Whole-time Director of the Company for a period of 5 years w.e.f. April 30, 2015.

RESOLVED FURTHER THAT subject to such approvals as may be required, the Company hereby accords its approval for payment of remuneration to Ms. Shalaka Gulabchand Dhawan, Whole-time Director of the Company for a period of three years effective April 30, 2015 to April 29, 2018 as set out in the draft Agreement to be entered into between the Company and Ms. Shalaka Gulabchand Dhawan, as placed before this meeting and initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT in case during the above referred years, the Company has, no profits or its profits are inadequate, Ms. Shalaka Gulabchand Dhawan, Whole-time Director be paid the aforementioned remuneration as “Minimum Remuneration” in the respective financial year(s) notwithstanding that the same may exceed the ceiling limit laid down in Sections 197 read with Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above appointment and remuneration in such manner as may be permitted in accordance with the provisions of the Act, subject to such approvals as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

8. To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 00240) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15, amounting to ₹ 2,50,000/- (Rupees two lakhs fifty thousand only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

10. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Clause 49 (V) of the Equity Listing Agreement (as revised from time to time) and all applicable laws and regulations and such permissions, approvals, consents and sanctions as may be necessary from the concerned statutory/regulatory authorities or any other authorities and subject to such other terms and conditions as may be imposed by such concerned statutory/regulatory/other authorities consent of the Company be and is hereby accorded to sell, transfer or otherwise dispose of the whole or substantially the whole of the entire investments / shares held by HCC Concessions Limited, a Subsidiary of the Company, in Nirmal BOT Limited, a Subsidiary Company, Dhule Palesner Tollway Limited, a Joint Venture Company, Baharampore – Farakka Highways Limited and Farakka – Raiganj Highways Limited, Subsidiary Companies for a consideration and such other terms and conditions as agreed upon between HCC Concessions Limited, a Subsidiary of the Company and the respective purchasing entities.

RESOLVED FURTHER THAT the Board be and hereby authorized to take all incidental and necessary steps for and on behalf of the Company and to settle all questions or queries that may arise in the course of implementing this resolution as may be necessary for giving effect to this resolution and it shall also have the power and authority severally and to delegate all or any of powers conferred herein as it may deem fit.”

11. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or any statutory modifications and/or re-enactment thereof for the time being in force (the “Act”), all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 (“FEMA”), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 including any statutory modifications or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such

other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable, as amended from time to time, issued by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), Stock Exchanges, the Securities and Exchange Board of India ("SEBI") including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") as may be applicable and in accordance with the enabling provisions in the Memorandum and Articles of Association of the Company and /or stipulated in the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, SEBI, RBI, Stock Exchanges and any other relevant statutory /governmental/regulatory authorities (the "concerned Authorities") as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, consents, permissions and sanctions as may be necessary, which may be agreed upon by the Board of Directors of the Company as deemed appropriate (hereinafter referred to as the "Board", which term shall include any Committee (s) constituted /to be constituted by the Board to exercise the powers conferred on the Board by this Resolution), consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and /or Equity Shares through depository receipts including American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and /or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and /or other securities convertible into Equity Shares at a later date, at the option of the Company and /or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), as the

Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings in domestic and /or one or more international market(s), with or without a green shoe option, or issued /allotted through Qualified Institutions Placement (QIP) in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible investors, including residents and/or non-residents and/or qualified institutional buyers and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, whether or not such Investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 1000 crore (Rupees One Thousand Crore Only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s)/ offering(s), the Investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio/number of Equity Shares to be allotted on redemption/conversion, period of conversion, fixing of record date or book closure dates, etc., as the case may be applicable, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and /or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and /or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue").

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject

to the provisions of the Memorandum and Articles of Association of the Company and the Equity Shares to be allotted in terms of this resolution shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT if the issue or any part thereof is made for a QIP, FCDs, PCDs, OCDs or any other Securities, which are convertible into or exchangeable with the Equity Shares of the Company (hereinafter collectively referred as "Other Specified Securities" and together with Equity Shares of the Company (hereinafter referred as "Specified Securities") within the meaning of the SEBI Regulations) or any combination of Specified Securities as may be decided by the Board, issued for such purpose, the same shall be fully paid-up and the allotment of such Specified Securities shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under the SEBI Regulations and the Specified Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized Stock Exchange, or as may be permitted from time to time under the SEBI Regulations.

RESOLVED FURTHER THAT the Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER THAT in the event of issue of Specified Securities by way of a QIP, the 'Relevant Date' on the basis of which the price of the Specified Securities shall be determined as specified under SEBI Regulations, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of Specified Securities or such other date as may be decided by the Board and as permitted by the SEBI Regulations, subject to any relevant provisions of applicable laws, rules and regulations as amended from time to time, in relation to the proposed issue of the Specified Securities.

RESOLVED FURTHER THAT in the event of issue of Other Specified Securities, the number of Equity Shares and /or conversion price in relation to Equity Shares that may be issued and allotted on conversion shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring exercise.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevalent market practices in the capital markets including but not limited to the terms and conditions relating to variation of the price or period of conversion of Other Specified Securities into Equity Shares or for issue of additional Securities and such of these Securities to be issued, if not subscribed, may be disposed of by the Board, in such manner and/or on such terms including offering or placing them with banks /financial institutions /mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, rules and regulations.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorised committee of directors decides to open such issue after the date of this resolution or such other date as may be decided by the Board subject to the relevant provisions of the applicable law, rules and regulations as amended from time to time, in relation to the proposed issue of the securities .

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any issue, offer and allotment of Securities, the Board be and is

hereby authorized to take all such actions, give such directions and to do all such acts, deeds, things and matters connected therewith, as it may, in its absolute discretion deem necessary, desirable or incidental thereto including without limitation the determination of terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, the entering into and executing arrangements/agreements for managing, underwriting, marketing, listing of Securities, trading, appointment of Merchant Banker(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals, intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to prospectus and/or letter of offer and/or circular, documents and agreements including conducting all requisite filings with GOI, RBI, SEBI, Stock Exchanges, if required and any other concerned authority in India or outside, and to give such directions that may be necessary in regard to or in connection with any such issue, offer and allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the Members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company to give effect to the aforesaid resolution and thereby such Committee of Directors or one or more such Directors as authorized are empowered to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modifications as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in this regard."

By Order of the Board
For **Hindustan Construction Co. Ltd**

VITHAL P. KULKARNI
Company Secretary

Registered Office:
Hincon House,
11th Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: April 30, 2015

NOTES FORMING PART OF THE NOTICE

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER.

THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith.

2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, July 10, 2015 to Tuesday, July 14, 2015 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

5. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company and all its

Subsidiaries for consideration and adoption by the Members of the Company.

6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
7. The Members are requested to:
 - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited at 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011 in respect of their holdings in physical form.
 - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (c) Non-Resident Indian Members are requested to inform TSR Darashaw Limited immediately of the change in residential status on return to India for permanent settlement.
 - (d) Register their email address and changes therein from time to time with. TSR Darashaw Ltd. for shares held in physical form and with their respective Depository Participants for shares held in demat form.
8. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.
9. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, TSR Darashaw Limited and have it duly filled and sent back to them.
10. Electronic copy of the Annual Report for 2014-15 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members

who have not registered their email address, physical copies of the Annual Report for 2014-15 are being sent to them in the permitted mode.

11. Electronic copy of the Notice of the 89th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Notice of the 89th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to them in the permitted mode.
12. Appointment of Directors:
Details as prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment at the Annual General Meeting are provided in the Explanatory Statement to the Notice.
13. Members may also note that the Notice of the 89th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.hccindia.com for their download.
14. Even after registering for e-communication, members are entitled to receive such communication in physical form by post free of cost, upon making a request for the same. For any such communication, the members may also send requests to the Company's investor email id: secretarial@hccindia.com.
15. Members wishing to claim dividends, which remain unclaimed are requested to correspond with TSR Darashaw Limited, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund, as per Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the erstwhile Companies Act, 1956)
16. Voting through electronic means
In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies

(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide the members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 10th July, 2015 (9:00 am) and ends on 13th July 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th July 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company/Depository Participants(s)):

- i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder - Login
- iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii) Select "EVEN" of "Hindustan Construction Company Limited".
- viii) Now you are ready for remote e-voting as Cast Vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- Xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting.hcc@gmail.com with a copy marked to evoting@nsdl.co.in

In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

ii)	EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/ PIN

- iii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8th July 2015.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 8th July 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail with the facility of remote e-voting or voting at the AGM through ballot paper.

Mr. B. Narasimhan, Practising Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least

two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.hccindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board
For **Hindustan Construction Co. Ltd**

VITHAL P. KULKARNI
Company Secretary

Registered Office:

Hincon House,
11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai

Date: April 30, 2015

Annexure to the Notice

Item No. 2

Mr. D. M. Popat retires by rotation at this Annual General Meeting and is eligible for re-appointment. However, Mr. D. M. Popat has expressed his unwillingness to seek re-election as a Director of the Company. The Company does not propose to fill up the vacancy at this Meeting or any adjournment thereof. Hence, as required under Section 152(7)(a) of the Companies Act, 2013, the resolution as contained at Item No. 2 of the Notice has been proposed seeking consent of the members to the effect that the vacancy caused by the retirement of Mr. D. M. Popat be not filled up at this meeting or any adjournment thereof.

Item No. 3

The Members of the Company had, at the 88th Annual General Meeting held on June 20, 2014, approved the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 001076N, as Auditors, to hold office from the conclusion of that AGM until the conclusion of the 6th AGM held thereafter (subject to ratification of the appointment by the Members at every AGM held after that AGM).

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

In view of the above, the existing appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai covering the period from the conclusion of this ensuing AGM until the conclusion of the next Annual General Meeting to be held in the FY 2016-17, is being placed for members' ratification.

The Board commends the passing of the Ordinary Resolution at Item No. 3 of the accompanying Notice for approval by the Members of the Company.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs are concerned or interested financially or otherwise in the said resolution.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Rajas R. Doshi was appointed as a Director liable to retire by rotation under the erstwhile applicable provisions of Companies Act, 1956.

Mr. Rajas R. Doshi is an Independent Director of the Company under Clause 49 of the Listing Agreement. He has been associated with the Company since 1993. He holds a Bachelor's Degree in Engineering (Civil) from Walchand College of Engineering, Sangli and is an Industrialist.

He is the Chairman and Managing Director of The Indian Hume Pipe Company Limited and is also a Director on the Boards of various other Companies viz. IHP Finvest Ltd, Modern India Ltd, Lavasa Corporation Ltd, HCC Real Estate Ltd, HCC Concessions Ltd, HCC Infrastructure Company Ltd, Ratanchand Investment Private Ltd, Mobile Systems India Private Ltd, Raj Jyoti Trading and Investment Private Ltd and other companies incorporated under Section 25 of the erstwhile Companies Act, 1956.

He is also the Member of Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee of the Company. In addition to this, he is a Member / Chairman of several Committees of other public limited companies.

Mr. Rajas R. Doshi holds 32,000 equity shares of ₹ 1/- each in the Company.

The Company has received declaration from Mr. Rajas R. Doshi that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Nomination & Remuneration Committee by way of a resolution dated March 17, 2015 passed by circulation has recommended the appointment of Mr. Rajas R. Doshi as an Independent Director for a term effective from March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in calendar year 2019.

Based on the recommendation of the Nomination and Remuneration Committee and after reviewing the declaration submitted by Mr. Rajas R. Doshi, the Board of Directors of your Company by way of a Resolution dated March 17, 2015 passed by circulation has formed an opinion that Mr. Rajas R. Doshi meets with the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, and accordingly has proposed his appointment as an Independent Director of the Company and who is also independent of the management.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajas R. Doshi

being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of your Company effective from March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, signifying the intention to propose Mr. Rajas R. Doshi as a candidate for the office of Director of the Company.

Copy of the draft letter for appointment of Mr. Rajas R. Doshi as an Independent Director setting out the terms and conditions would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that Mr. Doshi's continued association would be of immense benefit to the Company and it is necessary to continue to avail of the services of Mr. Doshi as an Independent Director.

Accordingly, the Board recommends the resolution contained in item no. 4 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs, except Mr. Doshi is concerned or interested financially or otherwise in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 5

Mr. Anil C. Singhvi was appointed as a Director liable to retire by rotation under the erstwhile applicable provisions of Companies Act, 1956.

Mr. Anil C. Singhvi is an Independent Director of the Company. A Chartered Accountant by profession, he has over 30 years of experience in the Corporate Sector, out of which he has been associated with Ambuja Cements Limited for about 22 years. He has been associated with your Company since 2007. He acts as an advisor to corporate organisations and private equity firms in India.

He is the founder of Institutional Investor Advisory Services India Limited, a proxy advisory company for institutional investors and is also a Director on the Board of various other Companies viz. HCC Infrastructure Co. Ltd, Lavasa Corporation Ltd, Steiner AG, Financial Technologies (India) Ltd, Subex Ltd, Greatship (India) Ltd, and Ican Investment Advisors Pvt Ltd.

He is also a Member of the Audit Committee and is the Chairman of the Nomination and Remuneration Committee of the Company. In addition to this, he is the Chairman of the Audit Committee of Lavasa Corporation Ltd and Subex Ltd. He is also the Chairman of the Remuneration Committee of Subex Ltd and is a Member of its Stakeholders Relationship Committee. He is a Member of the Audit Committee and the Nomination and Remuneration Committee of HCC Infrastructure Co. Ltd.

Mr. Anil C. Singhvi does not hold any shares in the Company.

The Company has also received declaration from Mr. Anil C. Singhvi that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Nomination & Remuneration Committee by way of Resolution dated March 17, 2015 passed by circulation has recommended the appointment of Mr. Anil C. Singhvi as an Independent Director for a term effective from March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in calendar year 2019.

On the recommendation of the Nomination and Remuneration Committee and after reviewing the declaration submitted by Mr. Anil C. Singhvi, the Board of Directors of your Company by way of a Resolution dated March 17, 2015 passed by circulation has formed an opinion that Mr. Singhvi meets with the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, and accordingly has proposed his appointment as an Independent Director of the Company and who is also independent of the management.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Anil C. Singhvi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company effective from March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in calendar year 2019.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, signifying the intention to propose Mr. Singhvi as a candidate for the office of Director of the Company.

Copy of the draft letter for appointment of Mr. Anil C. Singhvi as an Independent Director setting out the terms

and conditions would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail of the services of Mr. Anil C. Singhvi as an Independent Director.

Accordingly, the Board recommends the resolution contained in item no. 5 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs, except Mr. Singhvi is concerned or interested financially or otherwise in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Dr. Omkar Goswami holds a Master of Economics Degree from the Delhi School of Economics. He is a D. Phil (Ph.D) from Oxford University. He has taught in several academic institutions in India and abroad; edited one of India's best known business magazines; was the Chief Economist of the Confederation of Indian Industry; and is the Executive Chairman of CERG Advisory Private Limited, a consulting and advisory firm.

Dr Goswami is an author of various books and research papers on economic history, industrial economics, public sector, bankruptcy laws and procedures, economic policy, corporate finance, corporate governance, public finance, tax enforcement and legal reforms.

Dr. Goswami is on the Board of several leading companies viz. Ambuja Cements Limited, Bajaj Finance Ltd, Cairn India Ltd, Crompton Greaves Ltd, Dr. Reddy's Laboratories Ltd, Godrej Consumer Products Ltd, IDFC Ltd, Infosys BPO Ltd and CERG Advisory Pvt Ltd.

Dr. Omkar Goswami does not hold any Equity Shares in the Company.

The Company has also received necessary declaration from Dr. Omkar Goswami that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Nomination & Remuneration Committee at its Meeting held on April 30, 2015 has recommended the appointment of Dr. Omkar Goswami as an Independent Director for a term effective from April 30, 2015 upto the conclusion of

the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

Based on the recommendation of the Nomination and Remuneration Committee and after reviewing the declaration submitted by Dr. Omkar Goswami, the Board of Directors of your Company is of the opinion that he meets with the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, and has accordingly proposed his appointment as an Independent Director of the Company and who is also independent of the management.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. Omkar Goswami being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company effective from April 30, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, signifying the intention to propose Dr. Omkar Goswami as a candidate for the office of Director of the Company.

Copy of the draft letter for appointment of Dr. Omkar Goswami as an Independent Director setting out the terms and conditions would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board recommends the resolution contained in item no. 6 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs, except Dr. Omkar Goswami is concerned or interested financially or otherwise in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

Ms. Shalaka Gulabchand Dhawan has over 15 years of experience in the Construction Industry. At HCC, she started her career in 2000 as Executive (Planning and Business Development) and was elevated to the position of Vice President (Business Development) of the Company.

The Board of Directors of the Company, at its meeting held on April 30, 2015 has appointed Ms. Shalaka Gulabchand Dhawan as an Additional Director and also as a Whole-time Director for a period of five years w.e.f. April 30, 2015, subject to the approval of Members of the Company.

As required under Section 160 of the Companies Act, 2013, Notice has been received from a member of the Company along with a deposit of a requisite amount signifying the intention to propose Ms. Shalaka Gulabchand Dhawan as a candidate for the Office of Director of the Company.

The Nomination and Remuneration Committee of the Board and the Board of Directors of the Company at their respective Meeting held on April 30, 2015, subject to the approval of the Members and in accordance with the provisions of Schedule V to the Companies Act, 2013, have respectively approved her remuneration for a period of three years effective from April 30, 2015 to April 29, 2018.

The remuneration proposed to be paid to Ms. Shalaka Gulabchand Dhawan as Whole-time Director of the Company is the same as what is currently being paid to her by the Company in her capacity as Vice President - Business Development of the Company.

The payment of remuneration to Ms. Shalaka Gulabchand Dhawan, Whole-time Director of the Company for the period of three years effective from April 30, 2015 to April 29, 2018 would be made in accordance with provisions of Section II of Part II of Schedule V to the Act. Accordingly, Shareholders approval vide Special Resolution is sought for the said proposal.

Approval for payment of remuneration to Ms. Shalaka Gulabchand Dhawan for the remaining period of two years of her term of appointment would be sought in due course in terms of the provisions of Schedule V to the Act.

Ms. Shalaka Gulabchand Dhawan is a relative of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company and Mr. Arjun Dhawan, President & CEO - Infrastructure Business.

The main terms and conditions of appointment (including payment of remuneration for the period of 3 years effective from April 30, 2015 to April 29, 2018) of Ms. Shalaka Gulabchand Dhawan as a Whole-time Director of the Company are given below:

1. **Period of Appointment:**
5 years with effect from April 30, 2015
2. **Remuneration (For a period of 3 years effective from April 30, 2015 to April 29, 2018):**

A. Salary:

₹ 4,75,000 - ₹ 75,000 - ₹ 6,25,000 per month.

B. Perquisites and Allowances:

- i) In addition to salary and commission payable, if any, the Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs and other allowances, medical reimbursement, club fees and leave travel concession for self and her family, personal accident insurance, contribution to superannuation fund and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to between the Nomination and Remuneration Committee and/or the Board of Directors and the Whole-time Director. However, the payment of such perquisites and allowances will be subject to a maximum of 100% of the annual salary.
- ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-Tax Rules, 1962, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- iii) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iv) Company's contribution to Provident Fund shall not be included in the computation of the aforesaid ceiling on perquisites and allowances to the extent this is not taxable under the Income-Tax Act, 1961.
- v) One month's leave for every eleven months' service.
- vi) Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling for the perquisites and allowances as aforesaid.

C. Commission:

Such remuneration by way of Commission, in addition to salary, perquisites and allowances at the end of each financial year, computed in the manner as stated herein below:

- a) 1 % of the net profits of the Company as determined in a manner provided under Section 198 of the Companies Act, 2013 or
- b) 100% of the Annual Salary, whichever is less

The Nomination and Remuneration Committee of the Board and / or the Board may in its absolute discretion recommend and approve respectively payment of Commission of an amount higher than what is stated above, subject to the overall ceiling as stipulated under Section 197 of the Companies Act, 2013.

3. MINIMUM REMUNERATION:

Where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Whole-time Director shall be paid the aforesaid remuneration as "Minimum Remuneration" in the respective financial year(s), notwithstanding that the same may exceed the ceiling limit laid down under Section 197 and Schedule V to the Act.

The terms and conditions of her appointment and remuneration may be altered and varied from time to time by the Board and/or Nomination and Remuneration Committee as it may, in its discretion deem fit, notwithstanding the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and /or Nomination and Remuneration Committee and the Whole-time Director, subject to such approvals as may be required.

The agreement may be terminated by either party giving the other party six months notice in writing.

The draft of the agreement to be entered into between the Company and Ms. Shalaka Gulabchand Dhawan is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company till the date of the Annual General Meeting.

In terms of the requirements as per sub-clause (iv) of the proviso of Section II of Part II of Schedule V to the Act, the information is as furnished below:

I. GENERAL INFORMATION:

(1)	Nature of Industry	Engineering and Construction.
(2)	Date of Commencement of commercial Production	Not Applicable
(3)	In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus	Not Applicable

(4) Financial Performance:

Financial parameters of the Company for the last five financial years:

(₹ in crore)

Sr. No.	Particulars	Year				
		2010-11	2011-12	2012-13	2013-14	2014-15
1	Paid-up Capital	60.66	60.67	60.67	60.67	64.59
2	Reserves and Surplus	1,461.53	1,239.44	1,102.11	1,186.73	1,322.86
3	Turnover *	4,149.05	4,010.60	3,838.65	4,113.49	4,301.14
4	Net Profit as per Sec 198 of the Companies Act, 1956 / Companies Act, 2013	117.34	-	-	-	-
5	Amount of Dividend Paid	24.26	-	-	-	-
6	Rate of Dividend Declared	40% (post bonus issue 1: 1)	-	-	-	-

* Turnover include Company's share in Turnover of Integrated Joint Ventures

(5) Export Performance, Net Foreign Exchange Earnings and Collaborations:

During the year 2014-15, the accrued value of exported goods or services on F.O.B. Basis and work bills realized on contracts is ₹ 27.36 crore. The Company has no foreign collaboration.

(6) Foreign Investments or Collaborators, if any:

As of March 31, 2015, the aggregate number of Equity Shares held by Foreign Institutional Investors (FIIs)(FPI's) and Global Depository Shares (GDS) holders is 7,67,85,825 Equity Shares of ₹ 1 each which constitutes 11.89 % of the Paid up Equity Share Capital of the Company.

There is no foreign collaboration for any investment.

U.S.A. . She has approximately 15 years of experience in the Construction Industry. Prior to her elevation as Whole-time Director of the Company, she was holding the position of Vice President –Business Development in the Company.

Based on the recommendation of the Nomination and Remuneration Committee, her appointment as a Whole-time Director of the Company was approved by the Board of Directors at its Meeting held on April 30, 2015, for a period of five years with effect from April 30, 2015.

(2) Past Remuneration:

It may be noted that Ms. Shalaka Gulabchand Dhawan has been appointed on April 30, 2015 i.e. during the present financial year 2015-2016 as Whole-time Director and therefore the remuneration paid to her for the last three financial years, as detailed herein below, is purely while in employment and not as a managerial person

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Ms. Shalaka Gulabchand Dhawan holds a Bachelor's degree from Boston University,

(Amount in ₹)

Financial Years		Annual Salary, Perquisites and Allowances,
01/04/2012	31/03/2013	91,33,347
01/04/2013	31/03/2014	106,50,660
01/04/2014	31/03/2015	116,80,536

(3) Recognition/Awards:

Considering Ms. Shalaka Gulabchand Dhawan's immense talent and competence exhibited by her while in employment, the Board has commended her performance and elevated her as a Whole-time Director of the Company.

(4) Job Profile and Suitability:

Ms. Shalaka Gulabchand Dhawan has over 15 years of experience in the Construction Industry. At HCC, she started her career in 2000 as Executive (Planning and Business Development).

In recognition of her valuable contribution to the HCC Group, she has been appointed by the Board of Directors as a Whole-time Director with effect from April 30, 2015.

In a highly competitive industry, as the Whole-time Director, Ms. Shalaka Gulabchand Dhawan shall be shouldered with multiple responsibilities. There is a continuous need to formulate appropriate business policies and formalize business decisions which have a competitive edge over others. As the Whole-time Director, her dedicated and holistic involvement for the entire operations of the Company is necessitated. In this new role, she has to discharge multi-faceted responsibilities and with her talent and experience, it is firmly believed that she will contribute in order to translate the business prospects into successful business ventures.

(5) Remuneration proposed:

Details of the total remuneration comprising, interalia, Salary, Perquisites and Allowances, Commission together with Retirals, other benefits, if any, which are proposed to be

paid to Ms. Shalaka Gulabchand Dhawan, Whole-time Director for the period of 3 years effective April 30, 2015 to April 29, 2018 have been fully set out in the Explanatory Statement under Item No. 7.

(6) Comparative Remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors had approved that considering her competence, experience and contribution, it is appropriate that Ms. Shalaka Gulabchand Dhawan be appointed as the Whole-time Director of the Company in order to drive the operations of the Company in the face of the challenging business environment.

Therefore the payment of aforesaid remuneration stated at resolution No.7 is reasonable and comparable to the remuneration paid to Professional Directors in the Industry and hence is more than justified.

(7) Pecuniary Relationship, directly or indirectly, with the Company or relationship with the Managerial Personnel, if any:

Ms. Shalaka Gulabchand Dhawan, Whole-time Director is a relative of Mr. Ajit Gulabchand, Chairman and Managing Director of the Company. She does not have any other pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides her shareholding in the Company and the remuneration set out in the respective resolution at Item No. 7.

III OTHER INFORMATION:

(1) Reasons for loss or inadequate profits:

Overview of the Construction Sector

The Indian construction sector is the country's second-largest economic segment after agriculture and has been playing a vital role in overall economic development of the country. It forms an integral part of the Indian economy and a conduit for a substantial part of its development investment, is poised for growth on account of industrialization, urbanization, economic development and people's rising expectations for improved quality of living. Construction constitutes

40% to 50% of India's capital expenditure on projects in various sectors such as highways, roads, railways, energy, airports, irrigation, etc. It accounts for nearly 65 per cent of the total investment in infrastructure and is expected to be the biggest beneficiary of increased investments in infrastructure and related sectors.

Large infrastructure investments and growing urbanization is bound to propel growth in the Construction Sector. While the long-term outlook for the construction industry appears positive, concerns have been raised about its immediate future.

Overview of the Company

Hindustan Construction Company Ltd.,(HCC) is an 89 year old business and among the leading engineering, construction and infrastructure development companies in India. With an engineering heritage of nearly 100 years, the Company has executed a majority of India's landmark infrastructure projects, having constructed 25% of India's Hydel Power generation and over 50% of India's Nuclear Power generation capacities, over 3,100 lane km of Expressways and Highways, more than 200 kms of complex tunneling and over 324 Bridges. HCC's landmark projects include the Bandra Worli Sea Link, Mumbai – India's first and longest open sea cable-stayed bridge; the Kolkata Metro, Farakka Barrage and India's largest nuclear power plant at Kudankulam - Tamil Nadu, to name a few.

HCC is one of the oldest infrastructure development companies in India, founded by Seth Walchand Hirachand in 1926 and continues to complete projects of national interest with a track record of timely completion and as a preferred contractor to Central and State Authorities. Focussing primarily on large scale projects, the Company has a presence across most infrastructure related sectors in India. It has always looked to create competitive advantage by adopting world class practices and operational processes and is one of the pioneers in promoting responsible infrastructure development in India.

As a business group of global scale, it has expertise in developing construction, infrastructure, urban development projects and integrated townships and is an integral part of the Infrastructure development value chain in the country.

Key Concerns for the Infrastructure / Construction Sector

Though, the Government of India has significantly increased allocation of funds by ₹ 70,000 crore for investments in infrastructure in the Union Budget 2015-16, unfortunately, the entire infrastructure investment climate in India today is plagued with structural issues of the past few years.

Primarily, it is the legacy of the very large number of stalled projects. According to the Government of India's Economic Survey 2014-15, the rate of stalled projects has increased alarmingly in the last five years. By December 2014, the total value of stalled projects across sectors was ₹ 880,000 crore (US\$139 billion at an exchange rate of US\$1 = ₹ 63.4).

Within infrastructure, 80 projects stalled were related to electricity and power, where the main issue is non-availability of the primary feedstock, especially coal. Another 143 hindered infrastructure projects relate to construction and real estate, where the major reason for delays and halt is the lack of environmental clearances— a fact that indicates a serious overhang of 'policy paralyses' in the matter of regulatory approvals. In terms of value, the distribution of stuck projects is top heavy: a small number of projects account for a large value. Actually, the top 100 account for 83% of the value of stalled projects. The silver lining is that the rate of delay has plateaued over the last three quarters and indeed marginally lessened. Across all sectors, estimates suggest that the value of stalled projects has reduced to 7% of GDP in 2014-15 versus 8.3% in 2013-14.

Not surprisingly, this legacy of stalled projects has generated a vicious cycle of financial instability for infrastructure related companies and banks. Under such conditions, public investment needs to step in to recreate an environment to re-invigorate or 'crowd-in' private sector investment in the short term.

Efforts must also be made to rework the modalities based on the experience of the last few years and revitalise the public-private partnership model of investment. In addition, serious consideration must be given to setting up an independent renegotiation committee for past projects under stress. In the presence of weak mechanisms for bankruptcy and exit in India, one has to develop creative solutions to amicably distribute pain amongst the different stakeholders from past deals gone sour.

By their very nature, the financial performances of companies who are into project development depend on the time taken for project execution. Apart from the pure slowdown in receipts based on stage-wise completion of contracts, when projects get delayed the contractor incurs several additional costs primarily related to idling or underutilising of resources, mobilising and demobilising expenses, extended bank guarantee costs, higher insurance costs, greater resource costs, price escalations, overhead costs and loss of profits.

Financial Performance of the Company:

In a situation of very difficult market conditions, HCC's financial performance is largely a reflection of its efforts at streamlining operations, optimising efficiencies of on-going projects and a concerted push to pursue just financial claims at every level. The salient points of the performance are:

- The order book as on 31 March 2015 is ₹ 14,451 crore. The Company also has a record number of L-1 positions in bids aggregating to ₹ 3,435 crore
- Revenue from operations increased by 4.6% to ₹ 4,301 crore in 2014-15.
- EBITDA is ₹ 773.7 crore in 2014-15—an increase of 20.8% over the previous year. The EBITDA margin has increased from 15.9% in 2013-14 to 18.8% in 2014-15.
- PAT marginally increased to ₹ 81.7 crore in 2014-15 as compared to ₹ 80.6 crore in the previous year.

After the close of the financial year 2014-15, the Company has successfully raised ₹ 400 crore through a QIP (Qualified Institutional Placement) in April 2015,

which got oversubscribed. The proceeds from this issue has helped balance cash flows and has provided necessary working capital for future business.

(2) Steps taken or proposed to be taken for improvement:

Over the last four years, the infrastructure sector in India has witnessed a severe downturn. The slowdown has been very sharp, severe and widespread over the last three. Thus, HCC, like all similar companies in the industry, had to abruptly realign its business with an emphasis on delivering high growth to one that focuses on tightening operations and generating cash flows to meet short term obligations.

Like all others in the infrastructure space, the Company has been a victim of very challenging unforeseen circumstances. When market conditions were buoyant, HCC, similar to others in the industry, used debt financing to make the best of opportunities and propel higher top-line and profit growth. The sudden, sharp and prolonged slowdown has resulted in the Company's revenue and profits suffering due to slow order inflows, execution bottlenecks of the clients, rising interest cost and delays in payments from various customers. Consequently, there has been disequilibrium between the Company's ability to generate cash and service debt.

However, the Company successfully entered into an agreement for Corporate Debt Restructuring (CDR) with its consortium of financial lenders that provided some moratorium to interest rate payments and readjustment of tenures.

HCC remains steadfast in its pursuit to meet the CDR obligations ahead of schedule and deleverage the balance sheet.

To realise this objective, the Company is putting a concerted effort to generate cash by growing the order book, squeezing operational efficiencies, pursuing all means to get money out of the legitimate claims it has made upon its clients for past projects and in monetising non-core assets.

With an overall focus on cash generation, HCC is pursuing three broad strategic objectives:

- To continuously grow the order book to

have a sizable set of projects to execute that can efficiently utilise the large capital outlay and establishment costs of the Company.

- To execute existing projects in the most efficient manner by adopting world class practices that promote the best in class parameters in terms of quality, cost and delivery while effectively structuring contracts and meeting their obligations.
- To establish legitimate claims for issues related to past projects or projects under execution and proactively work on recovering uncompensated expenses through established processes.

(3) Expected increase in productivity and profits in measurable terms:

While there have been positive signals with the new BJP led government coming to power in 2014, the macroeconomic recovery is still very gradual. Admittedly, there have been moves in the right direction. However, the pace of recovery on the ground has been slow. The new GDP estimates, as yet not accepted by all concerned even within different ministries of the central government, suggest that real Gross Value Added (GVA) grew by 7.5% in 2014-15 versus 6.6% in 2013-14. However, the data also shows that much of the improvement occurred because of significantly higher coverage of the services sector, which recorded 10.6% growth in 2014-15.

To be sure, there have been positive signals of business confidence such as significantly greater interest of foreign institutional investors in the Indian equity market. Moreover, there is a small uptick in real investments.

The other positive news is that inflation seems to be under control. Measured in terms of the consumer price index (CPI), inflation reduced to 5.2% in March 2015 from 5.4% in February. It has been the lowest rate in three months thanks to a reduction in food prices, and is significantly below the average CPI inflation rate in India between 2012 and end-2014, when it averaged 8.7%. While the Reserve Bank of India (RBI) has signalled a gradual easing of interest rates with two 25

basis points cut in the benchmark repo rate—bringing the level down from 8% in December 2014 to 7.5% in April 2015—more needs to be done. Indian industry, in general, and the construction sector, in particular, is suffering from high interest costs.

So, while there are some positive signals for the India's economic growth, there are clear concerns that we are far from being on the runway for a take-off. And, one of the biggest anxieties relate to infrastructure and construction activities, which not only provide the sinews for further economic growth but also provide serious opportunities for increasing employment for the country's huge labour force.

In this backdrop, HCC's unexecuted order book marginally increased to ₹ 14,451 crore. However, it needs stating that there has been a perceptible rise in number of contracts where the Company secured L1 status, or the most competitive bid value. However, these are yet to be formally awarded and therefore do not feature in HCC's unexecuted order book for the year ended 31 March 2015. As a matter of interest, as on 31 March 2015, the Company has ₹ 3,435 crore of such contracts where it was L1.

HCC has also made conscious efforts to identify and pursue business growth in some new sectors where it has developed specific operational advantages. For example, in 2014-15 alone, the Company did 53,000 MT of structural fabrication and erection work. This functional expertise can be translated into an aggressive push in the industrial segment, where the Company has already made some positive inroads. There are some other similar segments where the core functional competence of HCC can be modified and leveraged. These efforts are expected to positively impact the order book in the next two years.

Emphasis continued on continuous improvements in project execution efficiencies. These have resulted in notable gains in terms of inventory turnover, operating margins, cash collections as well as employee productivity measured as revenue generated per employee. All of these have played their

roles in the Company improving its operational EBITDA margins in a highly price competitive environment. In addition, there has been emphasis on reducing fuel consumption of all equipment used in various projects. While focusing on these initiatives, HCC has taken concrete steps to maintain customer relations and adhere strictly to project delivery norms. This has translated into the customer satisfaction index reaching an all time high of 4 out of a maximum level of 5, by the end of 2014-15.

There have been focused efforts to restructure some on-going projects, which were under duress. In addition, some 6 projects were successfully closed and mutually settled with the clients. These efforts have helped clean up some of the financially stressed projects from the order backlog and also release both capital and management bandwidth.

HCC has always had a strong contracts management department. Considerable effort is put into analysing and understanding contracts in terms of commitments, responsibilities, risks and returns. Most of the operations have been geared to undertake projects strictly guided by the underlying contracts. It is this philosophy which has helped the Company stake claims for client-side delays in several earlier projects. Over the last couple of years, since going to CDR, the Company has filed for claims over ₹ 10,000 crore due to various project related disputes with clients. The efficacy of such claims is borne out by the fact that almost ₹ 2,220 crore worth of claims has been awarded to HCC through the arbitration process. In 2014-15, alone, ₹ 777 crore was awarded to HCC. Another approximately ₹ 4,900 crore is currently under arbitration.

IV DISCLOSURES:

- (1) The members of the Company have been informed of the remuneration package of Ms. Shalaka Gulabchand Dhawan in the respective resolution at Item No. 7 in the following manner:

Details of the total remuneration comprising, *inter alia*, Salary, Perquisites and Allowances, Commission together with retinals, other benefits if any, which is proposed to be paid to Ms. Shalaka Gulabchand Dhawan for

the period of 3 years effective April 30, 2015 have been fully set out in the explanatory statement under Item No. 7.

- (2) Disclosures on remuneration package to the Directors of the Company including details of Stock Options issued by the Company have been made in the Corporate Governance Report which forms a part of the Board's Report in the Annual Report of the Company for FY 2014-15.

The payment of remuneration to Ms. Shalaka Gulabchand Dhawan, Whole-time Director of the Company for the period of three years effective from April 30, 2015 to April 29, 2018 would be made in accordance with provisions of Section II of Part II of Schedule V to the Act. Accordingly, Shareholders approval vide Special Resolution is sought for the said proposal.

The Board of Directors of the Company is of the view that as the Whole-time Director of the Company, Ms. Shalaka Gulabchand Dhawan shall be shouldered with multiple responsibilities and considering the industry benchmarks and her contribution to the Company, the aforementioned remuneration structure of Ms. Shalaka Gulabchand Dhawan as Whole-time Director is commensurate with the remuneration package paid to similarly placed persons, in other Companies and therefore recommend the resolution at Item No. 7 of the accompanying notice for your approval.

Ms. Shalaka Gulabchand Dhawan is interested to the extent of remuneration payable to her under Resolution No. 7

Mr. Ajit Gulabchand, Chairman and Managing Director of the Company and Mr. Arjun Dhawan, President & CEO - Infrastructure Business of the Company being the relative of Ms. Shalaka Gulabchand Dhawan is directly/indirectly concerned or interested in this resolution.

Save and except as above, none of the Directors, Key Managerial Persons (KMPs) or the relatives of Directors or KMPs, are concerned or interested financially or otherwise in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

The existing Articles of Association of the Company ("AOA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the provisions of the Companies Act, 2013 (the "Act").

The Companies Act, 2013 ("the Act") is now largely in force. On 12th September 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26th March 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions of several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles of Association for the Company.

The proposed new draft AOA would be available for inspection by the members without paying any fee at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their respective relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

Item No. 9

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Joshi Apte & Associates., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2015.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The

Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2014-15 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives, are in any way concerned or interested financially or otherwise, in the said Resolution

Item No. 10

In line with the HCC Group's plan to monetize de-risked operational projects at attractive valuations, HCC Concessions Ltd, Subsidiary of the Company started the process of selling its stake in its road assets. Since then, HCC Concessions Ltd, a Subsidiary Company has entered into a Share Purchase Agreement ("SPA") with Highway Concessions One Private Limited and Sadbhav Infrastructure Projects Limited ("both collectively referred to as Purchasers") on December 5, 2014 and April 16, 2015 for sale of its entire stake in Nirmal BOT Limited and Dhule Palesner Tollway Limited for a consideration of ₹ 64 crore and ₹ 204 crore, respectively, subject to fulfillment of certain terms and conditions of SPA.

The Company had earlier intimated the Stock Exchanges about the sale of stake in Nirmal BOT Limited and Dhule Palesner Tollway Limited by HCC Concessions Limited.

Further, HCC Concessions Ltd, Subsidiary Company has also signed a non-binding term sheet for stake sale of Baharampore Farakka Highways Ltd, Subsidiary Company. It is also expected to sell its stake in Farakka Raiganj Highways Ltd, Subsidiary Company, soon after achieving the Commercial Operations Date for the project.

Pursuant to the Clause 49 (V) of the Equity Listing Agreement w.e.f October 1, 2014, "disposing of shares in a material subsidiary which will result in its shareholding (either on its own or together with its subsidiaries to less than 50%" and/or "Selling, disposing and leasing of assets amounting to more than twenty percent of the material subsidiary shall require prior approval of shareholders by way of Special Resolution."

The sale of stake by HCC Concessions Ltd, Subsidiary of the Company in all the above mentioned companies would amount to disposing of shares and/or selling / disposing of assets, in aggregate, amounting to more than 20% of

the assets of HCC Concessions Ltd, Subsidiary Company. Hence the Board recommends the Special Resolution for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

Item No. 11

The Special Resolution contained in the Notice under Item No. 11 relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with Merchant Bankers, Advisors, Underwriters, etc, inclusive of such premium, as may be determined by the Board in one or more tranche(s), subject to SEBI (ICDR) Regulations and other applicable laws, rules and regulations.

The resolution enables the Board to issue Securities for an aggregate amount not exceeding ₹ 1000 crore or its equivalent in any foreign currency.

The Board shall issue Securities pursuant to this special resolution to meet long term working capital and capital expenditure requirements of the Company and its subsidiaries, joint ventures and affiliates, including investment in subsidiaries (including overseas subsidiaries), joint ventures and affiliates besides strengthening the Balance Sheet of the Company including repayment of debt, tap acquisition opportunities, usage for business ventures/projects and other general corporate purposes.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended (the "SEBI Regulations") for raising capital. The pricing of the Specified Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Merchant Bankers, Underwriters and such other authority or authorities as may be required to be consulted by the

Company considering the prevalent market conditions from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/ allotment/ conversion of Securities would be subject to the receipt of regulatory approvals, if any. Further the conversion of Securities held by foreign investors, into Equity Shares would be subject to the permissible foreign shareholding limits/cap specified by Reserve Bank of India from time to time.

Pursuant to the provisions of Section 42, 62 and 71 of the Companies Act, 2013 ("the Act") including any rules made thereunder and any other provision of the said Act, as may be applicable and the relevant provisions of the listing agreement with the stock exchanges and any other applicable laws, the issue of securities comprising equity shares, foreign currency convertible bonds, ADR's, GDR's, non-convertible debentures and/or issue of debentures on private placement, convertible debentures, etc, will require the prior approval of the Members by way of a Special Resolution.

The Special Resolution as set out at Resolution No. 11, if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing members of the Company in the manner as set out in resolution No. 11.

The Board believes that the proposed Special Resolution is in the interest of the Company and therefore recommends the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

By Order of the Board
For **Hindustan Construction Co. Ltd**

VITHAL P. KULKARNI
Company Secretary

Registered Office:
Hincon House,
11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: April 30, 2015

Board's Report

To,
The Members of
Hindustan Construction Co. Ltd.

1. Report

Your Directors are pleased to present the 89th Annual Report together with the Audited Financial Statements for the year ended March 31, 2015.

2. Financial Highlights

Particulars	Year ended March 31, 2015 ₹ crore	Year ended March 31, 2014 ₹ crore
Turnover	4,301.14	4,113.49
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax	781.77	643.76
Less: Finance Costs	651.13	607.94
Depreciation	150.30	144.61
	801.43	752.55
Add: Other Income	134.53	213.59
Add/Less: Exchange Gain/(Loss)	12.45	(13.85)
Profit before Tax	127.32	90.95
Less: Tax Expense	45.67	10.31
Profit/(Loss) after Tax	81.65	80.64
Add: Balance brought forward from last year	69.00	(11.64)
Less: Impact of depreciation/amortisation (Refer Note 3.2 of the Financial Statements)	2.73	
Balance carried to Balance Sheet	147.92	69.00

3. Dividend

As your Company is under CDR, it is necessary to conserve and optimise use of resources to improve the health of the Company. Hence, your Directors have not recommended any dividend for the financial year ended March 31, 2015.

4. Operations

The turnover of the Company at ₹ 4,301 crore has shown an increase of 4.6% as compared to ₹ 4,113 crore for the previous year. The profit before tax is ₹ 127.3 crore (including exceptional item) as compared to ₹ 90.9 crore for the previous year.

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

- Numaligarh to Jorhat Section of NH 37, Assam
Contract Value: ₹ 455 crore,
- Indo Nepal Border to Rudhauhi Section of NH-233, Uttar Pradesh
Contract Value: ₹ 393 crore

- Jamugurihat -Biswanath Chariali Bypass NH-52,
Contract Value: ₹ 392 crore,
- Delhi Metro Tunnel Package CC-66, NCR
Contract Value: ₹ 300 crore
- Munirka Flyover, New Delhi
Contract Value: ₹ 278 crore,
- Kolkata Elevated Road
Contract Value: ₹ 257 crore
- Sawra Kuddu Hydroelectric Project, Himachal Pradesh
Contract Value: ₹ 180 crore
- Bhandup Complex Pipeline IV, Mumbai
Contract Value: ₹ 120 crore
- RIL Civil Works, Gujarat
Contract Value: ₹ 88 crore

The total balance value of works on hand as on March 31, 2015 is ₹ 14,451 crore.

Decisions are awaited from various clients for tenders submitted by the Company for 22 packages amounting to around ₹ 13,987 crore (HCC share ₹ 13,673 crore). Tenders for various packages for 45 projects worth over ₹ 36,766 crore (HCC share ₹ 28,583 crore) are expected to be submitted in the near future. The Company has also submitted prequalification bids for 24 projects worth over ₹ 15,606 crore (HCC share ₹ 13,454 crore) which are under evaluation.

Operations of Subsidiaries

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

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

In the hospitality space, the Accor group is successfully running its operation with the two brands - Mercure Lavasa and the 1500 plenary capacity Lavasa International Convention Centre (LICC). Another brand of the Accor group - Novotel is scheduled for opening in April 2016. Projects with renowned hospitality players like Formule One, Holiday Inn, Langham and Eaton amongst others are slated to follow in quick succession.

As for the existing hospitality projects, Ekaant - The Retreat and Waterfront Shaw Apartment Hotel continue to flourish. Fortune Select Dasve is in its seventh year of successful operations with an occupancy of 66%. Accor Mercure is in its sixth year of successful operation with an occupancy at 56%. In the tourism space, Lakeshore Watersports, Neo Spark Games Arcade and Xthrill Adventure Sports & Academy are also functioning successfully. Additionally agreements have also been signed to set up training facilities with Hockey Australia, Sir Nick Faldo for Golf Academy and Sir Steve Redgrave Rowing Academy.

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

Significant progress was made in the education space. Christel House Lavasa is into its sixth year of operations with 445 students. 2014-15 also saw launch of Phase 2 of Christel House till grade 6th. Corporate entities such as EduSports, Yoga Blessing and Linguaphone showed keen interest to contribute towards Christel House Lavasa School by way of sports programmes, educational and Yoga workshops.,

Ecole Hoteliere Lavasa started its sixth batch in 2014-15. The seventh batch will commence from 28th July 2015. In May 2015, the third batch of the institute graduated and received their certification from Ecole Hotèlière de Lausanne. Christ University started its first batch with 14 students in 2014-15 & is commencing its second batch for the academic year 2015-16 with the target batch size of 60 students for PGDM program with specialization in Finance and Marketing.

Knowledge Vistas Limited (KVL) is already running Little Millennium, pre primary school at Lavasa for last five years. It is also likely to start the k12 school from academic year 2016-17. Abhinav Shiksha Sansthan, New Delhi will start from the academic year 2017-18 across the area of 62,500 sq. ft. Other educational partners like Symbiosis Institute (Pune) are also in the process of launching their programs.

Lavasa continued to enjoy healthy sales in residential and commercial space. In institutional sales, the company closed the transaction with Hindustan Times Media Limited, the premier media establishment which has acquired over 6 acres of land. The media house proposes to establish a state-of-art training centre for its executive staff. A proposal has also been submitted to The Times Group to start a premier management training institute on land it has acquired in Mugaon. The Doon Public School has acquired a 10 acre plot in Mugaon to start its brand of school. Till the project is completed the school would operate out of an incubation space in Dasve.

Hazel Hotels that had acquired 2 plots of land aggregating to 2.1 acres with BUA of 40,000 sft has been granted building plan approval by SPA and proposes to commence construction of a Ramada Encore branded hotel. J Vora Hospitality is all set for a soft launch of its 80 keys vegetarian hotel in Dasve by December 2015. SOSFIPL, an NGO has obtained SPA approval for a bakery with a BUA of 20,000 sq.ft in Bhoini and will commence construction activity this year.

Symbiosis Institute has already been granted building plan approval and will commence construction of its large campus post monsoon.

Lavasa continued its focus on branding and communication activities in 2014 – 15. Emphasis through the year was on communicating that development work at Lavasa has commenced with right earnest, raise awareness about the planned city and its advantages. Positioning Lavasa city as India's first smart city, building preference and restoring customer confidence in the project were the key goals.

A new advertisement campaign was launched in May 2014- Unlocking India's Potential to capitalize on the cause of 100 smart cities. Primary thought behind the campaign that ran from May to June 2014 was that if India needs to grow, infrastructure needs to grow in sync. India needs 'New cities' and Lavasa is one such new city which can serve as a prototype for creating new cities. This campaign was followed by a Smart City Campaign that positioned Lavasa as India's First Smart city. The campaign highlighted the various 'smart' aspects of Lavasa through a nationwide advertising campaign using the Times of India and Hindustan Times group publications. Simultaneously magazines such as Forbes were used to spread this message. The print campaign was ably supported by outdoor, on-site media, digital and social media. Media coverage of the event and interviews with spokespersons resulted in the news being carried by both print and electronic media.

Lavasa continued with its strategy of creating large events at Lavasa to attract the right footfalls. Events held during the year were Martial Arts Festival, Marathi Box Cricket League, FAME 2014, Freedom 2014, Mirchi Queen Bee, The Lost Party and Gladrags Mrs. India. Digital and social media channels were leveraged primarily for engagement and for information dissemination. The new mobile-friendly website was launched in April 2014 with a contemporary look & feel. Lavasa also initiated e-mailer campaigns to selected databases of Times of India and Hindustan Times and tied up with Google to create 'Google Street view' for our first town, Dasve

In 2014-15, the Public Relations campaign focused on positioning Lavasa city as India's first smart city with focused efforts towards building preference and restoring customer confidence in the project. To enable this, a number of site visits were organized

for media, the primary influencers and other key influencers of public opinion. Through the year over 75 journalists from print, TV, news wires and web media from Mumbai, Pune and Lavasa region visited Lavasa. Meetings with senior editors and constant engagement with beat reporters led to better appreciation of company's stand on issues and presentation of a balanced perspective on most issues. Stories in leading magazines, newspapers and international publications were initiated to convey that development work at Lavasa has commenced with right earnest and that the company is committed to developing the city. Tourism stories in travel and trade media were initiated to promote Lavasa city as a premier tourist destination. Lavasa as a cultural hub was promoted by leveraging travel and lifestyle media to publicize the city's initiatives like the World Fest 2014, Freedom 2014 and FAME 2014 festival.

Promotional initiatives of various Special Purpose Vehicles like Christel House Lavasa, Ecole Hoteliere Lavasa, Dasvino Town & Country Club, Mercure Lavasa Fortune Select Dasve, Lakeshore Watersports and X Thrill were publicized through news stories, editorial feature stories and photo features.

Lavasa city now has a full-fledged operational Farmer's market known as Hara Bazaar; a two screen movie theatre for visitors and residents; It has a fully operational post office, a hospital with pharmacy and several new food and beverage establishments open for business. It also has four operating hotels and four additional hotels will be opening soon which collectively will take the total number of hotel rooms in Lavasa to more than 600. Lavasa has a Petrol Pump, two Bank branches along with ATMs, a Convention Centre, a public safety centre with Fire engine, Police outpost to be upgraded to a full-fledged police station, Tourist information center with a Hop On - Hop Off Bus facility, Multilevel Car parking facilities, Nature trail, Citizen contact center with 24x7 support to citizens through emergency and non-emergency contact numbers, rental housing for low income groups, simulated golf course facilities; water sports facility with latest "Jetovator"; adventure sports facility, a modern club with gym, sports and spa facilities, public transport system for citizens, Schools for local population and two operational College campuses.

Building the infrastructure right, from the beginning, is a key strategy to ensuring long-term livability. The drinking water at Lavasa is fit for

consumption, straight from the tap, without the need for additional filtration. The sewage is treated as per required standards before being reused for irrigation and other non-potable uses. Lavasa's power distribution grid is nearly 99% reliable and the young city is already on the cutting edge of urban environmental sustainability initiatives. Over 50km. of well maintained motor able roads are operational and more being constructed, Lavasa has already opened parks and play areas to the public. The e-governance portal will play a major role in communicating with citizens and providing round the clock services.

Around the clock Lavasa Citizen Call Centre has been operational since 2009-2010. The Call Centre is a one-stop information source for non emergency and emergency related services. It provides a single window resolution for all customer needs and visitor requests, be involved in proactive information distribution, data collection and management services, customer satisfaction surveys and customer handover and possession.

The City Management Services (CMS) Department is equally dynamic in seeking to coordinate services in this rapidly changing setting. It is currently divided into seven specialist divisions including Customer Services, Public Safety & Security, Enterprise Utilities, Public Works, Administration & Finance, Community Development and Geographic Information Systems & Management Information Systems.

The City Management Services Department envisions to slowly evolve into a new governance entity that will, at some point, be the core of a new replicable governance model. It meets on a monthly basis with a committee of villagers from throughout the project area. The Village Committee is the first of several such citizen advisory groups that will together form a key component of the Lavasa citizen and stakeholder engagement mechanisms.

Lavasa Corporation has 10574 acres of land including 455 acres of land on lease.

Lavasa continues to regularly monitor environmental aspects such as air quality, water quality and soil quality are being carried out as per MoEF guidelines. The Environmental Compliance Report is being submitted to MoEF once in six months. The last report was submitted in December 2014 and **work of Biodiversity conservation and enhancement continues at the**

required pace. Lavasa Sustainability report for the period 2010-13 was prepared and accorded highest rating application level A+ as per GRI guidelines.

Lavasa also became a member of CII-Western Region Sub-Committee for Environmental Business and has contributed its learning and experience within the region.

First town, Dasve is ready with all basic infrastructure, such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services which are operational. **Till date more than 801 residential units have been handed over to CMS department and over 677 residential units have been handed over to customers.** Work on rest of few properties - Lake View apartments, Club View apartments, Delfino apartments, Valley View apartments, Brook View apartments, Rental housing, Retail and hostel tower B, Christel House Phase II, Novotel Hotel and Holiday Inn is in progress.

Work on the infrastructure for the second town of Mugaon has been accelerated. Work on utilities like water, sewer, power, data lines and on the approach road is in progress. Work on 29 buildings at Mugaon has commenced. **The improvement to the existing Mugaon-Tamhini Zilla Parishad road is complete. The portion of this road will also form a part of the approach road for the proposed tunnel between Tamhini and Mugaon.** Work on the inter village road from Mugaon to Dhamanohol is complete (6 kms).

Lavasa has also initiated a number of development and empowerment programs for the local community. Some of the key initiatives include provision of treated drinking water to 12 villages in the project area at 62 locations on a daily basis. Calligraphy workshops, aptitude tests and counseling for students of Zilla Parishad (ZP) schools, crèche for labor children; starting the Apollo Lavasa Primary Health Centre at Bhoini and provision of free health check up, medicines and ambulance service to villagers; monthly health and awareness camps for HIV/ AIDS, malaria, nutrition, and water borne diseases. Employment and self employment opportunities to the locals have also been provided.

Ministry of Environment and Forests (MOEF) Issue

As you are aware that Lavasa was issued a show cause Notice by Ministry of Environment & Forests (MoEF), Government of India (GOI) regarding violations of

the Environmental Impact Assessment notifications of 1994 as amended in 2004 and superseded in 2006 ("EIA Notifications"). The Company made various representations as per the directions given by the authorities and after complying the conditions stipulated, MoEF, GOI was pleased to accord the Environmental Clearance to the Company. Herein below given are the updates in the matter during the Financial Year 2014 – 2015:-

1. Transfer Petition (C) No. 1326 of 2012 filed by your Company for transferring the National Green Tribunal (NGT) Appeal No. 9 of 2012 filed by Dyaneshwar Shedge was listed before the Registrar for completing the pleadings. Earlier, the Hon'ble Supreme Court, vide its order dated October 19, 2012, stayed the proceeding before NGT. The Transfer Petition was listed before Hon'ble Supreme Court on August 04, 2014, wherein after hearing the parties in the matter, the Hon'ble Supreme Court was pleased to pass the following order:-

"Looking at the facts of the cases, we are of the view that these petitions should be heard either by the Green Bench or by another appropriate Bench. The Registry to place the matters before the Hon'ble the Chief Justice of India so that appropriate orders may be passed."

The Company's Transfer Petition (C) No. 1326 of 2012 along with Civil Appeal being No. 4280 of 2013 and Contempt Petition being No. 203 of 2013 filed against Dyaneshwar Shedge are pending before the Hon'ble Supreme Court for disposal.

2. NGT Appeal No. 36 of 2011 filed by the Company was listed on October 16, 2014 and the Hon'ble Tribunal was pleased to adjourn the matter sine-die till decision of Apex Court.
3. The record and proceedings in NGT Appeal No. 9 of 2012 filed by Dyaneshwar Shedge have been transferred to Hon'ble Supreme Court in view of the stay granted by Apex Court.
4. Public Interest Litigation (PIL) No. 129 of 2014 filed by Suniti S R and others (Petitioners), wherein the Company is Respondent No 12, was listed before the Hon'ble Bombay High Court on August 11, 2014, wherein the Hon'ble Court issued "Rule" in the matter without passing any adverse order against the Company. The Company has filed further Affidavit in Reply in the matter on October 01, 2014.

The Petitioners have on December 10, 2014 filed a Civil Application being No. 186 of 2014 for amending the PIL interalia to challenge Environmental Clearance granted to your Company. On December 16, 2014 PIL No. 129 of 2014 was tagged with Writ Petition No. 3836 of 2014 and the same stands adjourned. Meanwhile the Company is in the process of filing reply to the Civil Application No. 186 of 2014, and the matter is currently pending.

Further, the Company is regularly filing six monthly compliance report as per the Environmental Clearance order.

ii) HCC Real Estate Ltd.

HREL, a wholly owned subsidiary of your Company is into the business of building residential & office complexes in real estate sector.

HRL (Thane) Real Estate Limited

HRL (Thane) Real Estate Ltd. a subsidiary of HREL initiated the acquisition of 183 acres of land at Ghodbunder Road, Thane for Integrated Township Development. Till date, the Development Agreement and Power of Attorney for 32 acres have been executed in favour of the Company. The Company continued its activity of securing its position for land title and other documentation.

The Company has filed a criminal case against Mr. Atul Sonawala and 8 others, Director of Om Gurukripa Realtors Pvt. Ltd. Police enquiry is under process for the said case.

HRL Township Developers Limited

No activities were carried out during the year. Company continued its search process for joint development opportunities

Nashik Township Developers Limited

During the year, the Company has sold its land and completed all the land related transactions. For further opportunities, the Company is looking for joint development opportunities in residential sectors since Nashik city is growing industrially as well as economically.

Maan Township Developers Limited

Maan Township Developers Ltd a subsidiary of HREL has acquired approximately. 28 acres of land by way of purchase and the Development Agreement and Power of Attorney have been executed in favor of the Company.

The company has now decided to sell the land in piece parcels.

Powai Real Estate Developers Limited

No activities were carried out during the year. However, the company continued to look for an opportunity to find ideal land parcels for joint development in residential sectors.

HCC Realty Limited

No activities were carried out during the year.

Panchkutir Developers Limited

During the year, your Company continued its efforts on the following projects in the residential sector.

Development of Vikhroli (E) land parcel: Out of the total land holding of around 32 acres by Panchkutir Developers Ltd. in Vikhroli (E), the survey of tenements on Phase-I of 14.5 acres of land to ascertain the development potential of the free sale component is completed. Out of the 1960 slum residents, consent of about 1400 residents representing more than 70% has already been obtained and the process for forming the society is in progress.

Slum declaration of Phase-I land was challenged and the same has been set aside by the Special Slum Tribunal. Subsequently, the litigant filed a Writ Petition challenging the above said Order of the Slum Tribunal in Bombay High Court. The High Court upheld the 3C order and asked the Tribunal for actual verification of slum details. Against this order, the litigant has filed an appeal challenging the above said Order of the Slum Tribunal on divisional board in High Court.

Development of Powai land: MOU-cum-Development Agreement and Power of Attorney were executed by the land owner in favour of the Special Purpose Vehicle, Panchkutir Developers Ltd., a subsidiary of HCC for 12 acres of land. Due to non performance by the land owner of the various obligations under the MOU-cum-Development Agreement in spite of repeated reminders, the company has been legally advised to invoke the Arbitration clause forming part of the MOU-cum-Development Agreement. Accordingly, Arbitration proceedings have been initiated and till date recording of the evidence of Claimant's witnesses has been completed and the matter is now stated for hearing in July 2015 for evidence of Respondent.

iii) **HCC Infrastructure**

HCC Infrastructure Company Ltd., a wholly owned

subsidiary of your Company, develops and operates infrastructure concessions in transportation, power and water sector through its subsidiaries, viz. HCC Concessions Ltd., HCC Power Ltd., and HCC Operations & Maintenance Ltd. The current portfolio has six NHAI road concessions, totaling about ₹ 5,500 crore, housed under HCC Concessions.

Your Company's focus on sustainable and responsible development through the Public Private Partnership results from expertise in concept innovation, risk analytics, construction management and operations. The strong management team at the Company follows a strict investment discipline to create value for its members. Along with a focus on financial discipline, quality and timely execution, the Company is committed to provide reliable, safe and world class operations and maintenance services to the country's end users.

In 2011, the Xander group, a global investment firm, valued HCC Concessions Limited at ₹1,650 crore and had acquired a 14.5% stake therein.

Current Road Portfolio:

HCC Concessions has a current portfolio of ₹ 5,500 crore which includes six NHAI road concessions. These include one annuity and five toll based projects: Nirmal (annuity) in Telangana (erstwhile Andhra Pradesh) on NH7, the Delhi Faridabad Elevated Expressway (*dfskeyway*TM) on NH2, Dhule Palesner Highway in Maharashtra on NH3 and three contiguous sections of 250 km in West Bengal on NH34. Of these, Nirmal Annuity, *dfskeyway*TM, Dhule Palesner Highway and the first leg of NH34's development, the Baharampore Farakka Highway are operational.

The four operational projects have been operational for between one and five years and are running smoothly. Farakka Raiganj Highway, the second leg of NH-34 development in West Bengal is expected to be operational later this year while the last leg, Raiganj Dalkhola has seen significant improvement in terms of land acquisition and work is expected to start shortly. Material defaults by NHAI, largely due to delayed handing over of land for all three NH-34 packages have resulted in the Concessionaire's filing of a claim of ₹ 883 crore as damages from NHAI as on June 30, 2014. Despite the aforementioned delays and a recessionary environment in the past few years, the NH-34 projects continue to be a substantial source of value creation for the portfolio.

During the past year, there was very limited opportunity for new projects since only about 740 km were awarded by NHAI. HCC Concessions has chosen to focus on the execution of its under construction projects and also raise capital through stake sale at attractive valuations.

The Company will evaluate NHAI projects in the next financial year, albeit conservatively, while also evaluating state road opportunities.

Status of Operational Assets:

Dhule Palesner Highway Project (NH-3)

The project road is part of NH-3, commonly referred to as the Agra-Mumbai road, originating from Agra and ending at Mumbai. It is a primary conduit for transportation of passengers as well as freight traffic from the state of Uttar Pradesh to major towns in the states of Madhya Pradesh and Maharashtra. In FY09, NHAI awarded a contract for the development of a four lane highway from Km 168.500 to Km 265.000 on the Maharashtra/MP border to an HCC led consortium on a BOT (toll) basis. The concession period is 18 years, including a construction period of 30 months. The project was operational in February 2012, about 4 months ahead of its scheduled completion. The project has been developed at a total investment of ₹ 1,420 crore.

The operation of project road is running smoothly. During the year, the Company implemented the 10x tolling for Overloaded vehicles in line with the NHAI Fee Rules. NHAI also handed over the land for the Developed Section from Km 219.7 to Km 233.0 after a delay of 1.5 years. The contractor has started the mobilization and is expected to finish the work on the remaining 2 lanes within six months. The daily toll revenue is expected to increase by about ₹ 2-3 lakhs after this development. The remaining concession period for the project is about 13 years.

Pursuant to the interest expressed by the Sadbhav Group to acquire the Company's stake in the SPVs, the Company has also entered into definitive agreements with the Sadbhav Group for the sale of its entire economic stake in Dhule Palesner Tollway Ltd. The transaction is subject to receipt of necessary approvals.

Delhi Faridabad Elevated Expressway (NH-2) (dfskeyway™)

The Delhi Faridabad Elevated Expressway or *dfskeyway™* is a six lane 4.4 km elevated highway

connecting Delhi and Haryana at Badarpur. This award winning engineering marvel designed and developed by HCC Concessions Ltd with an investment of nearly ₹ 600 crore boasts 20 exits, 10 underpasses and is the first of its kind spaghetti structure in India. The *dfskeyway™* contributes significantly to Delhi's rapidly expanding infrastructure by reducing travel time by over 40 minutes through an extremely congested corridor that benefits residents and inter-state traffic alike.

The project's concession period is 20 years, including construction period of 24 months. Of the three satellite cities, Faridabad is under-developed and under-priced relative to other parts of NCR. However, since the development of this asset, there has been a 30-40% increase in property prices (2008-10). Besides, Faridabad has been ranked as the 8th fastest developing city by The City Mayors Foundation. This asset has been awarded the Best Project Award by Construction Industry Development Council 2011 and the Infrastructure Excellence Award 2011 by CNBC TV18.

In February 2013, this SPV has undergone restructuring of its debt due to revenues falling short of projections which is mainly attributed to the prolonged economic slowdown in the country (coinciding with COD) and the existence of toll free local road, which is being used by the long distance vehicles to escape paying toll charges.

In order to enhance the revenue on this project and reduce maintenance costs, the Company is in the process of implementing 10x tolling for overloaded vehicles in accordance with NHAI Fee Rules. The Company has also submitted a comprehensive proposal for advertising along the project highway. The project is a signature project in Delhi having very high visibility and the Company is expecting significant revenues from the latter sources.

Nirmal Annuity (NH-7)

This project road from Kadthal to Armur in Telengana (erstwhile Andhra Pradesh) is a part of the Nagpur-Hyderabad section of NH-7. In FY07, NHAI awarded the development of four-laning of 30 km long Kadthal Armur Section of NH-7 on a BOT basis under the Annuity scheme to HCC. The concession period for the project is 20 years, including a construction period of 24 months. The project was developed with an investment by HCC of ₹ 315 crore. This project was operational in July 2009, 100 days ahead of the scheduled completion

date. The debt at Nirmal has since been refinanced through a structured bond at 9.38% fixed rate of interest for a 17 year tenure.

As part of the capital raising activity, the Company has signed definitive agreements for the 100% sale of this project to Highway Concessions One Pvt Ltd (an entity majorly held by IDFC Alternatives managed India Infrastructure Fund). Highway Concessions One will acquire a 74% equity stake upfront, while the remaining 26% shall be acquired upon receipt of an approval from NHAI. The Company is working towards the fulfillment of conditions precedent and the transaction is expected to close shortly.

The SPV has received timely annuity payments over the last year and the operations and maintenance are being managed efficiently by HCC Operations and Maintenance Ltd.

Baharampore Farakka Highway (NH-34)

This 101 km project is the first section of 250 km contiguous section on NH-34 (West Bengal) from Baharampore to Dalkhola and was awarded to the Company in 2010.

NH34 provides nearest access to Kolkata and Haldia ports for the north eastern states of India and neighbouring Bangladesh, Bhutan and Nepal. The traffic on NH34 comprises 85-90% commercial traffic, carrying a diversified mix of manufactured goods, building materials, steel, jute, food grains and tea.

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

The project achieved commercial operations in May 2014 and has been tolling smoothly. The operations and maintenance is being managed by HCC O&M Ltd. The Company implemented the 10x tolling for overloaded vehicles on this project in August 2014 to enhance revenue and reduce maintenance costs and was amongst the first few in the country to implement the same.

The completion of the project is delayed by 22 months as of March 2015, largely due to material defaults by NHAI in providing land on a timely basis. Provisional Completion (PCOD) was achieved 9 months after SFLD (Scheduled Four-laning Date) and Final Completion (FCOD) will be delayed by a total of 35 months due to delayed handover of Right of Way (ROW), tardy design clearances for major bridges and structures, removal

of various hindrances, utilities shifting, etc. As of June 30, 2014, the Concessionaire has filed ₹ 290.85 crore worth of claims from the NHAI for the damages suffered due to NHAI defaults. The Concessionaire will submit further claims for increased costs beyond June 30, 2014. Since the realization of claim from the Authority will be a lengthy process, the SPV meanwhile approached its Lenders in August 2014 to assist in funding the delays and has subsequently received support from its Lenders.

The concession period for the project is 25 years, including a construction period of 30 months. The project is being implemented with an investment of ₹ 1,169 crore.

As part of its capital raising activity, the Company has entered into a non-binding Term Sheet for the sale of 100% stake in the project, subject to requisite clearances and approvals. The proposed transaction is expected to close by the end of Q1FY16 after the diligence process and documentation is completed.

Status of Assets under Development:

Farakka Raiganj Highway (NH-34)

The project road starts from Farakka at Km 294.680 and ends at Raiganj at Km 398.000. The Farakka Raiganj section is about 102 km in length and traverses through Farakka barrage, Kalia Chawk Bazaar and Malda city in Malda and North Dinjapur districts of West Bengal. It also passes through various small villages like Sujapur, Gazole, Stalkuri, Itahar and ends before Raiganj town. The concession period is 30 years, including a construction period of 30 months. The project is being implemented with an investment of ₹ 1,378 crore.

A substantial stretch (79%) of roads and structures of this second and largest leg of NH-34 development has been completed and toll collection is expected to commence by the year end. In the last year, almost the entire land has been made available for construction after a long delay. The completion of the project is delayed by 22 months as of March 2015, largely due to material defaults by NHAI in providing land on a timely basis. The Provisional Completion (PCOD) is estimated to be achieved 29 months after SFLD (Scheduled Four-laning Date) while Final Completion (FCOD) will be delayed by a total of 37 months due to delayed handover of Right of Way (ROW), tardy design clearances for major bridges and structures, removal of various hindrances, utilities shifting, etc. As of June 30, 2014, the Concessionaire has filed ₹ 322.72 crore of

claims from the NHAI for the damages suffered due to NHAI defaults. The Concessionaire will submit further claims for increased costs beyond June 30, 2014. Since the realization of claim from the Authority is a lengthy process, the SPV meanwhile approached its Lenders in August 2014 to assist in funding the delays and has subsequently received support from its Lenders.

Raiganj Dalkhola Highway

This is the northern section of the NH-34 development, starting at Raiganj (Km 398.000) and terminating at the town of Dalkhola (Km 452.750). The 50 km project stretch traverses through Raiganj and Dalkhola towns in North Dinjapur district of West Bengal. It also passes through various small villages like Soharai, Karandighi, Maheshbathna and ends at the intersection of NH31. The concession period is 30 years which includes a construction period of 30 months. The project is being implemented with an investment of ₹ 684 crore.

The project progress has been very slow due to the non-availability of land. In the year 2014-15, a significant portion of land has been made available for construction after a delay of over 4 years. The Company expects to receive 80% of unencumbered vacant land in the coming months when execution will restart. As of June 30, 2014, the Concessionaire has filed ₹ 269.31 crore worth of claims from the NHAI for the damages suffered due to NHAI defaults. The Concessionaire will submit further claims for increased costs beyond June 30, 2014. Since the realization of claim from the Authority is a lengthy process, the SPV meanwhile has approached its Lenders in February 2015 to assist in funding the delays and has subsequently received positive indications from its Lenders.

iv) Steiner AG, Switzerland

Steiner AG is a leading total and general contracting company in Switzerland, specialized in turnkey building construction including refurbishments and real estate development.

Your Company owns 100% stake in Steiner AG through HCC Mauritius Enterprises Limited and HCC Mauritius Investment Limited, Wholly Owned Subsidiaries.

In FY2014-15, Steiner AG has registered a revenue of CHF 853.9 million (₹ 5604.2 crore) compared to CHF 796.7 million (₹ 5,228.7 crore) in the previous year. The net profit stood at CHF 1.7 million (₹ 11.2 crore) compared to CHF 8.15 million (₹ 53.4 crore). The company secured fresh orders worth CHF 796 million

(₹ 5,106 crore). The order backlog was CHF 1.12 billion (₹ 7,195 crore) at the end of the year. In addition to this, the company has secured orders for more than CHF 192 million (₹ 1,232 crore), where the contracts are yet to be signed. The closing cash balance of the company was CHF 103 million (₹ 658.5 crore) reflecting company's steady financial performance and strong liquidity position.

v) Highbar Technologies Ltd

Highbar Technologies Ltd ('Highbar'), a wholly owned subsidiary of your Company, is an Information Technology Company formed by your Company, with the vision of providing end-to-end IT solutions to Infrastructure industry.

Highbar was able to service 16 new customers including 6 new customers from Middle East, Africa and Switzerland taking the total tally of clients to 94. This has been achieved at a time when the primary customer segment, the construction industry, is facing multiple challenges. Despite this, in a short span of time, Highbar has started dominating the 'IT for Infrastructure' market. Your Company's group legacy has enabled Highbar to understand and service these industries effectively. The orders won by Highbar have contributed highest value through net new customers in SAP Ecosystem for infrastructure sector in calendar year 2014. Highbar has started providing SAP related services in multiple sectors like Manufacturing, BPO, Agro-Chemicals in addition to Infrastructure, Real Estate, Retail, Telecom, Consumer Products, PEB (Pre-engineered Buildings), Iron & Steel etc. It has developed capabilities to execute successfully very large size projects concurrently. Customers have demonstrated their faith in Highbar for a long term association by awarding 5 years support deal in addition to implementation.

After securing first order in last year, Highbar has started expanding its reach in government sector by exploring opportunities. Its Dubai subsidiary, Highbar Technologies FZ-LLC, has now started strengthening its presence counting ten major customers in the Middle-East in a short span of time. Highbar now operates not only in India and Middle-East but also in Africa (Nigeria) and Europe (Switzerland).

Highbar has grown its IT capabilities and the expertise in various areas including ERP (Enterprise Resource Planning), Business Intelligence and dashboards, cloud offerings through Highbar CloudConnect,

Employee Portals, CRM (Customer Relationship Management), DMS (Document Management System) and others. Highbar has also ventured into SAP HANA implementation this year. New offerings like SAP Fiori, Screen Persona, Mobility solutions, e-procurement through Ariba sourcing solutions have increased the breadth of the offerings for the customers. The stack of services provided by Highbar has gone much beyond SAP into process consulting and IT Infrastructure support (data-centre, networking etc.) Solutions like Highbar RapidStart and Highbar RapidStart Analytics are based on the templatised approach for ERP and Business Intelligence respectively and are intellectual properties (IP) assets of Highbar. Highbar has maintained a strategic alliance with SAP at the level of 'Gold Partnership' and it's a preferred partner for SAP implementation and even reimplementations for the infrastructure industry. More than ten of Highbar's implementation have now become global case studies, published on SAP's website as reference implementations.

Highbar, the spin-off from your Company's internal IT function, has succeeded, when the success rate of such experiments is just 5% globally & in India. Highbar has established a proper scalable organization structure with all the functions in place to facilitate and sustain future growth. It is on the course towards accomplishing its vision of being 'the most preferred end-to-end IT solution provider' for infrastructure industry.

5. Subsidiaries, Joint Ventures and Associate Companies

As of 31st March 2015, the list of Subsidiaries, Joint Ventures and Associate Companies of your Company is as follows:-

Subsidiary Companies

1. Western Securities Ltd
2. HCC Aviation Ltd
3. HCC Construction Ltd
4. Highbar Technologies Ltd
5. Highbar Technologies FZ LLC
6. HCC Mauritius Enterprises Limited
7. HCC Mauritius Investment Limited
8. Steiner AG (Formerly known as Karl Steiner AG)
9. Steiner Promotions et Participations SA
10. VM + ST AG
11. Eurohotel SA
12. Steiner (Germany) GmbH
13. Steiner Leman SAS
14. SNC Valleiry Route De Bloux
15. Steiner India Ltd
16. HCC Infrastructure Company Ltd
17. HCC Concessions Ltd (Formerly known as HCC Infrastructure Ltd)
18. Nirmal BOT Ltd
19. Badarpur Faridabad Tollway Ltd
20. Baharampore - Farakka Highways Ltd
21. Farakka - Raiganj Highways Ltd
22. Raiganj - Dalkhola Highways Ltd
23. Dhule Palesner Operations & Maintenance Ltd
24. HCC Power Ltd
25. HCC Operations & Maintenance Ltd
26. Narmada Bridge Tollway Ltd
27. HCC Real Estate Ltd
28. HRL Township Developers Ltd
29. HRL (Thane) Real Estate Ltd
30. Nashik Township Developers Ltd
31. Maan Township Developers Ltd
32. Charosa Wineries Ltd
33. Powai Real Estate Developers Ltd
34. HCC Realty Ltd
35. Pune-Paud Toll Road Company Ltd
36. Panchkutir Developers Ltd
37. Lavasa Corporation Ltd
38. Lavasa Hotel Ltd
39. Apollo Lavasa Health Corporation Ltd
40. Lakeshore Watersports Company Ltd
41. Dasve Convention Centre Ltd
42. Dasve Business Hotel Ltd
43. Dasve Hospitality Institutes Ltd
44. Lakeview Clubs Ltd
45. Dasve Retail Ltd
46. Full Spectrum Adventure Ltd
47. Spotless Laundry Services Ltd
48. Lavasa Bamboocrafts Ltd
49. Green Hill Residences Ltd

50. My City Technology Ltd
51. Reasonable Housing Ltd
52. Future City Multiservices SEZ Ltd
53. Rhapsody Commercial Space Ltd
54. Valley View Entertainment Ltd
55. Sirrah Palace Hotels Ltd
56. Warasgaon Tourism Ltd
57. Our Home Service Apartments Ltd
58. Warasgaon Power Supply Ltd
59. Sahyadri City Management Ltd
60. Hill City Service Apartments Ltd
61. Kart Racers Ltd
62. Warasgaon Infrastructure Providers Ltd
63. Nature Lovers Retail Ltd
64. Osprey Hospitality Ltd
65. Starlit Resort Ltd
66. Warasgaon Valley Hotels Ltd
67. Rosebay Hotels Ltd
68. Mugaon Luxury Hotels Ltd
69. Warasgaon Assets Maintenance Ltd
70. Hill View Parking Services Ltd
71. Whistling Thrush Facilities Services Ltd
72. Verzon Hospitality Ltd

Joint Ventures

1. HCC- L & T Purulia Joint Venture
2. HCC Samsung Joint Venture
3. Alpine Samsung HCC Joint Venture
4. Alpine HCC Joint Venture
5. Nathpa Jhakri Joint Venture
6. Kumagai -Skanska-HCC Itochu Group
7. Dhule Palesner Tollway Limited
8. AGRE Prime Tower

Associate Companies

1. Vikhroli Corporate Park Pvt Ltd
2. Warasgaon Lake View Hotels Limited
3. Andromeda Hotels Limited
4. Ecomotel Hotel Limited
5. Knowledge Vistas Limited
6. Bona Sera Hotels Limited
7. Evostate AG

8. Projektentwicklungsges Parking AG.
9. MCR Corporation Real Estate AG

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies of the Company form part of the Consolidated Financial Statements of the Company for the financial year ended 31st March 2015 and hence are not repeated here for the sake of brevity.

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

6. Qualified Institutions Placement of Equity Shares (QIP) / Change in Share Capital

During the year under review, your Company's Authorised Share Capital has remain unchanged at ₹ 100,00,00,000 (Rupees One hundred Crore) comprising 90,00,00,000 Equity Shares of ₹ 1/- each and 1,00,00,000 Redeemable Cumulative Preference Shares of ₹ 10/- each.

Pursuant to the conversion of 3,92,15,686 warrants by the Promoter Companies i.e. Hincan Holdings Ltd and Hincan Finance Ltd , 3,92,15,686 equity shares of ₹ 1/- each, in aggregate, was allotted by your Company to the aforementioned Promoter Companies, at a conversion price of ₹ 16.32/- per equity share (including premium of ₹ 15.32/- per equity share) the Company's paid up Equity Share Capital increased from ₹ 60,66,10,420/- comprising 60,66,10,420 Equity Shares of ₹1/- each to ₹ 64,58,26,106/- comprising 64,58,26,106 equity shares of ₹ 1/- each.

After the close of the financial year under review, on April 10, 2015, your Company has issued and allotted 13,33,32,800 Equity Shares of ₹1/- each at an issue price of ₹ 30/- per Equity Share (including premium of ₹ 29/- per equity share) for an amount aggregating ₹ 399,99,84,000/- to Qualified Institutional Buyers in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder.

Post the QIP Issue, the paid up Equity Share Capital of the Company is ₹ 77,91,58,906/- which comprises 77,91,58,906 Equity Shares of ₹ 1/- each.

7. Public Deposits

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

8. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Also, pursuant to Clause 32 of the Listing Agreement, the particulars of Loans/Advances given to Subsidiaries have been disclosed in the notes to the Financial Statements.

9. Employee Stock Option Scheme (ESOP)

As on March 31, 2015, 32,39,330 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ₹ 52.03 per stock option.

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

During the year under review, no options got vested in the employees of the Company. 14,55,470 stock options got lapsed between April 1, 2014 and March 31, 2015.

The particulars with regard to the ESOP as on March 31, 2015 as required to be disclosed pursuant to the provisions of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014, are set out in **Annexure I** to this Report.

10. Status of GDSs

During the financial year 2005-06, the Company had issued Global Depository Shares (GDSs) and the underlying shares against each of the GDSs were issued in the name of the Depository, Citi Bank N.A.

As on March 31, 2015, 17,300 GDSs have remained outstanding which forms part of the existing paid up Equity Share Capital of the Company.

11. Consolidated Financial Statements

In accordance with the Companies Act, 2013 and Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates and AS – 27 on Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in this Annual Report.

12. Corporate Governance

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

The report on Corporate Governance as per the requirement of the Listing Agreement forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

13. Directors

As per the provisions of Section 152 of the Companies Act, 2013, Mr. D. M. Papat, Director of the Company retires by rotation at the ensuing Annual General Meeting. However, Mr. D. M. Papat has expressed his intention not to seek re-election as a Director of the Company.

During the year under review, the Board of Directors of the Company at its Meeting held on July 31, 2014, appointed Ms. Harsha Bangari as Nominee Director (Nominee of Exim Bank) w.e.f. July 31, 2014.

Based on the recommendation of the Nomination and Remuneration Committee and after reviewing the declarations submitted by Mr. Rajas R. Doshi and Mr. Anil C. Singhvi, Independent Directors, the Board of Directors of the Company by way of resolution dated March 17, 2015 passed by circulation, formed an opinion that the said Directors meet with the criteria of Independence as per Section 149(6) of the Companies Act, 2013 ("the Act") and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being appointed as the Independent Directors on the Board of the Company.

Mr. Rajas R. Doshi and Mr. Anil C. Singhvi, who were appointed as "Directors liable to retire by rotation" under the provisions of the erstwhile Companies Act, 1956 and who qualify for being appointed as Independent Directors of the Company are proposed to be appointed at the ensuing Annual General Meeting as Independent Directors of the Company under section 149 of the Companies Act, 2013 for the period w.e.f. March 17, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

On the recommendation of the Nomination and

Remuneration Committee and after reviewing the declaration submitted by Dr. Omkar Goswami, Independent Director, the Board of Directors of the Company at its Meeting held on April 30, 2015 formed an opinion that the said Director meets with the criteria of Independence as per Section 149(6) of the Companies Act, 2013 ("the Act") and the rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and accordingly appointed Dr. Omkar Goswami as an Additional Director to hold office as an Independent Director of the Company w.e.f. April 30, 2015 upto the conclusion of the 93rd Annual General Meeting of the Company to be held in the calendar year 2019.

The Board of Directors at its Meeting held on April 30, 2015, on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Shalaka Gulabchand Dhawan as Additional Director and also as Whole-time Director of the Company for a period of five years w.e.f. April 30, 2015, subject to the approval of the Members of the Company.

Your Company has received the requisite disclosures / declarations from Mr. Rajas R. Doshi, Mr. Anil C. Singhvi, Dr. Omkar Goswami and Ms. Shalaka Gulabchand Dhawan as required under the relevant provisions of the Companies Act, 2013.

Your Company has also received Notices under Section 160 (1) of the Companies Act, 2013 from members signifying their intention to propose Mr. Rajas R. Doshi, Mr. Anil C. Singhvi, Dr. Omkar Goswami and Ms. Shalaka Gulabchand Dhawan as candidates for the office of Independent Director / Director at the ensuing Annual General Meeting.

Further, your Company has also received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

Profiles of the Directors seeking appointment have been given in the Notice of the ensuing Annual General Meeting of the Company.

14. Key Managerial Personnel

During the year under review, in addition to Mr. Ajit Gulabchand, Chairman and Managing Director and Mr. Rajgopal Nogja, Group COO & Whole-time Director of the Company, the following three Senior Executives

of the Company were formally appointed as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013

- i) Mr. Arun V. Karambelkar was appointed as President & Chief Executive Officer – E&C w.e.f. April 29, 2014
- ii) Mr. Praveen Sood was appointed as Chief Financial Officer of the Company designated as Group CFO & EVP – HCC Group Office w.e.f. April 29, 2014
- iii) Mr. Vithal P. Kulkarni to continue to act as Company Secretary of the Company.

Remuneration and other details of the said Key Managerial Personnel for the financial year ended March 31, 2015 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

15. Board Committees

The Board of Directors of your Company had already constituted various Committees in compliance with the provisions of the Companies Act, 2013 /Listing Agreement viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and ESOP Compensation Committee.

During the year under review, in compliance with the provisions of Clause 49 of the Listing Agreement, the Board had also constituted the Risk Management Committee.

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

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

16. Nomination and Remuneration Policy

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and the Remuneration Policy of the Company is attached to the Board's Report as **Annexure II.**

17. CSR Policy

The Corporate Social Responsibility Policy recommended by the CSR Committee of the Directors has been approved by the Board of Directors of the Company. The same is available on the website of the Company i.e. www.hccindia.com and is also attached to this Report as **Annexure III**.

The disclosure relating to the amount spent on Corporate Social Responsibility activities of the Company for the financial year ended 31st March 2015 is attached to this Report as **Annexure IV**.

18. Meetings

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

The Board of Directors of your Company met 4 times during 2014-15. The meetings were held on May 2, 2014, July 31, 2014, October 30, 2014 and January 29, 2015. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

19. Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any ;
- b) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are operating effectively

- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

20. Industrial Relations

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

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

Your Company has, during the year under review, transferred a sum of ₹ 9,17,451/- to Investor Education and Protection Fund, in compliance with the provisions of Section 205C of the Companies Act, 1956. The said amount represents dividend for the year 2005-06 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

22. Particulars of Employees and other additional information.

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

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

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

24. Statutory Auditors

The Members of the Company had, at the 88th Annual General Meeting ("AGM") held on June 20, 2014, approved the appointment of M/s Walker Chandio & Co. LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 001076N as the Statutory Auditors of

the Company, to hold office from the conclusion of that AGM until the conclusion of the 6th AGM held thereafter (subject to ratification of the appointment by the Members at every AGM held after the abovesaid AGM).

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

In view of the above, the existing appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai covering the period from the conclusion of this ensuing AGM until the conclusion of the next Annual General Meeting to be held in the FY 2016-17, is being placed for members' ratification.

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

25. Auditors' Report

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2015 does not contain any qualification, reservation or adverse remark.

26. Secretarial Audit

Secretarial Audit for the FY 2014-15 was conducted by M/s BNP Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached to this Report as **Annexure VII**. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

27. Cost Audit

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 31st July 2014 had appointed M/s Joshi Apte & Associates, Cost Accountants as Cost Auditors of the Company for the FY 2014-15. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the

remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for FY 2014-15.

28. Risk Management

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Company has already in place a Risk Management Plan.

The Company has a robust Business Risk Management (BRM) framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance your Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level.

In accordance with the provisions of Clause 49 of the Listing Agreement, your Company has also constituted a Risk Management Committee.

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

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

30. Internal Control Systems and their adequacy

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

31. Vigil Mechanism Policy

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

32. Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, annual Performance Evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out.

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

33. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on March 18, 2015, *inter-alia*, to discuss:

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

34. Related Party Transactions

All related party transactions attracting compliance under Section 188 and / or Clause 49 of the Listing Agreement are placed before the Audit Committee as also before the Board for approval.

Prior omnibus approval of the Audit Committee is also sought for transactions which are of a foreseen and repetitive nature.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors of the Company is uploaded on the website of the Company i.e. www.hccindia.com

Pursuant to the approval vide Board Resolution dated May 2, 2014 and Special Resolution passed by the Members of the Company at the 88th Annual General

Meeting of the Company held on June 20, 2014, the remuneration payable to Mr. Arjun Dhawan, President & CEO – Infrastructure Business relative of Mr. Ajit Gulabchand, Chairman and Managing Director of the Company, who is holding office or place of profit in the Company, was revised w.e.f. November 1, 2014. During the year under review, the remuneration paid to Mr. Arjun Dhawan, President & CEO – Infrastructure Business of the Company was ₹ 2.92 crore.

The disclosures on related party transactions are made in the Financial Statements of the Company.

35. Extract of Annual Return

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed hereto as **Annexure VIII** and forms the part of this Report.

36. Sexual Harassment

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. Acknowledgements

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

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

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

Hincon House, 11th Floor,
247Park, Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083

Place : Mumbai

Date : April 30, 2015

Annexure I to the Board's Report

Disclosure pursuant to the provisions of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 as at March 31, 2015:

No.	Particulars	Details
a)	Options granted	93,05,100 Options
b)	Pricing Formula	<u>Pricing formula for remaining Options</u> The closing market price on the Stock Exchange, which recorded the highest trading volume in the Company's share prior to the date of the Meeting of ESOP Compensation Committee in which Options were granted.
c)	Options vested	32,39,330 (Adjusted – vested options only with respect to options outstanding)
d)	Options exercised	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
e)	Total No. of shares arising as a result of exercise of Options	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
f)	Options lapsed	50,56,370 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
g)	Variation of terms of Options / Exercise Price	In accordance with the approval of the Board of Directors of the Company, the ESOP Compensation Committee had during FY 2009-10 re-priced 41,31,600 Options granted by the Company at ₹ 104.05 per Stock Option (Earlier ₹ 132.50 per Stock Option) Post Adjustment for Bonus Issue of Equity Shares in August 2010, the said Options were priced at ₹ 52.03 per Equity Share
h)	Money realized by exercise of Options	₹ 34,36,133
i)	Total No. of Options in force	32,39,330

Employee wise details of Outstanding Options as of 31st March 2015:

Sr. No.	Directors & Senior Managerial Personnel		Number of Options granted and in force
	Name	Designation	
1.	Mr. Rajas R. Doshi	Director	37,730
2.	Mr. D. M. Popat	Director	37,730
3.	Mr. Ram P. Gandhi	Director	37,730
4.	Mr. Sharad M. Kulkarni	Director	37,730
5.	Mr. Anil C. Singhvi	Director	37,730
6.	Mr. Arun V. Karambelkar*	President & CEO – E&C	301950
7.	Mr. Rajgopal Nogja	Group Chief Operating Officer & Whole-time Director	188760
8.	Mr. Praveen Sood*	Group Chief Financial Officer – Executive Vice President - HCC Group Office	301950
9.	Mr. Aditya Jain	Group Executive Vice President – Human Resources	320480

Sr. No.	Directors & Senior Managerial Personnel		Number of Options granted and in force
	Name	Designation	
10.	Mr. Pervez Alam*	Jt. Chief Operating Officer – HCC E&C	377520
11.	Mr. N. R. Acharyulu*	Chief Business Development Officer -E & C Business	377520
12.	Mr. D. M. Kudtarkar*	Chief Technology Officer	377520
13.	Mr. Vithal P. Kulkarni	Company Secretary	150920
14.	** Late Mr. K. R. Visvanath*	-	251570
15.	Mr. Satish Pendse	President - Highbar Technologies	150920
16.	Mr. S. W. Gaitonde*	Vice President – Central Project Planning & Monitoring	251570
	Total No. of Options Outstanding		32,39,330

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

The above list also includes the details of options granted to the Key Managerial Personnel of the company

* Employees who had been granted Options amounting to 5% or more of the total Options granted.

** As per the HCC ESOP Scheme, the vested options as on the date of death are vested with the beneficiary of the respective employee and are permitted to be exercised within 2 years from the date of death.

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

Hincon House, 11th Floor,
247Park, Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083

Place : Mumbai

Date : April 30, 2015

Annexure II to the Board's Report

REMUNERATION POLICY OF THE COMPANY

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

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

1. OBJECTIVE

This policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

2. EFFECTIVE DATE

This policy is effective from January 29, 2015.

3. SCOPE

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

4. DEFINITIONS

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

4.2. Board means Board of Directors of the Company.

4.3. Directors means Directors of the Company.

4.4. Key Managerial Personnel means

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

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

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

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

5. ROLE OF THE COMMITTEE

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

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

6.1 General:

- a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract retain and motivate Directors of the quality required to run the Company successfully;
- b) Moreover it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- d) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Directors shall be recommended by the

Committee to the Board for approval. Such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.

- e) In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.
- f) Professional indemnity and liability insurance for Directors, Key Managerial Personnel and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

6.2 Remuneration to Managing Director/Whole-time Directors:

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

6.3 Remuneration to Non- Executive & Independent Directors:

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

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

6.4 Remuneration to KMP and Senior Management employees:

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

7. DISCLOSURE OF THE POLICY

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

8. FREQUENCY OF MEETINGS

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

9. QUORUM

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

10. CHAIRMAN

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

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

11. SECRETARY

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

12. MINUTES OF THE COMMITTEE MEETING

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

13. MISCELLEANOUS:

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

Annexure III to the Board's Report

CSR POLICY OF THE COMPANY

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

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

1. OBJECTIVE

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

2. CSR VISION

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

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

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

3. SCOPE

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

4. DEFINITIONS:

1. **Corporate Social Responsibility (CSR)** means and includes but is not limited to:
Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act').
2. **CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
3. **CSR Policy** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.

4. **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198) and Rules framed thereunder, but shall not include the following viz;

- (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and
- (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act

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

5. ROLE OF THE CSR COMMITTEE

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

6. ROLE OF THE BOARD

- a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company
- b. Ensure that the CSR activities included in this CSR Policy are undertaken by the Company.
- c. The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established under section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If

such trust, society or company is not established by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

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

7. CSR ACTIVITIES FOR IMPLEMENTATION :

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

8. CSR MONITORING AND REPORTING FRAMEWORK

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

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

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

9. CSR EXPENDITURE

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

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

10. DISCLOSURE OF THE POLICY

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

11. CSR REPORTING

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

12. FREQUENCY OF MEETINGS

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

13. QUORUM

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

14. CHAIRMAN

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

15. SECRETARY

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

16. MINUTES OF THE COMMITTEE MEETING

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

17. MISCELLANEOUS

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

Annexure IV to the Board's Report

FORMAT OF REPORTING OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

The objectives of the CSR policy are -

- i) To translate the underlying principle of the vision into action and continue to contribute towards the organization and society at large.
- ii) Promote business policies that are ethical, equitable, environmentally conscious and sensitive to the societal needs.
- iii) To ensure proactive participation in the community development for the wellbeing of the society.
- iv) Set high standards of quality in executing the CSR initiatives by creating robust processes.

Focus Areas:

Health: The Company will promote various initiatives to support health and preventive health care in the community.

Education: The Company will undertake initiatives in field of education to enhance employability and wellbeing of the community.

Environment: The Company will promote environmental sustainability and conservation of natural resources.

Rural Development Projects: The Company will undertake rural development initiatives to improve the standard of

living, infrastructural development, initiatives for wellbeing for significant improvement in the socio-economic conditions of the community. Support response to natural calamities including preparedness and relief.

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

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

2. The Composition of the CSR Committee.

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

- i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- ii) Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy
- iii) Monitor the CSR Policy of the Company and its implementation from time to time.
- iv) Such other functions as the Board may deem fit.

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

Year	Profit/Loss (Crore)
FY 2011-12	(222.25)
FY 2012-13	(137.64)
FY 2013-14	80.64

Average net profit of three preceding years is negative.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

NA. As average net profit of three preceding years is negative.

5. Details of CSR spent during the financial year.

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

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

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (bud get) project or programs wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency	
							Direct	Through Implementing Agency
		Education		NA	1,138,186.00	1,138,186.00	676,807.00	461,379.00
		Health		Na	406,316.00	406,316.00	324,941.00	81,375.00
		Rural Development		NA	480,936.00	480,936.00	265,316.00	215,620.00
		Environment		NA	-	-	-	-
		Disaster		NA	-	-	-	-
TOTAL					2,025,438.00	2,025,438.00	1,267,064.00	758,374.00

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is re-produced below:

"The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with the CSR Objectives and Policy of the Company."

AJIT GULABCHAND

Chairman & Managing Director & Chairman of the CSR Committee

Registered Office:

Hincon House, 11th Floor,
247Park, Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083

Place : Mumbai

Date : April 30, 2015

Annexure V to the Board's Report

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 (3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

* Mr. Ajit Gulabchand	: NA
Mr. Rajgopal Nogja	: 1 : 60

* The Company has made application to the Ministry of Corporate Affairs ("MCA") for payment of remuneration of ₹10,65,60,000/- to Mr. Ajit Gulabchand, Chairman and Managing Director of the Company for the FY 2014-15. Pending approval from the MCA, no payment has been made to him.

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

Directors:

Mr. Ajit Gulabchand	: 0%
Mr. Rajgopal Nogja	: 9.72%

Key Managerial Personnel:

Mr. Arun Karambelkar, President & CEO - E&C	: 0%
Mr. Praveen Sood, Group CFO	: 3.39% (excluding merger of an existing benefit)
Mr. Vithal P. Kulkarni, Company Secretary	: 3.66%

- iii) The percentage increase in the median remuneration of employees in the financial year.
6.78%
- iv) The number of permanent employees on rolls of the company.
1729 employees as on 31st March, 2015.
- v) The explanation on the relationship between average increase in remuneration and company performance.
The average increase of 6.78% in remuneration given in the Company was to partially offset the average inflation of 8.5% in the year 2014-15, as also to prevent any significant employee attrition at lower levels. The increase, which was lower than the average inflation during the year, is a reflection of average company performance.
- vi) Comparison of the remuneration of Key Managerial Personnel against the performance of the company.
The increase in remuneration of the Chief Financial Officer and Company Secretary are below the increase in employees' median remuneration. The increase in remuneration of Mr. Rajgopal Nogja is as approved by the Board of Directors and the Members.

- vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case listed companies.

- a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2015 was ₹ 2,108.62 crore (₹ 1,028.81 as on March 31, 2014)
- b) Price Earnings ratio of the Company was 25.83 as at March 31, 2015 and was 12.76 as at March 31, 2014
- c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company had come out with initial public offer (IPO) in 1984. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 1.30 lakh as on March 31, 2015 indicating a Compounded Annual Growth Rate of 17.07%. This is excluding the dividend accrued thereon.

- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Salary Increase for KMPs (other than CMD and WTD): 3.47%

Average Salary Increase for non-KMPs: 6.86%

There are no exceptional circumstances of increase in KMP remuneration.

- viii) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.

Same response as in point vi) above.

- ix) The key parameters for any variable component of remuneration availed by the Directors.
No Director has received any variable component of remuneration.

- x) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

Mr. Rajgopal Nogja is the highest paid Director. No employee received remuneration higher than him.

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

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

Annexure VI to the Board's Report

Information as per Section 134 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2015.

I. Conservation of Energy

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

II. Technology Absorption

Efforts made in technology absorption.

1. Research and Development (R&D)

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

R&D efforts are currently focused on:

- i. Optimizing concrete ingredients with specific focus on reducing cement content with an aim of reducing the carbon footprint and making concrete sustainable. This is partly achieved through use of less energy intensive chemicals, use of alternate cementing materials and optimal quality assurance planning.
- ii. Less energy intensive construction techniques. This includes selecting methods that have lesser energy foot prints while offering sustainability advantage. E.g. Roller compacted concrete (RCC) over conventional dam concrete.
- iii. Alternate feasible designs with improved specifications. This is done with the objective of enhancing the sustainability of the built structures. E.g. Reduction in crust pavement thickness.
- iv. Alternative concreting practices that enhance speed and construction productivity. E.g. Long-distance pumping of concrete.

2. Technology Absorption and Adaptation

a) Efforts made towards technology absorption and adaptation during the year 2014-15 are:

1. **RCC Dam at TLDP-IV** – Successfully adopting the use of roller compacted concrete as a construction material/ method is underway at Teesta Lower Dam-IV project in West Bengal. This is assisted by material design and supervision from a Malaysian Expatriate.
2. **2.432 km concrete pumping at Sainj HEP** - The method of placing concrete using long distance pumping was successfully impleted for a distance of 2432 m at Sainj Hydroelectric project in Himachal Pradesh.
3. **Double-shielded TBM at Kishanganga HEP** - the technology of using doubled shielded Tunnel Boring Machine (TBM) (Seli make) has been successfully implemented for the head race tunnel. A record boring of 816 meter was achieved in one month (November ₹12).
4. **125 m span double-decker steel bridge launching at Bogibeel bridge** - HCC with its consortium partner from Germany has finalized the method for continuous launching of ten nos. of 125 meter span each road cum railway double-decker steel bridge.
5. **Alternative pavement designs & erosion protection at NH34** -
 - a. Various cementitious, non-cementitious and polymeric soil stabilizers for improving soil properties were experimented.
 - b. Alternative pavement designs using different soil stabilization strategies were implemented at various sections of NH34 project.
 - c. the technology of using coir mattresses is successfully adopted as erosion protection of embankment and alternative design options for road pavement are under implementation.
6. **Optimized design for Tehri PSP** - the powerhouse cavern has been designed by using FLAC-3D Software for optimization of rock supports with other design concepts in collaboration with expert from France and Canada is under progress.

7. **Top-down construction method for Assam road project** - At Assam road project, top-down construction method is used.
8. **Simultaneous retrieval of twin tube TBM** - For the first time in India, twin tube TBMs were retrieved at the Delhi Metro Railway Corporation (DMRC) project, CC34.

b) Benefits derived as a result of the above efforts:

- i. Faster progress implying earlier completion of projects
- ii. Efficiency improvements
- iii. Enhancement of quality

c) Technology adoption during last three financial years:

Description	Year of import	Has technology been fully absorbed
Construction of tunnel using double shield Tunnel Boring Machine (TBM)	2012	Absorbed (Kishanganga HEP, DMRC CC34)
Technology for construction of concrete faced rockfill dam (CFRD)	2012	Under Implementation (Kishanganga HEP)
Construction of dry dock using pre-cast cum floating caissons.	2012	Under Implementation (DGNP)
Roller Compacted Concrete (RCC) technology at Teesta-IV Low Dam Project	2014	Under Implementation (TLDP-IV)
Pumping of self-compacting concrete	2013 & 2014	Under implementation (RAPP 7&8, Sainj HEP)

Apart from the above, the following measures are taken

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

3. Innovation

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

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

III. Foreign Exchange earnings and outgo:

(a) Total Foreign Exchange used and earned:

The information on Foreign Exchange earnings and outgo is contained in Note No. 41(i)(D) & 41(i)(B) forming part of the accounts.

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

Hincon House, 11th Floor,
247 Park, Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083

Place : Mumbai
Date : April 30, 2015

Annexure VII to the Board's Report

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015

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

To

The Members

HINDUSTAN CONSTRUCTION COMPANY LIMITED

Hincon House, 11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400083.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Hindustan Construction Company Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2015. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

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

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

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

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

- (i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (v) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minute (since not approved by the Central Government)

We further report that -

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

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that –

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

We further report that during the audit period, following specific event / action having major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc. referred to above:

- The Company has issued 3,92,15,686 equity shares with voting rights of ₹ 1 each pursuant to conversion of warrants.

For BNP & Associates
Company Secretaries

Keyoor Bakshi
Partner

Place : Mumbai
Date : April 30, 2015

FCS 1844 / CP No. 2720

Annexure VIII to the Board's Report

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

For the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L45200MH1926PLC001228
ii)	Registration Date	January 27, 1926
iii)	Name of the Company	Hindustan Construction Company Limited
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083. Tel: +91 22 25751000 Fax: +91 22 25775950
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
1	Western Securities Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U67120MH1985PLC037511	Subsidiary	97.87	2 (87) (ii)
2	HCC Real Estate Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70100MH2005PLC154004	Wholly Owned Subsidiary	100.00	2 (87) (ii)
3	Panchkutir Developers Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45201MH2006PLC165073	Wholly Owned Subsidiary	100.00	2 (87) (ii)
4	HCC Mauritius Enterprises Limited	St James Court – Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
5	HCC Construction Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2009PLC190725	Wholly Owned Subsidiary	100.00	2 (87) (ii)
6	Highbar Technologies Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U72900MH2009PLC197299	Wholly Owned Subsidiary	100.00	2 (87) (ii)
7	HCC Infrastructure Company Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC210944	Wholly Owned Subsidiary	100.00	2 (87) (ii)
8	HCC Mauritius Investment Limited	St James Court – Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
9	HRL Township Developers Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45201MH2006PLC163478	Wholly Owned Subsidiary	100.00	2 (87) (ii)
10	HRL (Thane) Real Estate Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45201MH2006PLC163515	Wholly Owned Subsidiary	100.00	2 (87) (ii)
11	Nashik Township Developers Ltd	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2007PLC167416	Wholly Owned Subsidiary	100.00	2 (87) (ii)
12	Maan Township Developers Ltd	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2007PLC167416	Wholly Owned Subsidiary	100.00	2 (87) (ii)
13	Charosa Wineries Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U52208MH2007PLC176631	Wholly Owned Subsidiary	100.00	2 (87) (ii)
14	Powai Real Estate Developer Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70102MH2009PLC189760	Wholly Owned Subsidiary	100.00	2 (87) (ii)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
15	HCC Realty Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70102MH2010PLC200209	Wholly Owned Subsidiary	100.00	2 (87) (ii)
16	Pune-Paud Toll Road Company Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45203MH2005PLC152028	Wholly Owned Subsidiary	100.00	2 (87) (ii)
17	HCC Aviation Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U63033MH2008PLC182384	Wholly Owned Subsidiary	100.00	2 (87) (ii)
18	Steiner AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
19	Steiner Promotions et Participations SA	Route de Lully 5, 1131 Tolochenaz, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
20	Steiner (Deutschland) GmbH	Einsteinstrasse 7, D-33104 Paderborn, Germany	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
21	VM + ST AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
22	Steiner Leman SAS	Site d'Archamps - Athéna 1, 74160 Archamps, France	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
23	SNC Valliery Route de Bloux	Site d'Archamps - Athéna 1, 74160 Archamps, France	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
24	Eurohotel SA	Rue de Lyon 87, 1203 Genève, Switzerland	Not Applicable	Subsidiary	95.00	2 (87) (ii)
25	Steiner India Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45203MH2011FLC221029	Wholly Owned Subsidiary	100.00	2 (87) (ii)
26	Highbar Technologies FZ LLC	DIC P04-B16-G-EO-21, Ground Floor, DIC Building 16, Dubai, United Arab Emirates	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
27	Dhule Palesner Operations & Maintenance Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U93000MH2011PLC217639	Wholly Owned Subsidiary	100.00	2 (87) (ii)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
28	HCC Power Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U40300MH2011PLC218286	Wholly Owned Subsidiary	100.00	2 (87) (ii)
29	HCC Concessions Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45202MH2008PLC178890	Subsidiary	85.50	2 (87) (ii)
30	HCC Operations & Maintenance Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U93030MH2012PLC237676	Wholly Owned Subsidiary	100.00	2 (87) (ii)
31	Narmada Bridge Tollway Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2012PLC232354	Wholly Owned Subsidiary	100.00	2 (87) (ii)
32	Badarpur Faridabad Tollway Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45203MH2008PLC184750	Wholly Owned Subsidiary	100.00	2 (87) (ii)
33	Nirmal BOT Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45201MH2006PLC164728	Wholly Owned Subsidiary	100.00	2 (87) (ii)
34	Baharampore- Farakka Highways Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2010PLC200748	Wholly Owned Subsidiary	100.00	2 (87) (ii)
35	Farakka – Raiganj Highways Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC200733	Wholly Owned Subsidiary	100.00	2 (87) (ii)
36	Raiganj – Dalkhola Highways Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC200734	Wholly Owned Subsidiary	100.00	2 (87) (ii)
37	Lavasa Corporation Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2000PLC187834	Subsidiary	68.70	2 (87) (ii)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
38	Lavasa Hotel Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55100MH2007PLC173728	Subsidiary	100.00	2 (87) (ii)
39	Apollo Lavasa Health Corporation Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U85100MH2007PLC176736	Subsidiary	62.50	2 (87) (ii)
40	Lakeshore Watersports Company Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U92400MH2008PLC185314	Subsidiary	100.00	2 (87) (ii)
41	Dasve Convention Center Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70101MH2008PLC185945	Subsidiary	100.00	2 (87) (ii)
42	Dasve Business Hotel Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2008PLC185939	Subsidiary	100.00	2 (87) (ii)
43	Dasve Hospitality Institutes Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55100MH2008PLC186901	Subsidiary	100.00	2 (87) (ii)
44	Lakeview Clubs Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2008PLC186900	Subsidiary	100.00	2 (87) (ii)
45	Dasve Retail Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U51109MH2008PLC187367	Subsidiary	100.00	2 (87) (ii)
46	Full Spectrum Adventure Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2008PLC188519	Subsidiary	91.00	2 (87) (ii)
47	Spotless Laundry Services Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2009PLC189732	Subsidiary	76.00	2 (87) (ii)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
48	Lavasa Bamboocrafts Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2009PLC190551	Subsidiary	100.00	2 (87) (ii)
49	Green Hills Residences Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2009PLC192224	Subsidiary	60.00	2 (87) (ii)
50	My City Technology Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U72900MH2009PLC194613	Subsidiary	63.00	2 (87) (ii)
51	Reasonable Housing Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70102MH2009PLC195985	Subsidiary	100.00	2 (87) (ii)
52	FUTURE CITY MULTISERVICES SEZ LIMITED	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2009PLC197467	Subsidiary	100.00	2 (87) (ii)
53	Verzon Hospitality Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC198686	Subsidiary	100.00	2 (87) (ii)
54	Rhapsody Commercial Space Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74930MH2010PLC198921	Subsidiary	100.00	2 (87) (ii)
55	Valley View Entertainment Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2010PLC199136	Subsidiary	100.00	2 (87) (ii)
56	Sirrah Palace Hotels Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC199361	Subsidiary	100.00	2 (87) (ii)
57	Whistling Thrush Facilities Services Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC199381	Subsidiary	51.00	2 (87) (ii)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
58	Warasgaon Tourism Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U63040MH2010PLC200459	Subsidiary	100.00	2 (87) (ii)
59	Our Home Service Apartments Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC200692	Subsidiary	100.00	2 (87) (ii)
60	Warasgaon Power Supply Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U40101MH2010PLC200845	Subsidiary	100.00	2 (87) (ii)
61	Sahyadri City Management Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC200834	Subsidiary	100.00	2 (87) (ii)
62	Hill City Service Apartments Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC201322	Subsidiary	100.00	2 (87) (ii)
63	Kart Racers Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC201574	Subsidiary	100.00	2 (87) (ii)
64	Warasgaon Infrastructure Providers Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2010PLC201647	Subsidiary	100.00	2 (87) (ii)
65	Nature Lovers Retail Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2010PLC202616	Subsidiary	100.00	2 (87) (ii)
66	Osprey Hospitality Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC210078	Subsidiary	100.00	2 (87) (ii)
67	Starlit Resort Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC210107	Subsidiary	100.00	2 (87) (ii)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
68	Warasgaon Valley Hotels Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC210104	Subsidiary	100.00	2 (87) (ii)
69	Rosebay Hotels Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC210289	Subsidiary	100.00	2 (87) (ii)
70	Mugaon Luxury Hotels Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC210390	Subsidiary	100.00	2 (87) (ii)
71	Warasgaon Assets Maintenance Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2011PLC219078	Subsidiary	100.00	2 (87) (ii)
72	Hill View Parking Services Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74120MH2011PLC219079	Subsidiary	100.00	2 (87) (ii)
73	Warasgaon Lake View Hotels Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55100MH2007PLC173733	Associate Company	27.00	2 (6)
74	Andromeda Hotels Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC199240	Associate Company	40.00	2 (6)
75	Ecomotel Hotel Limited	Hincon House, 11 th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2008PLC185873	Associate Company	27.26	2 (6)
76	Knowledge Vistas Limited	401 & 402, 4 th Floor, Kaatyayni Busines Park, OFF:MAHAKALI CAVES ROAD, MIDC,ANDHERI, KURLA ROAD, Mumbai - 400093	U80301MH2009PLC190552	Associate Company	49.00	2 (6)

SR. NO	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD BY THE COMPANY / SUBSIDIARY / ASSOCIATE COMPANY	APPLICABLE SECTION
77	Bona Sera Hotels Limited	640-B, Khorshed Villa, Khareghat Road, Parsi Colony, Dadar, Mumbai – 400 014	U55101MH2008PLC185253	Associate Company	26.00	2 (6)
78	Vikhroli Corporate Park Private Limited	Property Mgmt. office, Basement 1, Tower B, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083	U70102MH2010PTC204995	Associate Company	26.00	2 (6)
79	Evostate AG	Hagenholzstrasse 56, 8050 Zürich, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
80	Projektentwicklungsges Parking AG	Kunstmuseum Basel AG, c/o Peter Andreas Zahn, St. Jakobs-Strasse 7, 4052 Basel, Switzerland	Not Applicable	Associate Company	30.77	2 (6)
81	MCR Managing Corporate Real Estate AG	Route de Lully 5, 1131, Tolochenaz, Switzerland	NotApplicable	Subsidiary of Evostate AG	100.00	2 (6)

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

i) Category-wise Share Holding

Category of Members	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	2127294	0	2127294	0.35	2127294	0	2127294	0.33	-0.02
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	239672100	0	239672100	39.51	278887786	0	278887786	43.18	3.67
e) Banks / FI									
f) Any Other....									
Sub-total (A)(1):	241799394	0	241799394	39.86	281015080	0	281015080	43.51	3.65
(2) Foreign									
a) NRIs - Individuals	7001564	1860	7003424	1.16	8901299	1860	8903159	1.38	0.22
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):	7001564	1860	7003424	1.16	8901299	1860	8903159	1.38	0.22
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	248800958	1860	248802818	41.02	289916379	1860	289918239	44.89	3.87

Category of Members	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	12913811	5000	12918811	2.13	12396486	5000	12401486	1.92	-0.21
b) Banks / FI	1453261	6500	1459761	0.24	1258238	6500	1264738	0.20	-0.04
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	8382144	0	8382144	1.38	9929618	0	9929618	1.54	0.16
g) FIs	83633073	66000	83699073	13.80	76702525	66000	76768525	11.89	-1.91
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):	106382289	77500	106459789	17.55	100286867	77500	100364367	15.54	-2.01
2. Non-Institutions									
a) Bodies Corp.	58685314	87000	58772314	9.69	63834635	87000	63921635	9.90	0.21
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	166359758	8288931	174648689	28.79	161334321	7999323	169333644	26.22	-2.57
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	17806090	0	17806090	2.93	22270921	0	22270921	3.45	0.52
c) Othersb (specify)									
Sub-total (B)(2):-	242851162	8375931	251227093	41.41	247439877	8086323	255526200	39.57	-1.84
Total Public Shareholding (B)=(B)(1)+ (B)(2)	349233451	8453431	357686882	58.96	347726744	8163823	355890567	55.11	-3.86
C. Shares held by Custodian for GDRs & ADRs	120720	0	120720	0.02	17300	0	17300	0.00	-0.02
Grand Total (A+B+C)	598155129	8455291	606610420	100.00	637660423	8165683	645826106	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Member's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ajit Gulabchand	2117294	0.35	0.00	2,117,294	0.33	0.00	-0.02
2	Hincon Holdings Ltd	200703600	33.09	33.09	216023600	33.45	31.08	0.36
3	Hincon Finance Limited	38365500	6.32	0.00	62,261,186	9.64	0.00	3.32
4	Shalaka Gulabchand Dhawan	10000	0.00	0.00	10000	0.00	0.00	0.00
5	Shalaka Investment Private Limited	538000	0.09	0.00	538000	0.08	0.00	-0.01
Member of the Promoter Group								
6	Arya Capital Management Pvt Ltd	65000	0.01	0.00	65000	0.01	0.00	0.00

(iii) Change in Promoters' Shareholding:-

Sl. no						Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
	PAN	Folio/Beneficiary Account no	Name of the Member	Date		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	AAACH2592M	IN30267931220529	HINCON HOLDINGS LTD	01-04-2014	At the beginning of the year	200703600	33.09	200703600	33.09
				20-05-2014	Increase on account of Warrant Conversion	15320000	2.37	15320000	2.37
				31-03-2015	At the End of the year	216023600	33.45	216023600	33.45
2	AAACH2665M	IN30115122987290	HINCON FINANCE LIMITED	01-04-2014	At the beginning of the year	38365500	6.32	38365500	6.32
				20-05-2014	Increase on account of Warrant Conversion	23895686	3.70	23895686	3.70
				31-03-2015	At the End of the year	62261186	9.64	62261186	9.64

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Member	Shareholding at the beginning of the year 01.04.2014		Shareholding at the end of the year 31.03.2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	SIWA Holdings Limited	36,082,151	5.95	36082151	5.59
2	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	19,287,142	3.18	11389870	1.76
3	Sundaram Mutual Fund A/C Sundaram Select MIDCAP	12,907,415	2.13	9985780	1.55
4	Dimensional Emerging Markets Value Fund	7,005,199	1.15	5073959	0.79
5	Jai-Vijay Resources Pvt Ltd	6,395,547	1.05	5000006	0.77
6	Life Insurance Corporation of India	5,940,480	0.98	5940480	0.92
7	Copthall Mauritius Investment Limited	4,736,422	0.78	2777127	0.43
8	Pragmatic Traders Pvt Ltd	3,673,522	0.61	3673522	0.57
9	MV SCIF Mauritius	3,552,392	0.59	4317305	0.67
10	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc (DFAIDG)	2,773,413	0.46	2773413	0.43
11	Kotak Mahindra Investments Ltd	2,326,237	0.38	3392746	0.53
12	Amal N Parikh	0	0.00	3200000	0.50

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors				
1	Mr. Ajit Gulabchand	2117294	0.35	2117294	0.33
2	Mr. Rajas R. Doshi	32,000	0.01	32,000	0.00
3	Mr. Ram P. Gandhi	48,000	0.01	48,000	0.01
4	Mr. D. M. Popat	Nil	0.00	Nil	0.00
5	Mr. Sharad M. Kulkarni	20,000	0.00	20,000	0.00
6	Mr. Anil C. Singhvi	33,720	0.01	Nil	0.00
7	Ms. Harsha Bangari	Nil	0.00	Nil	0.00
8	Mr. Rajgopal Nogja	Nil	0.00	Nil	0.00
	Key Managerial Personnel				
1	Mr. Arun V. Karambelkar	2,000	0.00	2,000	0.00
2	Mr. Praveen Sood	1,000	0.00	1,000	0.00
3	Mr. Vithal P. Kulkarni	19,000	0.00	19,000	0.00

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,557,881,270	2,612,336,662	-	48,170,217,932
ii) Interest due but not paid				-
iii) Interest accrued but not due	387,654,496			387,654,496
Total (i+ii+iii)	45,945,535,766	2,612,336,662	-	48,557,872,428
Change in Indebtedness during the financial year				
• Addition	4,425,709,029	-	-	4,425,709,029
• Reduction	(1,861,781,541)	(625,504,732)	-	(2,487,286,273)
Net Change	2,563,927,487	(625,504,732)	-	1,938,422,755
Indebtedness at the end of the financial year				
i) Principal Amount	48,121,808,757	1,986,831,930	-	50,108,640,687
ii) Interest due but not paid	668,317,474		-	668,317,474
iii) Interest accrued but not due	357,046,456		-	357,046,456
Total (i+ii+iii)	49,147,172,686	1,986,831,930	-	51,134,004,616

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	* Mr. Ajit Gulabchand, Chairman and Managing Director	Mr. Rajgopal Nogja, Group COO & Whole-time Director	** Mr. Arun V. Karambelkar, President & Whole-time Director	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	480,00,000	235,13,710	11,20,000	726,33,710
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	585,60,000	263,35,355	12,54,400	861,49,755
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option(nos)	0	188760	301950	
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	1065,60,000	498,49,065	23,74,400	1587,83,465
	Ceiling as per the Act	The Company has made application to MCA for payment of remuneration in excess of the ceiling as prescribed under the Act	Not Applicable as Mr. Nogja is a Professional Director	Not Applicable as Mr. Karambelkar is a Professional Director	

* The Company has made application to the Ministry of Corporate Affairs ("MCA") for payment of remuneration of ₹10,65,60,000/- to Mr. Ajit Gulabchand, Chairman and Managing Director of the Company for the FY 2014-15. Pending approval from the MCA, no payment has been made to him.

** In respect of Mr. Arun V. Karambelkar, the remuneration paid to him in his capacity as President & Whole-time Director of the Company upto April 28, 2014 has been disclosed. Thereafter, he has been appointed as President & CEO - E&C of the Company w.e.f. April 29, 2014

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Rajas R Doshi	D M Popat	Ram P Gandhi	Sharad M Kulkarni	Anil Singhvi	* Fred Moavenazadeh	Harsha Bangari	* Dr. Ila Patnaik	Total Amount
1.	Independent Directors									
	• Fee for attending board / committee meetings	13,60,000	3,00,000	7,80,000	6,00,000	19,00,000	20,000	-	-	49,60,000
	• Commission	-	-	-	-	-	-	-	-	-
	• Others i.e. Technical / Professional Fees	-	-	-	-	-	14,58,750	-	2,00,000	16,58,750
	Total (1)	13,60,000	3,00,000	7,80,000	6,00,000	19,00,000	14,78,750	-	2,00,000	66,18,750
2.	Other Non-Executive Directors									
	• Fee for attending board / committee meetings	-	-	-	-	-	-	2,00,000	-	2,00,000
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	2,00,000	-	2,00,000
	Total (B)=(1+2)	13,60,000	3,00,000	7,80,000	6,00,000	19,00,000	14,78,750	2,00,000	2,00,000	68,18,750
	Total Managerial Remuneration									@1587,83,465

*Technical/ Professional fees paid for rendering technical/professional services (excluding Service Tax) is in accordance with erstwhile section 309(1) of the Companies Act, 1956.

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

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Arun V. Karambelkar, President & CEO – E&C (w.e.f. April 29, 2014)	Mr. Praveen Sood, Group CFO	Mr. Vithal P. Kulkarni, Company Secretary	Total
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	352,16,037	250,61,580	108,09,305	710,86,922
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	28,800	28,800	97,200
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
	Stock Option (nos)	301950	301950	150920	
	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
	Others	-	-	-	-
	Total	352,55,637	250,90,380	108,38,105	711,84,122

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

NONE

Independent Auditors' Report

To the Members of

Hindustan Construction Company Limited Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Hindustan Construction Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

9. We draw attention to
 - a) Note 29.2 to the standalone financial statements regarding managerial remuneration of ₹ 10.66 crore paid to the Chairman and Managing Director for the financial year ended 31 March 2014, which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and for which, the Company, has submitted a review application with the Central Government; however approvals in this regard is pending till date. Pending the final outcome of the aforesaid matter, which is presently unascertainable, no adjustments have been made in the accompanying standalone financial statements. Our opinion is not qualified in respect of this matter
 - b) Note 34 to the standalone financial statements regarding the Company's investments in its subsidiaries, HCC Infrastructure Limited and HCC Real Estate Limited, amounting to ₹ 474.36 crore and ₹ 0.25 crore, respectively, long term loans and advances due from such subsidiaries amounting to ₹ 404.06 crore and ₹ 634.82 crore, respectively, and other current assets (including interest) due from such subsidiaries amounting to ₹ 28.44 crore and ₹ 319.64 crore, respectively. The net worth of the aforesaid subsidiaries have been fully eroded; however, based on certain estimates and the other factors as more fully described in the said note, management considers the decline in the value of investment as temporary in nature and believes that long-term loans and advances and other current assets are fully recoverable, and hence no provision in respect

of aforesaid amounts has been made in the accompanying standalone financial statements. Our opinion is not qualified in respect of this matter.

- c) Note 35 to the standalone financial statements regarding uncertainties relating to recoverability of uncompleted contracts and value of work done and long-term trade receivables aggregating ₹ 1,181 crore and ₹ 241 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying standalone financial statements. Our opinion is not qualified in respect of this matter.

Other Matters

10. We did not audit the financial statements of six unincorporated integrated joint ventures, included in the standalone financial statements, whose financial statements reflect Company's net share in profit of ₹ 5.39 crore for the year ended 31 March 2015. These financial statements have been audited by other auditors whose audit reports have been furnished to us, by the management, and our opinion on the standalone financial statements of the Company for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based on solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.
11. We did not audit the financial statements of an unincorporated integrated joint venture, included in the standalone financial statements, whose financial statements reflect Company's share in profit of ₹ 2.71 crore for the year ended 31 March 2015. These financial statements have been certified by the Company's management, and our opinion on the standalone financial statements of the Company for the year then ended to the extent they relate to the financial statements as stated in this paragraph is based solely on, on such management certified financial statements. Our opinion is not qualified in respect of this matter.
12. The standalone financial statements for the year ended 31 March 2014 were audited by another auditor, Messrs K. S. Aiyar & Co., Chartered Accountants, who had expressed an unmodified opinion on those financial statements; vide their audit report dated 2 May 2014. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. the matters described in paragraphs 9(b) and 9(c) under the Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
 - f. on the basis of the written representations received from the directors as at 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Notes 33 A (i) to (iii), 35 and 45 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company, as detailed in Note 13 (b) to the standalone financial statements, has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Walker Chandio & Co LLP
(Formerly Walker, Chandio & Co)
Chartered Accountants
Firm's Registration No.: 001076N/ N500013

Place : Mumbai
Date : 30 April 2015

per Amyn Jassani
Partner
Membership No.: 46447

ANNEXURE TO THE AUDITORS' REPORT

Annexure to the Independent Auditors' Report of even date to the members of Hindustan Construction Company Limited, on the standalone financial statements as at and for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed

examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been significant delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of wealth-tax, duty of excise, duty of customs and cess that have not been deposited with the appropriate authority on account of any dispute. The dues outstanding in respect of income-tax, sales-tax (including value added tax) and service tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ in crore)	Amount Paid Under Protest (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	24.63	23.99	A.Y. 2006-2007 to 2010-2011	Income Tax Appellate Tribunal
The Sales Tax Act	Sales Tax/ Value Added Tax/Entry Tax	0.13	-	A.Y. 2010-2011	Supreme Court
		4.70	-	A.Y. 1997-1998 and 2012-2013	High Court
		16.32	1.90	A.Y. 1996-97 to 2000-01, 2005-2008, 2007-08 to 2009-10	Taxation Tribunal
		67.64	2.81	A.Y. 2002-2003, A.Y. 2004-2005 to 2011-2012	Appellate Authority-up to Commissioner level
The Finance Act, 1994	Service tax including interest and penalty, as applicable	3.10	-	January 2004 to March 2006	Custom, Excise and Service Tax Appellate Tribunal
		0.18	-	A.Y. 2004-2007	Commissioner -Appeal

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has delayed in repayment of following dues to the financial institutions, banks and debenture holders during the year, which were paid before the Balance Sheet date.

(₹ in crore)

Dues to	Delay up to 30 days	Delay 31 to 90 days	Total amount
Financial institutions	57.89	63.92	121.81
Banks	145.42	142.80	288.22
Debenture holders	14.98	12.33	27.31

The Company has delayed in repayment of following dues to the financial institutions, banks and debenture holders during the year, which were not paid as at the Balance Sheet date.

(₹ in crore)

Dues to	Delay 31 to 90 days	Delay 91 to 166 days	Total amount
Financial institutions	32.08	3.5	35.58
Banks	82.00	-	82.00
Debenture holders	7.05	-	7.05

- (x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker Chandio & Co LLP
(Formerly Walker, Chandio & Co)
Chartered Accountants
Firm's Registration No.: 001076N/ N500013

Place : Mumbai
Date : 30 April 2015

per Aryn Jassani
Partner
Membership No.: 46447

Balance Sheet as at 31 March 2015

Particulars	Note No.	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	64.59	60.67
Reserves and surplus	3	1,322.86	1,186.73
Money Received Against Share Warrants	4	-	16.00
		<u>1,387.45</u>	<u>1,263.40</u>
Non-current liabilities			
Long-term borrowings	5	2,627.63	3,005.18
Deferred tax liabilities (Net)	6	68.07	23.71
Long term Trade payables	7	-	27.26
Other Long-term liabilities	8	-	74.59
Long-term provisions	9	38.62	33.89
		<u>2,734.32</u>	<u>3,164.63</u>
Current liabilities			
Short-term borrowings	10	1,954.69	1,537.48
Short-term trade payables	11	1,537.80	1,358.93
Current maturities of long-term borrowings	5	428.55	274.37
Advance from contractees		1,069.25	910.66
Others current liabilities	12	391.67	274.78
Short-term provisions	13	134.91	150.59
		<u>5,516.87</u>	<u>4,506.81</u>
TOTAL		<u>9,638.64</u>	<u>8,934.84</u>
ASSETS			
Non-current assets			
Fixed assets	14		
Tangible assets		783.81	913.09
Intangible assets		0.93	2.31
Capital work-in-progress		4.53	3.25
Intangible assets under development		1.72	1.72
		<u>790.99</u>	<u>920.37</u>
Non-current investments	15	597.29	689.95
Long-term loans and advances	16	1,343.00	1,264.47
Long term Trade receivables	17	1,494.16	1,087.00
Other non-current assets	18	0.12	0.11
		<u>3,434.57</u>	<u>3,041.53</u>
Current assets			
Current investments	19	95.60	-
Inventories	20	3,567.76	3,658.70
Short-term trade receivables	21	922.74	605.94
Cash and bank balances	22	97.84	146.97
Short-term loans and advances	23	149.82	132.39
Other current assets	24	579.32	428.94
		<u>5,413.08</u>	<u>4,972.94</u>
TOTAL		<u>9,638.64</u>	<u>8,934.84</u>

Notes 1 to 48 form an integral part of the standalone financial statements
This is the Balance Sheet referred to in our
audit report of even date

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Dated : 30 April 2015

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

For and on behalf of the Board of Directors

AJIT GULABCHAND
RAJGOPAL NOGJA

Chairman & Managing Director
Group Chief Operating Officer &
Whole-Time Director

SHARAD M. KULKARNI
RAJAS R. DOSHI
RAM P. GANDHI
ANIL C. SINGHVI
HARSHA BANGARI

Directors

Statement of Profit & Loss for the year ended 31 March 2015

Particulars	Note No.	Year ended 31 March 2015 ₹ crore	Year ended 31 March 2014 ₹ crore
Revenue from Operations (gross)	25	4,301.14	4,113.49
Less: Company's share of turnover in integrated joint ventures		174.44	74.01
Add: Company's share of profit in integrated joint ventures (net)		8.10	3.04
Total revenue from operations		4,134.80	4,042.52
Other income	26	146.98	213.59
Total Revenue		4,281.78	4,256.11
Expenses			
Cost of materials consumed	27	9.21	67.68
Purchase of traded goods		1.84	4.40
Construction expenses	28	2,869.24	2,819.30
Employee benefit expenses	29	361.11	388.46
Finance costs	30	651.13	607.94
Depreciation and amortisation expense	14	150.30	144.61
Other expenses	31	111.63	132.77
Total expenses		4,154.46	4,165.16
Profit before tax		127.32	90.95
Tax expense			
Current tax		15.16	-
Less : MAT credit entitlement		15.16	-
Net current tax		-	-
Tax in respect of earlier years		-	0.90
Deferred tax charge		45.67	9.41
		45.67	10.31
Profit for the year		81.65	80.64
Earnings per equity share	32		
Basic and diluted		1.27	1.33

Notes 1 to 48 form an integral part of the standalone financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Dated : 30 April 2015

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Group Chief Financial Officer

VITHAL P. KULKARNI
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For and on behalf of the Board of Directors

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HARSHA BANGARI

Directors

Cash Flow Statement for the year ended 31 March 2015

		Year ended 31 March 2015	Year ended 31 March 2014
	₹ crore	₹ crore	₹ crore
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		127.32	90.95
Adjustments for :			
Depreciation and amortisation	150.30		144.61
Finance costs	651.13		607.94
Dues no longer payable	-		(81.50)
Interest income	(121.94)		(123.07)
Provision for cost to completion	(7.47)		25.69
Provision for foreseeable losses	(17.14)		93.36
Dividend income	(0.03)		(0.02)
Foreign currency monetary translation account (net)	(4.14)		(3.12)
Unrealised foreign exchange loss (net)	(8.31)		11.69
(Profit) / loss on sale of fixed assets (net)	3.19		(6.72)
Profit on sale of non current investments (net)	-		(0.80)
		<u>645.59</u>	<u>668.06</u>
Operating profit before working capital changes		<u>772.91</u>	<u>759.01</u>
Adjustments for changes in working capital:			
(Increase) / Decrease in trade receivables	(723.96)		(468.88)
(Increase) / Decrease in loans and advances / other advances	(51.54)		124.46
(Increase) / Decrease in inventories	90.94		71.23
Increase / (Decrease) in trade and other payables	148.68		162.67
Increase / (Decrease) in advance from contractees	158.59		(258.23)
		<u>(377.29)</u>	<u>(368.75)</u>
Cash Generated from operations		<u>395.62</u>	<u>390.26</u>
Direct Taxes (paid) / refund (net)		<u>(12.33)</u>	<u>112.82</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES		<u>383.29</u>	<u>503.08</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(29.56)		(31.68)
Proceeds from sale of fixed assets	4.20		24.65
Advance received for sale of shares	-		10.00
Investments in subsidiaries	-		(8.23)
Proceeds from sale of non current investments	-		1.80
Inter corporate deposits given	(60.84)		(69.36)
Inter corporate deposits recovered	1.50		16.97
(Increase)/decrease in other bank balances	(20.52)		14.30
Interest received	9.98		12.89
Dividend received	0.03		0.02
NET CASH USED IN INVESTING ACTIVITIES		<u>(95.21)</u>	<u>(28.64)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	25.00		32.00
Repayment of long-term borrowings	(209.77)		(65.48)
Proceeds from short-term borrowings (net)	417.21		219.63
Interest and other finance cost paid	(587.37)		(599.66)
Share issue expenses	(2.64)		-
Dividend paid	(0.16)		(0.11)
NET CASH USED IN FINANCING ACTIVITIES		<u>(357.73)</u>	<u>(413.62)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>(69.65)</u>	<u>60.82</u>
Cash and Cash Equivalents at the beginning of the year		<u>144.67</u>	<u>83.85</u>
Unrealised Foreign Exchange Gain	0.01		0.06
Cash and cash equivalents at the end of the year (Refer note 22)	<u>75.01</u>	<u>75.02</u>	<u>144.61</u>
		<u>(69.65)</u>	<u>60.82</u>

Notes 1 to 48 form an integral part of the standalone financial statements
This is the Cash Flow Statement referred to in our
audit report of even date

For Walker Chandio & Co LLP
(Formerly Walker, Chandio & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Dated : 30 April 2015

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

For and on behalf of the Board of Directors

AJIT GULABCHAND
RAJGOPAL NOGJA

Chairman & Managing Director
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SHARAD M. KULKARNI
RAJAS R. DOSHI
RAM P. GANDHI
ANIL C. SINGHVI
HARSHA BANGARI

Directors

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements of Hindustan Construction Company Limited ("the Company" or "HCC") have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 to the Companies Act, 2013. The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

Operating cycle for the business activities of the Company covers the duration of the specific project/ contract /project line /service including the defect liability period, wherever applicable, and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective project.

1.2 Accounting Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

1.3 Fixed Assets

a Tangible fixed assets

Fixed assets are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition / installation of the assets and improvement thereon less accumulated depreciation and accumulated impairment losses, if any.

b Intangible assets under development

Intangibles under development represent expenditure incurred in respect of intangible assets under development and are carried at cost.

c Other Intangible assets

Intangible assets comprise of license fees, implementation cost for software and other application software acquired for in-house use. These assets are stated at cost less accumulated amortisation and impairment losses, if any.

1.4 Depreciation/ Amortisation

Depreciation on tangible assets is provided:

- i) In respect of buildings and sheds, on the written down value basis considering the useful life based on the management's experience of use of the assets which is in line with industry practices.
- ii) In respect of furniture and fixtures, office equipment, computers, plant and machinery, heavy vehicles, light vehicles and speed boat on straight line basis at rates prescribed in Schedule II to the Companies Act, 2013 on a pro-rata basis. However, certain class of plant and machinery are depreciated at the rates different from the rates prescribed in Schedule II to the Companies Act, 2013 having regard to useful life of those assets in construction projects based on the management's experience of use of those assets which is in line with industry practices.
- iii) In respect of helicopter and aircraft, on straight line basis considering the useful life based on the management's

experience of use of assets which is in line with industry practices.

- iv) Leasehold improvements are amortised over the period of lease or their estimated useful lives as determined by the management, whichever is lower.
- v) Software and implementation costs including users license fees and other application software costs are amortised over a period of five years.

1.5 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Trade investments are the investments made for or to enhance the Company's business interests.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.6 Employee Benefits

i) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme, etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

ii) Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Company also provides for retirement/ post-retirement benefits in the form of gratuity and compensated absences. The Company's liability towards such defined benefit plans is determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the period in which they arise. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

iii) Other Employee Benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for the measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuations using the projected unit credit method at the period end. Accumulated leave which is expected to be utilised within next 12 months, is treated as short-term employee benefit. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the period in which they arise. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

1.7 Inventories

- a) The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost, or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition.
- b) Project Work-in-Progress is valued at the contract rates and site mobilisation expenditure of incomplete contracts is stated at lower of cost or net realisable value.

1.8 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

1.9 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.10 Borrowing costs

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued.

1.11 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transactions

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of short term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

1.12 Financial Derivatives and Hedging Transactions

Financial derivatives and hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts is recognised in the Statement of Profit and Loss along with the underlying transactions.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment/highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

1.13 Revenue Recognition

i) Accounting of construction contracts

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Accounting Standard 7 and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

- a) In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.
- b) In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

ii) Accounting of supply contracts-sale of goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

iii) Accounting for claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as contract revenue on receipt of favorable award.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

iv) Dividend income

Dividend is recognized when the right to receive the payment is established.

v) Interest income

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

1.14 Accounting for Joint Venture Contracts

- (a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- (b) In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under the Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans & advances or current liabilities.

1.15 Taxation

Current tax:

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred tax:

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and

liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Where there is no unabsorbed depreciation/carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

1.16 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.17 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the Statement of Profit and Loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.18 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.19 Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities Premium Account.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

		As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Note 2 Share Capital			
Authorised Share Capital			
900,000,000	Equity shares of ₹ 1 each	90.00	90.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each	10.00	10.00
	TOTAL	100.00	100.00

Issued, Subscribed and Paid-up

Equity Share Capital:			
645,826,106	Equity shares of ₹ 1 each fully paid up (Previous year: 606,610,420 equity shares of ₹ 1 each) Add : 13,225 Forfeited equity shares (Previous year: 13,225 equity shares)	64.58	60.66
	TOTAL	64.59	60.67

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2015		As at 31 March 2014	
	Number	₹ crore	Number	₹ crore
Balance at the beginning of the year	606,610,420	60.66	606,610,420	60.66
Add: Issued during the year (Refer note 4)	39,215,686	3.92	-	-
Balance at the end of the year	645,826,106	64.58	606,610,420	60.66

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by subsidiary company:

Western Securities Limited, a subsidiary company, holds 52,000 equity shares (Previous year: 52,000 equity shares) in the Company.

	As at 31 March 2015		As at 31 March 2014	
Shareholding of more than 5%:	% held	No. of shares	% held	No. of shares
Hincon Holdings Limited	33.45%	216,023,600	33.09%	200,703,600
Hincon Finance Limited	9.64%	62,261,186	6.32%	38,365,500
Siwa Holding Limited	5.59%	36,082,151	5.95%	36,082,151

e. Shares reserved for issue under Employee Stock Options Scheme (ESOP):

As on 31 March 2015, there are 3,239,330 (Previous year: 4,694,800) stock options outstanding convertible into 3,239,330 (Previous year: 4,694,800) equity shares of ₹ 1 each convertible at an exercise price of ₹ 52.03 per share.

During the year ended 31 March 2015, none of the Options were exercised / converted into Equity Shares and 1,455,470 (Previous year: 1,459,280) stock options got lapsed.

i. Options granted

a) The Company offered 4,458,800 Stock Options on 25 April 2008 (each option carrying entitlement for one equity share of the face value of ₹ 1 each) at a price of ₹ 132.50 per equity share.

In accordance with the approval of the board of directors and shareholders of the Company, the ESOP compensation committee at its meeting held on 20 July 2009 repriced 4,131,600 options at ₹ 104.05 per equity share.

b) The ESOP Compensation Committee of the Company at its Meeting held on 12 August 2010 decided to double the number of employee stock options (vested and unvested) but not exercised and in-force as on the Record Date i.e. 11 August 2010 and halved the exercise price on account of issuance and allotment of Bonus Equity Shares in the proportion of 1:1.

Accordingly, 3,553,760 employee stock options in-force granted by the Company on 25 April 2008 were doubled i.e. 7,107,520 and the exercise price in respect of the same was reduced from ₹ 104.05 to ₹ 52.03 per equity share.

ii. Settlement

Through Equity Shares

iii. Options vested

3,239,330 number of options remain vested and outstanding as at 31 March 2015

f. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

(ii) Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares

303,256,460 Equity Shares were issued as fully paid bonus shares by capitalisation of Securities Premium Account on 12 August 2010.

(iii) Aggregate number and class of shares bought back - Nil

g. Pursuant to bonus issue of equity shares in the proportion to 1:1, outstanding 95,146 Global Depository Shares (outstanding as of Record Date i.e. 11 August 2010) have increased to 190,292. Out of the total Global Depository Shares (GDR) issued, 17,300 (Previous year: 120,720) GDR's are outstanding as on 31 March 2015.

h. Subsequent to 31 March 2015, pursuant to the approval of the Qualified Institutional Placement Committee constituted by the Board of Directors on 10 April 2015, the Company issued 133,332,800 equity shares of ₹ 1 each, at an issue price of ₹ 30 per equity share (of which ₹ 29 per share is towards securities premium) aggregating ₹ 399.99 crore to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder.

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Note 3 Reserves and Surplus		
(a) Capital Reserve (Forfeited Equity Share Warrants) #	15.19	15.19
(b) Forfeited Debentures Account #	0.02	0.02
(c) Securities Premium Account		
Balance at the beginning of the year	888.86	888.86
Add: Additions during the year (Refer note 4)	60.08	-
Less : Share issue expenses [Refer note 2(h)]	2.64	-
	946.30	888.86
(d) Debenture Redemption Reserve #	34.99	34.99

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 3 Reserves and Surplus (Contd.)	As at	As at	Note 5 Long Term Borrowings (Contd.)	Non-current portion		Current maturities	
	31 March 2015	31 March 2014		31 March 2015	31 March 2014	31 March 2015	31 March 2014
	₹ crore	₹ crore		₹ crore	₹ crore	₹ crore	₹ crore
(e) Foreign Currency Monetary Translation Account (Refer note 3.1)			4) Union Bank of India	42.00	47.00	5.75	3.00
Balance at the beginning of the year	4.29	0.31	5) Bank of Maharashtra	26.25	29.37	3.59	1.88
Add : Additions during the year	3.91	7.10	6) Bank of Baroda	26.25	29.38	3.59	1.88
Less : Amount debited to the Statement of Profit and Loss	4.14	3.12	7) State Bank of Travancore	12.60	14.10	1.73	0.90
	4.06	4.29		426.30	477.05	57.61	30.46
(f) General Reserve #	174.38	174.38	(ii) From Others				
(g) Surplus/(Deficit) as per the Statement of Profit and Loss			SREI Finance Private Limited	96.96	108.57	12.42	6.93
Balance at the beginning of the year	69.00	(11.64)	Export Import Bank of India	290.38	319.66	39.11	20.40
Less: Impact of depreciation/ amortisation (Refer note 3.2)	(2.73)	-		387.34	428.23	51.53	27.33
Add: Transferred from the Statement of Profit and Loss	81.65	80.64	(C) Rupee Term Loans (RTL-2)				
	147.92	69.00	From Banks :				
TOTAL	1,322.86	1,186.73	1) Canara Bank	304.07	342.45	44.27	23.10
# No movement during the year			2) United Bank of India	252.00	282.00	34.50	18.00
3.1 The Company (Accounting Standards) Second Amendment Rules 2011 has amended the provision of Accounting Standard 11 relating to "The Effects of the Changes in Foreign Exchange Rates" vide notification dated 29 December 2011. In terms of these amendments, the Company has carried over long term monetary exchange gain of ₹ 4.06 crore (previous year ₹ 4.29 crore) through "Foreign Currency Monetary Translation Account", to be recognised over the balance period of such long term asset/ liability.			3) Syndicate Bank	168.00	188.00	23.00	12.00
3.2 Consequent to the introduction of Schedule II to the Companies Act, 2013, the useful lives of certain fixed assets has been revised. Accordingly ₹ 2.73 crore (net of deferred tax ₹ 1.31 crore) representing carrying value of the fixed assets with revised useful life as NIL, has been adjusted against opening balance of Statement of Profit and Loss as on 1 April 2014.			4) Axis Bank	126.00	141.00	17.25	9.00
			5) State Bank of Mysore	84.00	94.00	11.50	6.00
			6) Indian Overseas Bank	80.50	90.09	11.02	5.75
			7) State Bank of Hyderabad	40.15	44.92	5.50	2.87
			8) Central Bank of India	42.00	47.00	5.75	3.00
				1,096.72	1,229.46	152.79	79.72
			(ii) From Other				
			Export Import Bank of India	130.09	150.87	18.46	9.63
			(D) Working Capital Term Loan (WCTL)				
			(i) From Banks :				
			1) Central Bank of India (WCTL-1)	20.13	22.52	2.75	1.44
			2) Oriental Bank of Commerce (WCTL-1)	21.00	-	2.50	-
			3) The Federal Bank Limited (WCTL-2)	20.99	23.50	2.88	1.50
				62.12	46.02	8.13	2.94
			(ii) From Others				
			National Bank for Agriculture and Rural Development (WCTL-2)	42.00	47.00	5.75	3.00
			(E) Foreign Currency Term Loans from Banks				
			1) Standard Chartered Bank	72.76	77.82	9.96	4.97
			2) Development Bank of Singapore	56.15	59.90	6.53	2.50
			3) Toronto Dominion Bank	43.35	53.27	15.48	11.84
				172.26	190.99	31.97	19.31
			(F) Funded Interest Term Loan (FITL)				
			From Banks	-	34.80	52.36	69.83
			From Others	-	1.73	2.55	3.47
				-	36.53	54.91	73.30
			Sub-Total (A+B+C+D+E+F)	2,501.63	2,812.95	406.45	258.89
			Note : For securities please refer notes given below.				

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 5 Long Term Borrowings (Contd.)	Non-current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	₹ crore	₹ crore	₹ crore	₹ crore
II. Unsecured				
A) Term Loans from Others:				
Industrial Finance Corporation of India	126.00	141.00	17.25	9.00
B) FITL from Other Parties	-	3.23	4.85	6.48
C) Loans from Related Parties	-	48.00	-	-
Sub-Total (A+B+C)	<u>126.00</u>	<u>192.23</u>	<u>22.10</u>	<u>15.48</u>
Total	<u>2,627.63</u>	<u>3,005.18</u>	<u>428.55</u>	<u>274.37</u>

5.1 Corporate Debt Restructuring (CDR) Package

The Company received Letter of Approval (LOA) on 29 July 2012 issued by the Corporate Debt Restructuring Empowered Group (CDREG) approving the CDR package. The CDR related documents have been executed and creation of security stands completed.

5.2 Terms of repayment and details of security

I. Secured

(A) Debentures

1) Axis

On restructuring by the CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

2) LIC

On restructuring by CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021. Refer Note 5.2.1 for security details.

(B) Rupee Term Loans 1 (RTL - 1) and Rupee Term Loans 2 (RTL - 2)

RTL - 1 and RTL - 2 carries an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021. Refer Note 5.2.1 for security details.

(C) Working Capital Term Loan (WCTL-1)

Working Capital Term Loan (WCTL -1) carries an interest rate of 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 16 quarterly installments commencing 15 April 2014 and ending on 15 January 2018. Refer Note 5.2.1 for security details.

(D) Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate of 11.75% p.a.(floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021. Refer Note 5.2.1 for security details.

(E) Other Term Loans

(i) Standard Chartered Bank- External Commercial Borrowings (ECB) USD 13.36 million

ECB loan from Standard Chartered Bank carries an interest rate of 3 month LIBOR plus 350 basis points. This loan is

repayable in 17 quarterly installments commencing 15 April 2014 and ending on 15 March 2018. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.

(ii) Development Bank of Singapore - ECB USD 10.18 million

ECB loan from Development Bank of Singapore carries an interest rate of 3 month LIBOR plus 385 basis points. This loan is repayable in 17 quarterly installments commencing 5 October 2014 and ending on 5 October 2018. The facility is secured by first charge by way of hypothecation of plant and machinery and heavy vehicles acquired under the facility described in the schedule I (2) to the deed of hypothecation executed on 29 April 2010.

(iii) Toronto Dominion LLC - ECB USD 9.36 million

ECB loan from Toronto Domino LLC carries an interest rate of 3 month LIBOR plus 120 basis points. This loan is repayable in 22 equal quarterly installments commencing 16 June 2014 and ending on 16 September 2019. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on one Hawker model 4000 airframe bearing manufacture's serial number RC-26 together with two installed model PW208 engines more particularly described under Clause no.2.1 as per the Aircraft Charge Agreement executed on 6 January 2011.

(F) Funded Interest Term Loan (FITL)

FITL carry an interest of 11.25% p.a. linked to Monitoring Institution's base rate. FITL is repayable in 8 equal quarterly installments commencing 15 October 2013 and ending on 15 July 2015. FITL pertaining to RTL-1 and RTL-2 is secured as per security being offered to RTL-1 and RTL-2.

II. Unsecured

A) Term Loans from Others:

Industrial Finance Corporation of India Limited (IFCI)

The loan carries an interest rate of 11.50% p.a. This loan is repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

B) FITL from others

FITL from others carries an interest rate of 11.50% p.a. FITL is repayable in 8 equal quarterly installments commencing 15 October 2013 and ending on 15 July 2015.

5.2.1 RTL-1, RTL-2, WCTL-1 and WCTL-2 are secured in the form of:

1. The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties.
4. All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties.
5. All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL1, WCTL1 and FITL thereon are as below:

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

1.	A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
2.	A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.		
	The above security having ranking in respect to RTL2, WCTL2 and FITL thereon are as below:		
	A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.		
	Collateral security pari-passu with all CDR lenders		
1.	Corporate guarantee of HCC Real Estate Limited (HREL) for ₹ 9,477.60 crore, against which outstanding amount is ₹ 8,464.98 crore (Previous year: ₹ 7,895.55 crore)		
2.	Pledge of 200,703,600 equity shares (31.08%) of the Company held by Hincon Holdings Limited.		
3.	Personal guarantee of Mr. Ajit Gulabchand, Chairman and Managing Director		
5.2.2	Loan principal amounting to ₹ 66.38 crore and the interest amount of ₹ 58.24 crore which is due and outstanding to be paid as on 31 March 2015 have been subsequently paid.		
5.3	The Master Restructuring Agreement (MRA) as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers depends on various factors including improved performance of the borrowers and other conditions. The aggregate present value of the sacrifice made/ to be made by CDR Lenders as per the MRA is ₹ 205.66 crores as at 31 March 2015.		
		As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Note 6 Deferred Tax Liabilities (Net)			
Components of deferred tax assets and liabilities arising on account of timing differences are:			
Deferred Tax Liability			
	Depreciation and amortisation	98.15	105.81
	Claims/Arbitration Awards	633.61	370.93
	Others	9.06	16.82
Deferred Tax Asset			
	Business Loss/ Unabsorbed Depreciation	(637.05)	(438.58)
	Others	(35.70)	(31.27)
	TOTAL	68.07	23.71
Note 7 Long Term Trade Payables			
	Trade payables	-	27.26
	TOTAL	-	27.26
Note 8 Other Long Term Liabilities			
a)	Tax Payable	-	0.09
b)	Due to Employees	-	0.31
c)	Advances from Contractees	-	19.26
d)	Other Payables	-	54.93
	TOTAL	-	74.59
Note 9 Long Term Provisions			
Provision for employee benefits (Refer note 43)			
-	Gratuity	28.40	24.88
-	Leave entitlement	10.22	9.01
	TOTAL	38.62	33.89
Note 10 Short Term Borrowings			
I. Secured			
Rupee Loan from Banks :			
1)	Cash credit facilities (Repayable on demand)	1,900.74	1,483.96
2)	Working capital demand loan (Repayable on demand)	50.00	50.00
3)	Buyer's Credit	3.37	-
		1,954.11	1,533.96
II. Unsecured (Repayable on demand)			
	Loans from related party	0.58	3.52
	TOTAL	1,954.69	1,537.48
I. Secured			
Rupee Loan from Banks :			
1.	Cash credit facilities		
	Cash credit facilities carries an interest rate of 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These facilities are repayable on demand. Refer Note 10.1 for security details.		
2.	Working capital demand loan		
	The loan carries an interest rate of 11.50% p.a. These facilities are repayable on demand. Refer Note 10.1 for security details.		
3.	Buyer's credit		
	Buyer's credit carries an interest rate of 12 months EURO LIBOR plus 55 basis points having maturity on 10 September 2015. Refer Note 10.1 for security details.		
II. Unsecured Loans and advances from related parties			
	Loan from related party represents Inter Corporate Deposit carrying an interest rate of 11.50% p.a.		
10.1	Cash Credit Facilities, Working Capital Demand Loan and Buyer's Credit are secured in the form of;		
1.	The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.		
2.	All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.		
3.	All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties.		
4.	All of the additional assets collectively referred to as the Fourth Mortgaged Properties.		
5.	All of the specified assets collectively referred to as the Fifth Mortgaged Properties.		
	The above security having ranking as below:		
1.	A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.		

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with all CDR lenders are same as indicated in Note 5.2.1

The Loan Agreement entered between HCC Mauritius Enterprise Limited and Export Import Bank of India dated 27 September 2010 having first charge over specific fixed assets of the Company having written down value of ₹ 50 crore for the loan extended by Export Import Bank of India. The security extended for the loan of USD 25 million given by EXIM Bank to HCC Mauritius Investment Limited during the year.

YES Bank, the lenders of HCC Infrastructure Company Limited, a subsidiary company is having subservient charge on identified receivables of the Company. YES Bank issued NOC on 4 September 2012 for ceding first charge in favour of working capital lenders and second charge in favour of term lenders.

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Note 11 Short Term Trade Payables		
Trade Payables	1,537.80	1,358.93
TOTAL	1,537.80	1,358.93

- 11.1 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 March 2015.

The disclosure pursuant to the said Act is as under:

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Principal amount due to suppliers under MSMED Act	1.71	3.83
Interest accrued and due to suppliers under MSMED Act on the above amount	0.23	0.97
Payment made to suppliers (other than interest) beyond appointed day during the year	0.83	1.05
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	0.06	0.12
Interest accrued and remaining unpaid at the end of the accounting year	0.23	1.09
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	1.93	0.84

Note : This information as required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Note 12 Other Current Liabilities		
a) Interest Accrued but not due	35.70	38.77
b) Interest Accrued and due	66.83	-
c) Unpaid Dividends#	0.72	0.88
d) Others		
i) Provision for cost to completion	27.20	34.67
ii) Advance for sale of Investment (Refer notes 19.2 and 42)	55.58	52.64
iii) Tax Payable	31.21	17.24
iv) Due to Employees	60.39	41.82
v) Statutory Dues Payable	1.51	1.20
vi) Due to / advance from related parties	0.45	4.87
vii) Liability for capital goods	20.76	11.63
viii) Other payables	91.32	71.06
TOTAL	391.67	274.78

Not due for credit to Investor Education and Protection Fund

Note 13 Short Term provisions

(a) Provision for employee benefits (Refer note 43)		
- Gratuity	4.78	4.07
- Leave entitlement	5.13	4.38
(b) Provision for foreseeable losses (Refer note 13.1)	125.00	142.14
	134.91	150.59

Note 13.1 The Company has adequately recognized an expected loss on a project wherever it was probable that total contract costs will exceed total contract revenue.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 14 Fixed Assets

₹crore

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01 April 2014	Additions	Exchange Difference	Borrowing Cost	Deductions	As at 31 March 2015	As at 01 April 2014	For the Year	Deductions	As at 31 March 2015	As at 31 March 2015	As at 01 April 2014
Tangible Assets (At Cost):												
Freehold Land (Book Value)	8.68	-	-	-	-	8.68	-	-	-	-	8.68	8.68
Leasehold premises	18.37	-	-	-	-	18.37	7.38	2.02	-	9.40	8.97	10.99
Buildings & Sheds	33.57	-	-	-	3.68	29.89	19.67	0.95	3.68	16.94	12.95	13.90
Plant & Machinery	1,518.43	33.76	6.60	-	46.43	1,512.36	855.09	120.79	32.32	943.56	568.80	663.34
Furniture and Fixtures	20.55	-	-	-	-	20.55	11.72	1.36	-	13.08	7.47	8.83
Office Equipments	9.69	-	-	-	0.06	9.63	7.01	1.93	0.06	8.88	0.75	2.68
Heavy Vehicles	160.49	0.45	-	-	9.91	151.03	106.91	16.99	8.43	115.47	35.56	53.58
Light Vehicles	35.33	0.31	-	-	0.75	34.89	20.14	5.25	0.68	24.71	10.18	15.19
Helicopter / Aircraft	179.46	-	2.81	-	-	182.27	45.25	10.37	-	55.62	126.65	134.21
Speed Boat	1.96	-	-	-	0.52	1.44	0.61	0.13	0.34	0.40	1.04	1.35
Computers	16.84	2.73	-	-	4.65	14.92	16.50	0.26	4.60	12.16	2.76	0.34
Total Tangible Assets:	2,003.37	37.25	9.41	-	66.00	1,984.03	1,090.28	160.05	50.11	1,200.22	783.81	913.09
Intangible Assets (At Cost):												
Software	22.43	-	-	-	-	22.43	20.12	1.38	-	21.50	0.93	2.31
Total Intangible Assets	22.43	-	-	-	-	22.43	20.12	1.38	-	21.50	0.93	2.31
Total Fixed Assets	2,025.80	37.25	9.41	-	66.00	2,006.46	1,110.40	161.43	50.11	1,221.72	784.74	915.40
Less: Allocated to group companies								(7.09)				
Less: Transferred to retained earnings (Refer note 3.2)								(4.04)				
Depreciation as per the Statement of Profit and Loss								150.30				
Previous Year	2,062.89	53.93	20.30	0.05	111.37	2,025.80	1,052.50	151.34	93.44	1,110.40		
Less: Allocated to group companies in the previous year								(6.73)				
Depreciation as per the Statement of Profit and Loss in the previous year								144.61				
Capital Work In Progress											4.53	3.25
Intangible Asset Under Development											1.72	1.72
										Total	790.99	920.37

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

	As at 31 March 2015		As at 31 March 2014			As at 31 March 2015		As at 31 March 2014	
	Unquoted	Quoted	Unquoted	Quoted		Unquoted	Quoted	Unquoted	Quoted
	₹ crore	₹ crore	₹ crore	₹ crore		₹ crore	₹ crore	₹ crore	₹ crore
Note 15 Non-Current Investments (valued at cost, fully paid-up, unless otherwise specified)									
I. Trade Investment									
(A) Investments in Equity Shares:									
(I) In Subsidiary Companies in India					(xi) Lavasa Corporation Limited	0.01	-	0.01	-
(i) Western Securities Ltd.	5.38	-	5.38	-	2,387 (Previous year: 2,387) Equity Shares of ₹ 10 each				
(ii) HCC Real Estate Limited (Refer note 34)	474.36	-	474.36	-	(II) Of Subsidiary Companies outside India				
(iii) HCC Infrastructure Company Limited (Refer note 34)	0.25	-	0.25	-	(i) HCC Mauritius Enterprises Limited (Refer note 19.1)	22.23	-	22.23	-
(iv) HCC Construction Limited	0.05	-	0.05	-	5,005,000 (Previous year: 5,005,000) Equity Shares of USD 1 each				
(v) Highbar Technologies Limited (Refer note 19.1)	6.25	-	6.25	-	(ii) HCC Mauritius Investments Limited (Refer note 19.1)	6.06	-	6.06	-
(vi) Panchkutir Developers Limited (Refer note 19)	-	-	50.02	-	1,000,000 (Previous year: 1,000,000) Equity Shares of USD 1 each				
(vii) Raiganj Dalkhola Highways Limited (Refer notes 19 and 42)	-	-	1.56	-	(III) In Associates				
(viii) Baharampore Farakka Highways Limited (Refer notes 19 and 42)	-	-	11.70	-	(i) Vikhroli Corporate Park Private Limited	1.00	-	1.00	-
(ix) Farakka Raiganj Highways Limited (Refer notes 19 and 42)	-	-	13.00	-	1,000,000 (Previous year: 1,000,000) Equity Shares of ₹ 10 each				
(x) Dhule Palesner Tollways Limited (Refer notes 19 and 42)	-	-	16.38	-	(B) In Preference Shares :				
					of Subsidiary Company in India				
					(i) Lavasa Corporation Limited				
					28 (Previous year: 28) 6% Cumulative Redeemable Preference Shares of ₹ 10 each	0.00*	-	0.00*	-
					(c) Investments in Debentures in Associates :				
					Vikhroli Corporate Park Private Limited (VCPPL)				
					(i) VCPPL 17.91 % Optionally Fully Convertible Debenture Series-I	49.04	-	49.04	-
					4,904 (Previous year: 4,904) Debentures of ₹ 100,000 each				
					(ii) VCPPL 6.32% Optionally Fully Convertible Debenture Series-II	24.32	-	24.32	-
					2,432 (Previous year: 2,432) Debentures of ₹ 100,000 each				
					(iii) VCPPL 0 % Optionally Fully Convertible Debenture Series-IV	8.21	-	8.21	-
					821 (Previous year: 821) Debentures of ₹ 100,000 each				

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

	As at 31 March 2015		As at 31 March 2014			As at 31 March 2015		As at 31 March 2014	
	Unquoted ₹ crore	Quoted ₹ crore	Unquoted ₹ crore	Quoted ₹ crore		₹ crore		₹ crore	
					Note 16 Long Term Loans and Advances (contd.)				
II. Non-trade Investments:									
(i) Walchand Co-op. Housing Society Limited	0.00*	-	0.00*	-	including MAT credit entitlement ₹ 79.56 crore (Previous year : ₹ 64.40 crore)				
5 (Previous year: 5) Equity Shares of ₹ 50 each					Provision for Tax ₹ 115.26 crore (Previous year : ₹ 100.00 crore)				
(ii) Shushrusha Citizens Co-Op. Hospitals Limited	0.00*	-	0.00*	-	d) Loans and advances to related parties# (Refer note 34)	1,135.07		1,071.81	
100 (Previous year: 100) Equity Shares of ₹ 100 each					e) Loans and advances to employees	0.22		0.24	
(iii) Housing Development Finance Corporation Limited	-	0.01	-	0.01	f) Advances recoverable in cash or in kind	1.79		0.03	
15,220 (Previous year: 15,220) Equity Shares of ₹ 2 each					g) Balance with government authorities	63.16		53.07	
					TOTAL	1,343.00		1,264.47	
(iv) HDFC Bank Limited	-	0.00*	-	0.00*	# Loans and advances to related parties represent inter corporate deposits placed with subsidiaries.				
2,500 (Previous year: 2,500) Equity Shares of ₹ 10 each					Note 16.1 Disclosure as per Clause 32 of the Listing agreement				
(v) Khandwala Securities Limited	-	0.00*	-	0.00*	Loans and advance in the nature of loans given to subsidiaries.				
3,332 (Previous year: 3,332) Equity Shares of ₹ 10 each					Name of the entity	Outstanding balance	Maximum balance outstanding during the year		
(vi) Hincan Finance Limited	0.12	-	0.12	-		As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
120,000 (Previous year: 120,000) Equity Shares of ₹ 10 each					i) HCC Infrastructure Company Limited	634.81	618.22	634.81	618.22
	<u>597.28</u>	<u>0.01</u>	<u>689.94</u>	<u>0.01</u>	ii) HCC Real Estate Limited #	404.06	374.77	404.06	374.77
		<u>597.29</u>		<u>689.95</u>	iii) HCC Mauritius Enterprise Limited ##	94.11	76.73	94.11	76.73
Details:	Cost	Market Value	Cost	Market Value	iv) Highbar Technologies Limited	2.09	2.09	2.09	2.09
1. Aggregate of Investments:	₹ crore	₹ crore	₹ crore	₹ crore	Total	<u>1,135.07</u>	<u>1,071.81</u>	<u>1,135.07</u>	<u>1,071.81</u>
(i) Quoted Investments	0.01	2.26	0.01	1.54	# Includes interest free loan ₹ 294.27 crore (Previous year: ₹ 294.27 crore).				
(ii) Unquoted Investments	597.28	-	689.94	-	## Loans given at interest rate of "3% + 3months LIBOR" and "4% + 6months LIBOR".				
(iii) Provision towards diminution in value of investments	-	-	-	-	Note 16.2 Investment by the loanee in the Company's/ subsidiary companies shares				
		As at 31 March 2015 ₹ crore		As at 31 March 2014 ₹ crore	HCC Infrastructure Company Limited has invested in following subsidiary companies.				
Note 16 Long Term Loans and Advances					Name of the company				
Unsecured, Considered Good					Equity shares				
a) Capital Advances		0.16		-	HCC Consessions Limited				
b) Security and Other Deposits					HCC Power Limited				
- related party		7.54		7.54	Dhule Palesner Operations & Maintenance Limited				
- others		6.02		15.07	HCC Operations & Maintenance Limited				
c) Advance Payment of Taxes (net of provision)		129.04		116.71	Preference shares				
Advance tax ₹ 244.30 crore (Previous year : ₹ 216.71 crore)					HCC Consessions Limited				
					TOTAL				

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 16.2 Investment by the loanee in the Company's/ subsidiary companies shares (contd.)

HCC Real Estate Limited has invested in following subsidiary companies

Name of the company	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Equity shares		
Lavasa Corporation Limited	417.81	417.81
Maan Township Developers Limited	0.10	0.10
Nashik Township Developers Limited	0.10	0.10
HRL Township Developers Limited	0.10	0.10
HRL (Thane) Real Estate Limited	0.10	0.10
Charosa Wineries Limited	13.00	13.00
Powai Real Estate Limited	0.05	0.05
HCC Aviation Limited	0.05	0.05
Pune-Paud Toll Road Company Limited	6.05	6.05
HCC Realty Limited	0.05	0.05
Preference shares		
Lavasa Corporation Limited	97.34	97.34
TOTAL	534.75	534.75

HCC Mauritius Enterprise Limited has invested in following subsidiary companies

Name of the company		
Equity shares		
Steiner AG (Refer note below)	201.29	192.26
TOTAL	201.29	192.26

Note : Increase in investment is due to exchange rate fluctuation.

Highbar Technologies Limited has invested in following subsidiary companies

Name of the company		
Equity shares		
Highbar Technologies FZLLC	0.06	0.06
TOTAL	0.06	0.06

Note 17 Long Term Trade Receivables

Unsecured, Considered Good

Trade Receivables	1,494.16	1,087.00
(Including retention ₹ 0.79 crore (Previous year: ₹ 69.30 crore))		
TOTAL	1,494.16	1,087.00

Note: Includes advance received against workbill / claims ₹ 211.56 crore
(Previous year: ₹ 34.94 crore)

Note 18 Other Non Current Assets

Unsecured, Considered Good

Non Current Bank balances	-	-
Margin Money Deposit	0.12	0.11
TOTAL	0.12	0.11

Note 19 Current Investments

Investments in Equity Instruments
(Refer note 42) :

(Unquoted, in subsidiary Companies in India)

(i) Panchkutir Developers Limited (Refer note 19.2)	50.02	-
1,400,000 (Previous year: Nil) Equity Shares of ₹ 10 each fully paid		

Note 19 Current Investments (contd.)

(ii) Raiganj Dalkhola Highways Limited (Refer note 19.1)	3.00	-
3,000,000 (Previous year: Nil) Equity Shares of ₹ 10 each fully paid		
(iii) Baharampore Farakka Highways Limited (Refer note 19.1)	11.70	-
11,700,000 (Previous year: Nil) Equity Shares of ₹ 10 each fully paid		
(iv) Farakka Raiganj Highways Limited (Refer note 19.1)	13.00	-
13,000,000 (Previous year: Nil) Equity Shares of ₹ 10 each fully paid		
(v) Dhule Palesner Tollways Limited	17.88	-
17,882,800 (Previous year: Nil) Equity Shares of ₹ 10 each fully paid		
TOTAL	95.60	-

Note 19.1 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies and joint ventures as indicated below:

Name of the company	No. of equity shares pledged	
	31 March 2015 ₹ crore	31 March 2014 ₹ crore
Highbar Technologies Limited (Refer note below)	1,875,000	1,875,000
HCC Mauritius Enterprise Limited	5,005,000	5,005,000
HCC Mauritius Investments Limited	1,000,000	1,000,000
Raiganj Dalkhola Highways Limited	510,000	510,000
Baharampore Farakka Highways Limited	510,000	510,000
Farakka Raiganj Highways Limited	510,000	510,000
Dhule Palesner Tollways Limited	94,350	94,350

Also, the Company has given a "Non Disposal Undertaking" to the lenders of Highbar Technologies Limited to the extent of 3,074,940 equity shares

19.2 The Company has received ₹ 10 crore as advance towards sale of investment in Panchkutir Developers Limited

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Note 20 Inventories		
a) Stores, spares and embedded goods	215.62	255.75
b) Fuel	6.71	9.13
c) Materials in transit	0.56	0.02
d) Work in progress:		
Uncompleted contracts and value of work done (Refer note below)	3,344.87	3,393.80
TOTAL	3,567.76	3,658.70

Note: Net off advance received against workbill ₹ 134.12 crore (Previous year: ₹ 76.22 crore)

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore		Year ended 31 March 15 ₹ crore	Year ended 31 March 14 ₹ crore
Note 21 Trade Receivables			Note 25 Revenue from operations		
Unsecured, Considered Good			a) Contract Revenue	4,095.96	3,885.74
a) Outstanding over six months	112.41	96.32	Add: Company's Share of Turnover in Integrated Joint Ventures	174.44	74.01
[including retention of ₹ 16.15 crore (Previous year: ₹ Nil)]			b) Sale of Products	30.74	152.32
b) Others	810.33	509.62	c) Other Operating Income	-	1.42
[including retention of ₹ 270.22 crore (Previous year: ₹ 370.52 crore)]			TOTAL	4,301.14	4,113.49
TOTAL	922.74	605.94	Note 26 Other Income		
Note: Includes advance received against workbill ₹ 4.14 crore (Previous year: ₹ 98.75 crore)			a) Interest Income	121.94	123.07
Note 22 Cash and Bank Balances			b) Dividend income from non current investments	0.03	0.02
a) Cash and Cash Equivalents			c) Other Non Operating Income		
1) Balances with Bank			i) Exchange gain (net)	12.45	-
(i) Current Accounts in Indian Rupees	64.25	111.20	ii) Profit on sale of fixed assets (net)	-	6.72
(ii) Current Accounts in Foreign Currency	0.23	31.21	iii) Profit on sale of non-current investments (net)	-	0.80
2) Cash in Hand	0.78	0.92	iv) Miscellaneous income* (Refer note 29.1)	12.56	82.98
3) Cheques in Hand	9.76	1.34	TOTAL	146.98	213.59
SUB-TOTAL	75.02	144.67	* Miscellaneous income includes Nil (Previous year: ₹ 81.50 crore) no longer payable pursuant to a settlement arrived with the creditor.		
b) Other Bank Balances			Note 27 Cost of material consumed		
(i) Margin Money Deposits	22.10	1.42	Stock at beginning of the year	9.84	15.81
(ii) Balances with Bank for Unpaid Dividend	0.72	0.88	Add: Purchases	8.53	62.87
SUB-TOTAL	22.82	2.30		18.37	78.68
TOTAL	97.84	146.97	Less: Scrap and Unserviceables Sold	0.18	1.16
Note 23 Short Term Loans & Advances				18.19	77.52
Unsecured, Considered Good			Less: Stock at the end of the year	8.98	9.84
a) Advances recoverable in cash or in kind			TOTAL	9.21	67.68
- Related parties (Refer note 44)	13.09	7.01	Note 28 Construction Expenses		
- Others	96.34	59.10	a) Construction Material Consumed:		
b) Loans to employees	0.02	0.03	Stock at beginning of the year	245.91	274.99
c) Balance with Government Authorities	26.57	57.42	Add: Purchases	909.50	952.58
d) Earnest money and other deposits	13.80	8.83		1,155.41	1227.57
TOTAL	149.82	132.39	Less: Scrap and Unserviceables Sold	16.02	22.39
Note 24 Other Current Assets				1,139.39	1205.18
a) Receivable from related parties (Refer note 34)	568.81	422.70	Less: Stock at the end of the year	206.64	245.91
b) Interest accrued on investments / advances	10.51	6.24	Sub-Total	932.75	959.27
TOTAL	579.32	428.94	b) Sub-Contract, transportation, hire etc. (Refer note 28.1)	1,530.07	1,381.92
			c) Insurance	48.85	38.48
			d) Rates and taxes	180.67	168.59
			e) Lease rent	26.19	46.04
			f) Power and fuel	141.01	212.37
			g) Repairs to machinery	6.16	6.77
			h) Other repairs	2.18	4.12
			i) Water charges	1.36	1.74
			TOTAL	2,869.24	2,819.30

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 28.1 The Company has taken various construction equipment and vehicles under non-cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2015 are as follows:

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Minimum Lease Rental payments		
i) Payable Not Later than one year	4.08	9.85
ii) Payable Later than one year and not later than five years	2.31	3.05
iii) Payable Later than five years	-	-
	<u>6.39</u>	<u>12.90</u>

The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

Further, the Company has entered into cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc.

Lease payments in respect of the above leases are recognised in the Statement of Profit and Loss under the heads "Construction Expense" and "Other Expenses" (Refer Note 31)

	Year ended 31 March 2015 ₹ crore	Year ended 31 March 2014 ₹ crore
Note 29 Employee Benefit Expenses #		
a) Salaries and Wages	319.54	344.40
b) Contribution to provident and other funds (Refer note 43.1)	21.72	21.60
c) Staff Welfare Expenses	<u>19.85</u>	<u>22.46</u>
TOTAL	<u>361.11</u>	<u>388.46</u>

Employee benefit expenses are net of ₹ 27.56 crore (Previous year: ₹ 24.73 crore) allocated to group companies.

Note 29.1 The Company had paid managerial remuneration to the Chairman and the Managing Director (CMD) aggregating ₹ 10.66 crores during the year ended 31 March 2013, which was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. The Ministry of Corporate Affairs (the "Ministry") had approved remuneration of ₹ 1.72 crores against which the Company made representations to the Ministry to reconsider Company's application and requested to accord approval of the entire remuneration paid. The Company's representation for approval of remuneration has not been acceded by the Ministry and accordingly remuneration paid in excess of the Ministry's approval amounting to ₹ 8.94 crores has been fully recovered from the CMD and included under Miscellaneous Income (Refer note 26).

Note 29.2 The Company had paid managerial remuneration of ₹ 10.66 crores to Chairman and Managing Director (CMD) for the year ended 31 March 2014. The Company had made an application to the Ministry of Corporate Affairs (the "Ministry") seeking its approval for payment of ₹ 10.66 crores which was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. The Ministry has approved remuneration of ₹ 1.92 crores against which the Company has made a representation to the Ministry to reconsider the Company's application and requested to accord approval of the entire remuneration paid.

	Year ended 31 March 2015 ₹ crore	Year ended 31 March 2014 ₹ crore
Note 30 Finance Cost #		
a) Interest Expense		
(i) On Debentures	23.16	23.10
(ii) On Others	601.79	561.38

Note 30 Finance Cost # (contd.)

b) Other Borrowing costs		
(i) Guarantee Commission Charges	17.96	15.21
(ii) Finance Charges	<u>8.22</u>	<u>8.30</u>
	651.13	607.99
Less: Interest Capitalised	-	0.05
TOTAL	<u>651.13</u>	<u>607.94</u>

Finance costs are net of ₹ 6.51 crore (previous year : ₹ 6.20 crore) allocated to group companies.

Note 31 Other Expenses

(a) Stationery, Postage, Telephone & Advertisement	7.29	6.58
(b) Travelling and Conveyance	13.96	14.42
(c) Rent (Refer note 28.1)	12.01	13.43
(d) Professional	28.12	22.63
(e) Rates and Taxes	1.63	16.68
(f) Insurance	0.81	3.16
(g) Repairs and maintenance	4.97	5.29
(h) Building maintenance	6.88	6.12
(i) Directors' sitting fees	0.52	0.16
(j) Auditors' remuneration:		
(i) Audit Fees	0.95	0.64
(ii) Tax Audit Fees	0.20	0.16
(iii) For reviews and certification work	1.01	0.65
(iv) Reimbursement of out of pocket expenses	<u>0.01</u>	<u>0.01</u>
	2.17	1.46
(k) Computer maintenance and development	14.37	13.88
(l) Loss on sale of fixed assets (net)	3.19	-
(m) Exchange loss (net)	-	13.85
(n) Expenses relating to prior years	-	0.77
(o) Miscellaneous ##	<u>15.71</u>	<u>14.34</u>
TOTAL	<u>111.63</u>	<u>132.77</u>

Other expenses are net of ₹ 15.86 crore (Previous year: ₹ 17.57 crore) allocated to group companies.

includes expenses towards Corporate Social Responsibility of ₹ 0.20 crore under section 135 of the Companies Act, 2013 and rules thereon.

Note 32 Earnings per share (EPS)

Basic and diluted EPS

A. Profit computation for basic earnings per share of ₹ 1 each			
Net profit as per the Statement of Profit and Loss available for			
Equity shareholders	(₹ crore)	81.65	80.64
B. Weighted average number of equity shares for			
EPS computation	(Nos.)	642,495,459	606,610,420
C. EPS - Basic and Diluted EPS	(₹)	1.27	1.33

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 33 Contingent liabilities and commitments

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
A. Contingent Liabilities		
(i) Claims not acknowledged as debts by the Company	13.24	3.21
(ii) Income Tax liability that may arise in respect of which Company is in appeals	24.63	24.63
(iii) Sales Tax liability / Works Contract Tax liability / Service Tax / Customs Liability that may arise in respect of matters in appeal (Net of an amount of ₹ 6.85 Crore (Previous year ₹ 6.85 crore) recoverable from Clients as per the terms of contract.)	92.02	79.88
(iv) Counter indemnities given to banks, in respect of contracts		
a) For works in India (secured on all the assets)	1,301.89	1,117.58
b) For works abroad (secured by ECGC counter guarantees)	65.04	54.06
(v) Corporate Guarantees:		
The Company has provided an undertaking to pay in the event of default on loan given by bank to the subsidiaries and fellow subsidiaries		
a) Lavasa Corporation Limited	419.64	551.79
b) HCC Mauritius Enterprises Limited	58.03	110.94
c) HCC Mauritius Investment Limited	138.31	92.42
d) HCC Infrastructure Limited	200.00	200.00
e) HCC Concession Limited	100.00	100.00
B. Capital Commitment (net of advances)	1.61	2.85

It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities other than stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

Note 34 The Company has an investment aggregating ₹ 474.36 crore, long term loans and advances ₹ 404.06 crore and other current assets (including interest) ₹ 28.44 crore in HCC Real Estate Limited (HREL) which is holding 68.70% share in Lavasa Corporation Limited and has an investment aggregating ₹ 0.25 crore, long term loans and advances ₹ 634.82 crore and other current assets (including interest) ₹ 319.64 crore in HCC Infrastructure Company Limited (HIL) as on 31 March 2015 which is holding 85.45% in HCC Concession Limited having various Build, Operate and Transfer (BOT) SPVs under its fold. While such entities have incurred losses during its initial years and consolidated net-worth of HREL and HIL as on 31 March 2015 has been fully eroded, the underlying projects in such entities are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values, hence net-worth of

both these subsidiaries does not represent its true market value. Therefore the decline in the value of above investments is temporary in nature and the loans and advances and other current assets together with the interest thereon are good and recoverable.

Note 35 'Uncompleted Contracts and Value of Work Done' and 'Long-Term Trade Receivables' includes ₹ 1,181 crore and ₹ 241 crore respectively, outstanding as at 31 March 2015 representing various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ₹ 149 crore of arbitration awards received in favour of the Company, which have been subsequently set aside by District Court/ High Courts against which the Company has preferred appeals at High Courts/ Supreme Court. The Company has been legally advised that it has good case on merits in respect of these matters. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

Note 36 The Company has a single segment namely "Engineering & Construction". Therefore, the Company's business does not fall under different business segments as defined by Accounting Standard 17 - "Segmental Reporting" referred to in Section 133 of the Companies Act, 2013.

Note 37 Disclosure in accordance with Accounting Standard - 7 (Revised)- Amount due from / to customers on Construction Contracts

	As at 31.03.2015 ₹ crore	As at 31.03.2014 ₹ crore
Contract revenue for the year	4,095.96	3,885.74
Aggregate amount of cost incurred and recognized profits less recognized losses upto the reporting date on contract under progress	30,401.05	26,099.90
Advances received from customer	1,069.25	910.66
Retention money	287.16	439.82
Gross amount due from customer for contract work	5,474.61	4,646.92
Gross amount due to customer for contract work	-	-

Note 38 (a) Contracts executed by the following Joint Ventures (JV s) are accounted for as per accounting policy no. 1.14(a)

i) HCC Van Oord ACZ Joint Venture	ix) HCC – MEIL - CBE Joint Venture
ii) Samsung- HCC Joint Venture	x) HCC – MEIL - BHEL Joint Venture
iii) L & T - HCC Joint Venture	xi) HCC – MEIL - SEW- AAG Joint Venture
iv) HCC- KBL Joint Venture	xii) HCC – MEIL - SEW Joint Venture
v) HCC- NCC Joint Venture	xiii) HCC-Halcrow Joint Venture
vi) HCC- CEC Joint Venture	xiv) HCC-Laing-Sadbhav
vii) HCC- NOVA Joint Venture	xv) HCC -MEIL- NCC- WPIL Joint Venture
viii) HCC – CPPL Joint Venture	xvi) MEIL- IVRCL- HCC - WPIL Joint Venture

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 38 (b) Contracts executed by the following JVs are accounted for as per accounting policy no. 1.14(b)

Name of the JVs	Name of Venture/s Partner/s	Company's share of Interest
HCC-L&T Purulia	Larsen & Toubro Limited	57%
HCC-Pati	Pati Sendirian, Berhad	50%
Nathpa Jhakri	Impregilio Spa, Italy	40%
Kumagai-Skanska	Skanska, Kumagai	19.60%
HCC-Itochu Group Alpine - Samsung - HCC	Itochu Alpine Meyreder Bau, Samsung Corporation	33%
Alpine - HCC	Alpine Meyreder Bau	49%
HCC Samsung Joint Venture CC 34	Samsung Corporation	50%
Dhule Palesner Tollways Limited	HCC Infrastructure Limited John Laing Investment Limited, John Laing Investments Mauritius (No 1) Limited, Sadbhav Engineering Limited and Sadbhav Infrastructure Projects Limited	26%

In respect of Joint Ventures, the Company along with other JV members is jointly and severally responsible for performance of the contracts.

Note 39 Financial Interest in Jointly Controlled Entities

₹ crore

Name of the Joint Venture	HCC's Share in							
	Assets	Liabilities	Turnover	Other Income	Exceptional Item	Expenses (Including taxes)	Capital Commitment	Contingent Liability
	As at 31 March 2015				For the year ended 31 March 2015			
HCC-L&T Purulia Joint Venture	6.05 (5.76)	0.88 (0.87)	- (-)	0.29 (-)	- (-)	0.01 (0.01)	- (-)	- (-)
HCC-Pati Joint Venture	- (3.52)	- (5.22)	- (-)	2.71 (-)	- (-)	- (-)	- (-)	- (-)
Nathpa Jhakri Joint Venture	5.34 (5.91)	0.02 (0.01)	- (-)	0.08 (2.57)	- (-)	0.66 (1.10)	- (-)	- (-)
Kumagai-Skanska HCC-Itochu Group	0.28 (0.33)	3.09 (3.09)	- (-)	0.02 (0.03)	- (-)	0.07 (0.03)	- (-)	4.22 (4.22)
Dhule Palesner Tollway Ltd.	332.49 (306.33)	332.49 (306.33)	34.85 (29.01)	0.02 (0.12)	33.92 (-)	55.49 (63.61)	13.52 (13.52)	0.08 (0.08)
Alpine-Samsung-HCC Joint Venture	5.16 (5.38)	27.02 (27.54)	- (-)	0.65 (0.38)	- (-)	0.35 (0.79)	- (-)	6.39 (6.39)
HCC Samsung Joint Venture CC 34	106.62 (129.19)	96.26 (126.05)	174.44 (74.01)	0.15 (1.54)	- (-)	167.36 (72.41)	- (2.52)	92.48 (90.93)
Alpine-HCC Joint Venture	0.48 (1.96)	8.13 (10.12)	- (-)	0.92 (0.01)	- (-)	0.40 (1.16)	- (-)	0.29 (0.29)
TOTAL	456.42 (458.38)	467.89 (479.23)	209.29 (103.02)	4.84 (4.65)	33.92 (-)	224.34 (139.11)	13.52 (16.04)	103.46 (101.91)

Note: Figures in brackets pertain to previous year.

Note 40 Disclosure of unhedged foreign currency exposure as at 31 March 2015

Particulars	Currency	As at 31 March 2015		As at 31 March 2014	
		Foreign Currency in crore	₹ crore	Foreign Currency in crore	₹ crore
Liabilities:					
Loans from Banks	USD	3.25	204.23	3.50	210.30
Advance from contractee	EUR	0.35	23.55	-	-
Trade Payables	USD	0.02	0.98	0.02	1.35
	EUR	0.54	36.76	0.32	26.43
	SGD	-	-	0.00 *	0.15
	AUD	-	-	0.01	0.62
	GBP	0.00*	0.35	-	-
	SEK	0.10	0.70	-	-
Assets:					
Inter corporate deposits and interest thereon	USD	1.65	102.70	1.38	82.14
Advance to vendors	EUR	0.00*	0.04	-	-
Trade receivables	EUR	0.56	39.94	0.44	37.35
Bank balances	USD	0.00 *	0.13	0.01	0.70
	EUR	0.00*	0.10	0.37	30.51

Note 41 (i) Additional information pursuant to the provisions of part II of Schedule III to the Companies Act, 2013 (wherever applicable).

	Year ended 31 March 2015		Year ended 31 March 2014	
	₹ crore		₹ crore	
A. Value of Imports calculated on CIF Basis :				
(i) Raw Material	9.37		9.27	
(ii) Components, embedded goods and spare-parts	14.92		16.31	
(iii) Capital goods	12.84		26.48	
B. Expenditure in foreign currencies :				
(i) Sub Contracting	31.81		95.12	
(ii) Professional, Technical & Consultancy	10.57		18.67	
(iii) Salary to Expatriate	4.78		8.27	
(iv) Interest	7.50		6.09	
(v) Others	5.87		9.39	
Total	60.53		137.54	
C. Value of imported and indigenous components, embedded goods and spare parts consumed:				
	Year ended 31 March 2015		Year ended 31 March 2014	
	₹ crore	%	₹ crore	%
(i) Imported	19.56	2.08	127.05	12.37
(ii) Indigenous	922.40	97.92	899.90	87.63
Total	941.96	100.00	1,026.95	100.00

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

	Year ended 31 March 2015	Year ended 31 March 2014
	₹ crore	₹ crore
D. Earnings in foreign currencies (on accrual basis)		
(i) Work bills realised on contracts	27.36	124.92
(ii) Interest income	3.19	2.76

Note 41 (ii) Additional information pursuant to the provisions of paragraphs 5 of part II of Schedule III to the Companies Act, 2013

Cost of material consumed for the year

Class of Goods		
Aggregate	9.21	60.46
Structural Steel	-	6.05
Others	-	1.17
	<u>9.21</u>	<u>67.68</u>

Note 42 Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HIL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HIL/ BOT SPVs.

The Company has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highway Limited, Farakka - Raiganj Highway Limited., Dhule Palesner Tollways Limited, and Raiganj - Dalkhola Highway Limited to NHAI, it will not transfer its shareholding till the commercial operation date. The Company has entered into sale agreement with HCL to sell these shares at book value at a future date on fulfillment of obligation as per undertaking given to NHAI. The Company has received advance consideration of ₹ 45.58 crore for transfer of the above shares at book value from HCL, subject to necessary approvals and consents to the extent required in the following BOT SPV's. Subsequent to 31 March 2015, HCL has entered into a sale agreement with a party for sale of its share holding in Dhule Palesnar Tollways Limited.

Name of BOT SPV	No. of shares	₹ crore
Bahrampore Farakka Highways Limited	11,700,000	11.70
Farakka Raiganj Highways Limited	13,000,000	13.00
Raiganj Dalkhola Highways Limited	3,000,000	3.00
Dhule Palesner Tollway Limited	17,882,800	17.88
Total	45,582,800	45.58

Note 43 Disclosure relating to Employee Benefits - As per revised Accounting Standard (AS) 15

	31 March 2015	31 March 2014
	₹ crore	₹ crore
Gratuity	Non Funded	Non Funded
A. Expenses recognised in during the year		
Current service cost	2.33	2.60
Interest cost	2.50	2.33
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognised during the year	2.31	(2.24)
Total	<u>7.14</u>	<u>2.69</u>

	31 March 2015	31 March 2014
	₹ crore	₹ crore
Gratuity	Non Funded	Non Funded
B. Net Liability recognised in the Balance Sheet		
Present value of the obligation	30.49	26.80
Add: Provision for separated employees	2.69	2.15
Total	<u>33.18</u>	<u>28.95</u>

C. Change in Present value of obligation		
Present value of obligation at the beginning of the year	26.80	28.23
Current service cost	2.33	2.60
Interest cost	2.50	2.33
Benefits paid	(3.45)	(4.12)
Net actuarial loss/(gain) recognised during the year	2.31	(2.24)
Present value of obligation at the end of the year	<u>30.49</u>	<u>26.80</u>
Add: Provision for separated employees	2.69	2.15
Total	<u>33.18</u>	<u>28.95</u>

D. Actuarial assumptions:		
i. Discount Rate	7.95% p.a.	9.33% p.a.
ii. Salary Escalation Rate	8.00% p.a.	8.00% p.a.
iii. Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
iv. Average future working lifetime	14 years	14 years
v. The attrition rate varies from 2% to 8% (previous year 2% to 8%) for various age groups.		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 43.1 Defined Contribution Plans

	Year ended 31 March 2015	Year ended 31 March 2014
	₹ crore	₹ crore
The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to Provident Fund	15.69	15.58
(ii) Contribution to Superannuation Fund	6.03	6.02
	<u>21.72</u>	<u>21.60</u>

Note 43.2 The obligation for leave entitlement, compensated absences and sick leave is recognized in the same manner as gratuity and provision of ₹ 15.35 crore (Previous year: ₹ 13.39 crore) has been made as on 31 March 2015

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 43.3 Information required for the current year and previous years as per Para 120(n) of AS15 (Revised)

	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	₹ crore	₹ crore	₹ crore	₹ crore	₹ crore
Gratuity					
Defined benefit obligation	33.18	28.95	29.36	28.39	24.58
Plan assets	-	-	-	-	-
Deficit/ (Surplus)	33.18	28.95	29.36	28.39	24.58
Experience (gain) / loss on plan liabilities	(0.50)	0.40	1.13	-	-
Experience gain / (loss) on plan assets	-	-	-	-	-

Note: Information has been provided to the extent available with the Company

	Non-current (Refer note 9)		Current (Refer note 13)	
	As at		As at	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	₹ crore	₹ crore	₹ crore	₹ crore
Gratuity	28.40	24.88	4.78	4.07
Leave entitlement	10.22	9.01	2.98	2.79
Sick leave entitlement	-	-	2.15	1.59
	38.62	33.89	9.91	8.45

Note 44 Disclosure in accordance with Accounting Standard -18 Related Party Transactions

A. Names of Related Parties & Nature of Relationship

a) Subsidiaries & its Subsidiaries:

No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company
1	Western Securities Limited	Subsidiary	97.9	Hindustan Construction Company Limited
2	HCC Real Estate Limited	Subsidiary	100	Hindustan Construction Company Limited
3	Panchkutir Developers Limited	Subsidiary	100	Hindustan Construction Company Limited
4	HCC Mauritius Enterprises Limited	Subsidiary	100	Hindustan Construction Company Limited
5	HCC Construction Limited	Subsidiary	100	Hindustan Construction Company Limited
6	Highbar Technologies Limited	Subsidiary	100	Hindustan Construction Company Limited
7	HCC Infrastructure Company Limited	Subsidiary	100	Hindustan Construction Company Limited
8	HCC Mauritius Investments Limited. (w.e.f 4 October 2013)	Subsidiary	100	Hindustan Construction Company Limited
9	HRL Township Developers Limited	Subsidiary	100	HCC Real Estate Limited

No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company
10	HRL (Thane) Real Estate Limited	Subsidiary	100	HCC Real Estate Limited
11	Nashik Township Developers Limited	Subsidiary	100	HCC Real Estate Limited
12	Maan Township Developers Limited	Subsidiary	100	HCC Real Estate Limited
13	Charosa Wineries Limited	Subsidiary	100	HCC Real Estate Limited
14	Powai Real Estate Developer Limited	Subsidiary	100	HCC Real Estate Limited
15	HCC Realty Limited	Subsidiary	100	HCC Real Estate Limited
16	Pune Paud Toll Road Company Limited	Subsidiary	100	HCC Real Estate Limited
17	HCC Aviation Limited	Subsidiary	100	HCC Real Estate Limited
18	Steiner AG	Subsidiary	100	HCC Mauritius Enterprises Limited
19	Steiner Promotions et Participations SA	Subsidiary	100	Steiner AG
20	Steiner (Deutschland) GmbH	Subsidiary	100	Steiner AG
21	VM + ST AG	Subsidiary	100	Steiner AG
22	Steiner Leman SAS	Subsidiary	100	Steiner AG
23	SNC Valleiry Route de Bloux	Subsidiary	100	Steiner AG
24	Eurohotel SA	Subsidiary	95	Steiner AG
25	Steiner India Limited	Subsidiary	100	Steiner AG
26	Highbar Technologies FZLLC	Subsidiary	100	Highbar Technologies Limited
27	Dhule Palesner Operations & Maintenance Limited	Subsidiary	100	HCC Infrastructure Company Limited
28	HCC Power Limited	Subsidiary	100	HCC Infrastructure Company Limited
29	HCC Concession Limited	Subsidiary	85.5	HCC Infrastructure Company Limited
30	HCC Operation and Maintenance Limited	Subsidiary	100	HCC Infrastructure Company Limited
31	Narmada Bridge Tollway Limited	Subsidiary	100	HCC Concession Limited
32	Badarpur Faridabad Tollway Limited	Subsidiary	100	HCC Concession Limited
33	Nirmal BOT Limited	Subsidiary	100	HCC Concession Limited
34	Baharampore-Farakka Highways Limited	Subsidiary	100	HCC Concession Limited
35	Farakka-Raiganj Highways Limited	Subsidiary	100	HCC Concession Limited

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company	No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company
36	Raiganj-Dalkhola Highways Limited	Subsidiary	100	HCC Concession Limited	61	Hill City Service Apartments Limited	Subsidiary	100	Lavasa Corporation Limited
37	Lavasa Corporation Limited	Subsidiary	68.7	HCC Real Estate Limited	62	Warasgaon Infrastructure Providers Limited	Subsidiary	100	Lavasa Corporation Limited
38	Lavasa Hotel Limited	Subsidiary	100	Lavasa Corporation Limited	63	Kart Racers Limited	Subsidiary	100	Lavasa Corporation Limited
39	Apollo Lavasa Health Corporation Limited	Subsidiary	62.5	Lavasa Corporation Limited	64	Nature Lovers Retail Limited	Subsidiary	100	Lavasa Corporation Limited
40	Dasve Business Hotel Limited	Subsidiary	100	Lavasa Corporation Limited	65	Osprey Hospitality Limited	Subsidiary	100	Lavasa Corporation Limited
41	Dasve Convention Center Limited	Subsidiary	100	Lavasa Corporation Limited	66	Mugaon Luxury Hotels Limited	Subsidiary	100	Lavasa Corporation Limited
42	Lakeshore Watersports Company Limited	Subsidiary	100	Lavasa Corporation Limited	67	Starlit Resort Limited	Subsidiary	100	Lavasa Corporation Limited
43	Dasve Hospitality Institutes Limited	Subsidiary	100	Lavasa Corporation Limited	68	Rosebay Hotels Limited	Subsidiary	100	Lavasa Corporation Limited
44	Lakeview Clubs Limited	Subsidiary	100	Lavasa Corporation Limited	69	Warasgaon Valley Hotels Limited	Subsidiary	100	Lavasa Corporation Limited
45	Dasve Retail Limited	Subsidiary	100	Lavasa Corporation Limited	70	Hill View Parking Services Limited	Subsidiary	100	Lavasa Corporation Limited
46	Full Spectrum Adventure Limited	Subsidiary	91	Lavasa Corporation Limited	71	Warasgaon Assets Maintenance Limited	Subsidiary	100	Lavasa Corporation Limited
47	Spotless Laundry Services Limited	Subsidiary	76	Lavasa Corporation Limited	72	Verzon Hospitality Limited	Subsidiary	100	Lavasa Corporation Limited
48	Lavasa Bamboocrafts Limited	Subsidiary	100	Lavasa Corporation Limited	a)	* including through subsidiary company			
49	Green Hills Residences Limited	Subsidiary	60	Lavasa Corporation Limited	b)	Integrated Joint Ventures:			
50	My City Technology Limited	Subsidiary	63	Lavasa Corporation Limited	1)	Nathpa Jhakri Joint Venture	6)	Alpine - HCC Joint Venture	
51	Reasonable Housing Limited	Subsidiary	100	Lavasa Corporation Limited	2)	HCC-Pati Joint Venture	7)	Dhule Palesner Tollway Ltd.	
52	Future City Multiservices SEZ Limited	Subsidiary	100	Lavasa Corporation Limited	3)	Kumagai-Skanska-HCC-Itochu Group	8)	HCC Samsung Joint Venture CC 34	
53	Rhapsody Commercial Space Limited	Subsidiary	100	Lavasa Corporation Limited	4)	HCC-L & T Purulia Joint Venture	9)	ARGE Prime Tower, Zürich	
54	Sirrah Palace Hotels Limited	Subsidiary	100	Lavasa Corporation Limited	5)	Alpine - Samsung - HCC Joint Venture			
55	Valley View Entertainment Limited	Subsidiary	100	Lavasa Corporation Limited	c)	Associates & Other Related Parties			
56	Whistling Thrush Facilities Services Limited	Subsidiary	51	Lavasa Corporation Limited	1)	Vikhroli Corporate Park Private Limited	Associate		
57	Warasgaon Power Supply Limited	Subsidiary	100	Lavasa Corporation Limited	2)	Warasgaon Lake View Hotels Limited	Other related parties		
58	Sahyadri City Management Limited	Subsidiary	100	Lavasa Corporation Limited	3)	Andromeda Hotels Limited	Other related parties		
59	Warasgaon Tourism Limited	Subsidiary	100	Lavasa Corporation Limited	4)	Bona Sera Hotels Limited	Other related parties		
60	Our Home Service Apartments Limited	Subsidiary	100	Lavasa Corporation Limited	5)	Knowledge Vistas Limited	Other related parties		
					6)	Ecomotel Hotel Limited	Other related parties		
					7)	Evostate AG	Other related parties		
					8)	MCR Managing Corp. Real Estate	Other related parties		
					9)	Projektentwicklungsges. Parking Kunstmuseum AG	Other related parties		
					10)	Gulabchand Foundation	Other related parties		
					11)	Hincon Holdings Limited	Other related parties		
					12)	Hincon Finance Limited	Other related parties		

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

B. Key Management Personnel

1.	Mr. Ajit Gulabchand	Chairman & Managing Director
2.	Mr. Rajgopal Nogja	Group Chief Operating Officer & Whole Time Director
3.	Mr. Arun Karambelkar	President and Chief Executive Officer - E&C (Ceased to be Whole Time Director effective 29 April 2014)
4.	Mr. Praveen Sood	Group Chief Financial Officer
5.	Mr. V. P. Kulkarni	Whole Time Company Secretary
6.	Ms. Shalaka Gulabchand Dhawan	Relative of Key Management Personnel (Daughter of Mr. Ajit Gulabchand)
7.	Mr. Arjun Dhawan	Relative of Key Management Personnel (Son-in-law of Mr. Ajit Gulabchand)

Disclosure under A and B are to the extent of transactions entered during the year.

C. Transactions with Related Parties:

₹ crore			
Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Sale of material			
HCC Samsung Joint Venture CC 34	-	0.53	-
	(-)	(0.10)	(-)
Total	-	0.53	-
	(-)	(0.10)	(-)
Purchase of Fixed Assets			
Hincon Finance Ltd.	-	-	-
	(-)	(-)	(0.04)
Total	-	-	-
	(-)	(-)	(0.04)
Sale of Assets			
HCC Samsung Joint Venture CC 34	-	-	-
	(-)	(0.52)	(-)
Total	-	-	-
	(-)	(0.52)	(-)
Rendering of Services / Financial Income			
Lavasa Corporation Ltd.	27.30	-	-
	(26.62)	(-)	(-)
Vikhroli Corporate Park Pvt. Ltd.	-	-	12.52
	(-)	(-)	(92.35)
Steiner AG	17.99	-	-
	(14.52)	(-)	(-)
HCC Infrastructure Company Limited	94.72	-	-
	(94.83)	(-)	(-)
HCC Samsung Joint Venture CC 34	-	-	-
	(-)	(1.52)	(-)
Hincon Finance Limited	-	-	0.52
	(-)	(-)	(0.52)
Others	27.17	-	-
	(25.35)	(0.02)	(-)
Total	167.18	-	13.04
	(161.32)	(1.54)	(92.87)

₹ crore			
Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Receiving of Services / Interest expense			
HCC Operation and Maintenance Limited	6.34	-	-
	(4.31)	(-)	(-)
Highbar Technologies Limited	8.19	-	-
	(7.71)	(-)	(-)
Hincon Holding Limited	-	-	0.52
	(-)	(-)	(0.52)
Vikhroli Coprorate Park Private Limited	-	-	22.27
	(-)	(-)	(21.59)
Others	0.16	-	-
	(0.40)	(-)	(-)
Total	14.69	-	22.79
	(12.42)	(-)	(22.11)
Work Bill Receipts incl sales			
Dhule Palesner Tollway Limited.	-	-	-
	(-)	(-1.36)	(-)
Baharampore Farakka Highways Limited ##	148.85	-	-
	(276.30)	(-)	(-)
Farakka Raiganj Highways Limited ##	249.92	-	-
	(281.55)	(-)	(-)
Others	-	-	-
	(17.12)	(-)	(-)
Total	398.77	-	-
	(574.97)	(-1.36)	(-)
## The Company has raised a claim on its SPVs Baharampore Farakka Highway Ltd and Farakka Raiganj Highway Ltd of ₹ 236.53 crore (Previous year: ₹ 363 crore) and ₹ 160.77 crore (Previous year: ₹ 312 crore), respectively which is not included in above balance.			
Investment made			
Highbar Technologies Ltd.	-	-	-
	(1.30)	-	(-)
Dhule Palesner Tollways Limited	-	1.50	-
	(-)	(-)	(-)
Raiganj Dalkhola Highways Limited	1.44	-	-
	(-)	(-)	(-)
HCC Mauritius Investment Limited	-	-	-
	(6.06)	(-)	(-)
Total	1.44	1.50	-
	(7.36)	(-)	(-)
Sale of Investment			
Hincon Technoconsult Ltd.	-	-	-
	(1.00)	(-)	(-)
Total	-	-	-
	(1.00)	(-)	(-)

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

C. Transactions with Related Parties: (contd.)

₹ crore				₹ crore			
Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties	Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Inter Corporate Deposit given				Outstanding Receivables			
HCC Infrastructure Company Limited	18.10	-	-	HCC Real Estate Limited	432.50	-	-
	(19.90)	(-)	(-)		(391.76)	(-)	(-)
HCC Mauritius Enterprises Limited	13.45	-	-	Hincon Finance Limited	-	-	0.58
	(-)	(-)	(-)		(-)	(-)	(0.33)
HCC Real Estate Limited	29.29	-	-	Vikhroli Coporate Park Private Limited	-	-	9.86
	(49.47)	(-)	(-)		(-)	(-)	(12.37)
Total	60.84	-	-	HCC Samsung Joint Venture CC 34	-	13.46	-
	(69.37)	(-)	(-)		(-)	(5.36)	(-)
Inter Corporate Deposit repaid				Nathpa Jhakri Joint Venture	-	10.55	-
HCC concession Limited	2.94	-	-		(-)	(8.15)	(-)
	(-)	(-)	(-)	Dhule Palesner Tollway Limited	-	4.40	-
Total	2.94	-	-		(-)	(29.97)	(-)
	(-)	(-)	(-)	HCC Infrastructure Company Limited	954.46	-	-
Inter Corporate Deposit taken during the year					(842.76)	(-)	(-)
Hincon Finance Ltd	-	-	-	Alpine Samsung HCC C1	-	3.30	-
	(-)	(-)	(32.00)		(-)	(-)	(-)
Total	-	-	-	Others	362.24	0.71	-
	(-)	(-)	(32.00)		(265.82)	(4.92)	(-)
Inter Corporate Deposit received back				Total	1,749.20	32.42	10.44
HCC Real Estate Ltd	-	-	-		(1,500.34)	(48.40)	(12.70)
	(8.10)	(-)	(-)	Outstanding Payables			
HCC Infrastructure Company Limited	1.50	-	-	HCC- Pati Joint Venture	-	-	-
	(8.50)	(-)	(-)		(-)	(2.71)	(-)
Others	-	-	-	Hincon Holdings Limited	-	-	0.45
	(0.38)	(-)	(-)		(-)	(-)	(18.88)
Total	1.50	-	-	Baharampore -Farakka Highway Limited	-	-	-
	(16.98)	(-)	(-)		(53.22)	(-)	(-)
Advance consideration received for sale of shares				Farakka -Raiganj Highway Limited	-	-	-
HCC Concessions Limited	2.94	-	-		(124.54)	(-)	(-)
	(42.64)	(-)	(-)	Raiganj-Dalkhola Highways Limited	88.09	-	-
Total	2.94	-	-		(53.85)	(-)	(-)
	(42.64)	(-)	(-)	Alpine HCC Joint Venture	-	-	-
Transfer of Investment from					(-)	(1.72)	(-)
HCC Real Estate Limited	-	-	-	Hincon Finance Limited	-	-	-
	(82.37)	(-)	(-)		(-)	(-)	(29.25)
Total	-	-	-	Others	4.98	-	-
	(82.37)	(-)	(-)		(2.32)	(0.21)	(-)
Transfer of Loan from				Total	93.07	-	0.45
HCC Real Estate Limited	-	-	-		(233.93)	(4.64)	(48.13)
	(81.50)	(-)	(-)				
Total	-	-	-				
	(81.50)	(-)	(-)				

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

C. Transactions with Related Parties: (contd.)

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
₹ crore			
Bank Guarantees given and outstanding as at the end of the year #			
Highbar Technologies Limited	1.00	-	-
	(1.14)	-	(-)
HCC Samsung Joint Venture CC 34	-	89.60	-
	(-)	(86.60)	(-)
Badarpur Faridabad Tollway Limited	14.70	-	-
	(14.70)	(-)	(-)
Baharampore -Farakka Highway Limited	47.10	-	-
	(18.87)	(-)	(-)
Farakka -Raiganj Highway Limited	71.01	-	-
	(22.31)	(-)	(-)
Total	133.81	89.60	-
	(57.02)	(86.60)	(-)
# Gloss of advance received			
Corporate Guarantees given and outstanding at the end of the year.			
Lavasa Corporation Limited	419.64	-	-
	(551.79)	(-)	(-)
HCC Mauritius Investment Limited	138.31	-	-
	(92.42)	(-)	(-)
HCC Infrastructure Company Limited	200.00	-	-
	(200.00)	(-)	(-)
HCC Concession Limited	100.00	-	-
	(100.00)	(-)	(-)
Others	58.03	-	-
	(110.94)	(-)	(-)
Total	915.98	-	-
	(1,055.15)	(-)	(-)
Conversion of Interest free Promoters contribution into Equity			
Hincon Holdings Limited	-	-	18.75
	(-)	(-)	(-)
Hincon Finance Limited	-	-	29.25
	(-)	(-)	(-)
Total	-	-	48.00
	(-)	(-)	(-)
Conversion of Share Warrant application money into Equity			
Hincon Holdings Limited	-	-	6.25
	(-)	(-)	(-)
Hincon Finance Limited	-	-	9.75
	(-)	(-)	(-)
Total	-	-	16.00
	(-)	(-)	(-)

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
₹ crore			
Corporate Guarantees taken and outstanding			
HCC Real Estate Limited	8,464.98	-	-
	(7,895.55)	(-)	(-)
Total	8,464.98	-	-
	(7,895.55)	-	-

Note: Figures in brackets pertain to previous year.

D. i) Details of Transactions relating to persons referred to in item (B) above

Nature of Transactions	Year ended 31 March 2015	Outstanding as at 31 March 2015	Year ended 31 March 2014	Outstanding as at 31 March 2014
Remuneration for the earlier year recovered (Refer note 29.1)				
Mr. Ajit Gulabchand	8.94	-	-	-
Remuneration for the year				
Mr. Ajit Gulabchand	Refer note below		10.66	0.87
Mr. Rajgopal Nogja	4.98	0.36	4.17	0.38
Mr. Arun Karambelkar	3.53	0.31	3.07	0.25
Mr. Praveen Sood	2.51	0.17	2.40	0.16
Mr. V. P. Kulkarni	1.08	0.76	1.41	0.08
	<u>12.10</u>	<u>1.60</u>	<u>21.71</u>	<u>1.74</u>
Salary of Ms. Shalaka Gulabchand Dhawan (Daughter of Mr. Ajit Gulabchand)	1.17	0.09	1.07	0.09
Salary of Mr. Arjun Dhawan (Son-In-Law of Mr. Ajit Gulabchand)	2.92	0.20	2.55	0.17
	<u>16.19</u>	<u>1.89</u>	<u>25.33</u>	<u>2.00</u>

The above figure does not include provisional gratuity liability valued by Actuary, as separate figures are not available.

Note: The Company has provided for remuneration for Chairman and Managing Director (CMD) of ₹ 10.66 crore for the year ended 31 March 2015. The Company has made an application to the Ministry of Corporate Affairs (the "Ministry") seeking its approval for payment of ₹ 10.66 crores which is in excess of the limits specified under Schedule V to the Companies Act, 2013. Pending approval from Ministry, no payment has been made to the CMD.

ii) Options granted to Key Management Personnel under Employees' Stock Option Scheme.

	Number of Options Outstanding	
	31 March 2015	31 March 2014
a) Mr. Rajgopal Nogja	188,760	274,560
b) Mr. Praveen Sood	301,950	439,200
c) Mr. V. P. Kulkarni	150,920	219,520

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 March 2015

Note 45 Receivable includes ₹ 1,772.16 crore on account of claims awarded in favour of the Company which has been challenged by the client in High Court / Supreme Court.

Note 46 Lavasa Corporation Limited, a subsidiary, had issued Non Convertible Debentures (NCD). The particulars, terms of issue are given below:

- i) Jammu & Kashmir Bank Limited had subscribed ₹ 100 crore in the form of Deep Discount Convertible Debentures ("DDCD"). On 3 September 2010; vide supplementary agreement, bank has converted the existing DDCD into 1 (one) Non Convertible Debenture ("NCD") aggregating ₹ 100 crore for the tenor of 5 years. This NCD with effect from 12 February 2014 carry a coupon rate of 12.50% per annum, payable quarterly on subscription amount. The investor and HCC have a put/call

option respectively to sell/ purchase the NCD at the end of 39th, 48th and 60th month from the closing date i.e 13 May 2010.

- ii) ICICI Bank has converted ₹250 crore of Deep Discount Convertible Debentures ("DDCD") into Non Convertible Debentures ("NCD") with effect from 6 January, 2012. These NCDs carry a coupon of 9% per annum on the subscription value of NCD with a YTM of 16% per annum and are to be redeemed on 6 January, 2015. These NCD carry a put/call option and exercisable on 6 January 2013, 6 January 2014 and 6 January 2015.

Note 47 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

Note 48 * represents amount less than ₹1 lakh.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Dated : 30 April 2015

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

For and on behalf of the Board of Directors

AJIT GULABCHAND
RAJGOPAL NOGJA

Chairman & Managing Director
Group Chief Operating Officer &
Whole-Time Director

SHARAD M. KULKARNI
RAJAS R. DOSHI
RAM P. GANDHI
ANIL C. SINGHVI
HARSHA BANGARI

Directors

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Hindustan Construction Company Limited

1. We have audited the accompanying consolidated financial statements of Hindustan Construction Company Limited ("the Company") and its subsidiaries, associates and joint ventures (hereinafter collectively referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

8. As stated in Note 42 of the consolidated financial statements, the Independent Auditors of, Lavasa Corporation Limited ("LCL"), a subsidiary company, have qualified their audit report on the financial statements for the year ended 31 March 2015 in respect of matter relating to an Order dated 9 November 2011 of the Ministry of

Environment and Forests according to environment clearances which are subject to compliance of certain terms and conditions by LCL. LCL has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said order which is pending before tribunal, and the management believes, that the matter will be decided in their favour. In view of the nature of the terms and conditions set therein, we are unable to comment on the liability in respect of the aforesaid matter that may devolve upon LCL and the consequential impact, if any, on the consolidated financial statements. The predecessor auditor's opinion on the consolidated financial statements for the year ended 31 March 2014 was also qualified in respect of the aforesaid matter.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as noted below, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

10. We draw attention to:

- (a) Note 36 to the consolidated financial statements regarding uncertainties relating to recoverability of uncompleted contracts and value of work done and long term trade receivables aggregating ₹ 1,181 crore and ₹ 241 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.
- (b) Note 37(b) to the consolidated financial statements regarding managerial remuneration of ₹ 10.66 crore paid to Chairman and Managing Director for the financial year ended 31 March 2014, which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956 and for which, the Company has submitted a review application with the Central Government; however approvals in this regard is pending till date. Pending the final outcome of the aforesaid matter, which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.
- (c) The Independent Auditors of the Company's subsidiary, HCC Infrastructure Company Limited (HICL), in their audit report on consolidated financial statements of HICL for the year ended 31 March 2015, have drawn attention to the matter stated in Note 47 to the consolidated financial statements wherein in respect of Raiganj Dalkhola Highways Limited (RDHL), a subsidiary company of HICL, the said project has been suspended from 1 August 2013, due to non-availability of the balances land to be made available by National Highway Authority of India. During the period of delay in land acquisition, RDHL has continued to capitalize cost incurred till date aggregating ₹ 117.57 crore (including interest of ₹ 39.55 crore) under the head "Intangible Assets under Development". Our opinion is not qualified in respect of this matter.
- (d) The Independent Auditors of the Company's subsidiary, HCC Real Estate Limited, (HREL) in their audit report on consolidated financial statements of HREL, for the year ended 31 March 2015, have drawn attention to the matter stated in Note 48 to the consolidated financial statements, with respect to goodwill

arising on the consolidation in respect of Lavasa Corporation Limited, a subsidiary company of HREL, of ₹ 95.04 crore; which in the opinion of the management does not require impairment. Our opinion is not qualified in respect of this matter.

Other Matters

- (i) We did not audit the financial statements of seventy two subsidiaries, five associates and eight joint ventures (including unincorporated joint ventures), included in the consolidated financial statements whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 12,041.36 crore as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹ 6,263.85 crore, net cash flows aggregating ₹ 411.54 crore and net profit after tax in respect of these associates (after eliminating intra-group transactions) of ₹ 19.72 crore for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us, and our opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph, is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.
- (ii) We did not audit the financial statements of an unincorporated joint venture and two associates included in the consolidated financial statements, whose financial statements reflect net cash flows aggregating ₹ 0.11 crore and net profit after tax in respect of these associates (after eliminating intra-group transactions) of ₹ 0.16 crore for

the year then ended. These financial statements have been certified by the Company's management and our opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statement as stated in this paragraph, is based solely on such management certified financial statements. Our opinion is not qualified in respect of this matter.

- (iii) In respect of investment in an associate valued at ₹ 1 in the consolidated financial statements of the Group, no adjustments have been made in the consolidated financial statements as at 31 March 2015 as the financial statements of this associate were not available. Our opinion is not qualified in respect of this matter.
- (iv) The consolidated financial statements for the year ended 31 March 2014 were audited by another auditor, Messrs K. S. Aiyar & Co., Chartered Accountants, who had expressed a modified opinion on those consolidated financial statements, vide their audit report dated 2 May 2014. Our opinion is not qualified in respect of this matter.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Firm's Registration No.: 001076N/ N500013
per Amyn Jassani
Partner
Membership No.: 46447

Place : Mumbai
Date : 30 April 2015

Consolidated Balance Sheet as at 31 March 2015

	Note No.	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	64.58	60.66
Reserves and surplus	3	459.34	479.55
Money received against share warrants	4	-	16.00
		<u>523.92</u>	<u>556.21</u>
Minority Interest		<u>219.82</u>	<u>198.09</u>
Non-Current Liabilities			
Long-term borrowings	5	8,254.62	8,222.92
Deferred tax liabilities (net)	6	87.46	65.86
Long-term trade payables	7	-	27.26
Other long-term liabilities	8	30.55	115.78
Long-term provisions	9	<u>162.29</u>	<u>168.84</u>
		<u>8,534.92</u>	<u>8,600.66</u>
Current Liabilities			
Short-term borrowings	10	2,095.80	1,607.47
Short-term trade payables	11	2,299.84	2,115.65
Current maturities of long-term borrowings	5	1,548.11	1,319.65
Advance from contractees		1,702.05	1,676.49
Other current liabilities	12	1,918.67	1,539.42
Short-term provisions	13	<u>198.02</u>	<u>208.27</u>
		<u>9,762.49</u>	<u>8,466.95</u>
Total		<u><u>19,041.15</u></u>	<u><u>17,821.91</u></u>
ASSETS			
Non-Current Assets			
Fixed assets	14		
Tangible assets		2,011.91	1,925.34
Intangible assets		2,357.21	1,253.84
Goodwill on consolidation		124.78	54.29
Intangible assets under development		1,616.31	2,125.56
Capital work in progress		1,518.87	1,519.68
Non-current investments	15	220.80	142.93
Deferred tax assets (net)	16	17.49	20.55
Long-term loans and advances	17	478.62	540.13
Long-term trade receivables	18	1,488.35	1,059.43
Other non-current assets	19	<u>158.05</u>	<u>143.91</u>
		<u>9,992.39</u>	<u>8,785.66</u>
Current Assets			
Current investments	20	52.07	16.46
Inventories	21	6,873.39	6,472.28
Short-term trade receivables	22	739.87	750.39
Cash and bank balances	23	815.73	1,276.49
Short-term loans and advances	24	468.99	417.88
Other current assets	25	<u>98.71</u>	<u>102.75</u>
		<u>9,048.76</u>	<u>9,036.25</u>
Total		<u><u>19,041.15</u></u>	<u><u>17,821.91</u></u>

Notes 1 to 52 form an integral part of the consolidated financial statements
This is the Consolidated Balance Sheet referred to in our audit report of even date.

For Walker Chandio & Co LLP
(Formerly Walker, Chandio & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Date : 30 April 2015

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

For and on behalf of the Board of Directors

AJIT GULABCHAND

Chairman & Managing Director

RAJGOPAL NOGJA

Group Chief Operating Officer &
Whole-Time Director

SHARAD M. KULKARNI

RAJAS R. DOSHI

RAM P. GANDHI

ANIL C. SINGHVI

HARSHA BANGARI

Directors

Consolidated Statement of Profit and Loss for the year ended 31 March 2015

	Note No.	Year ended 31 March 2015 ₹ crore	Year ended 31 March 2014 ₹ crore
Revenue from operations	26	10,352.95	9,668.25
Other income	27	62.02	173.30
Total Revenue		10,414.97	9,841.55
Expenses			
Cost of materials consumed	28	9.21	67.68
Purchase of traded goods		11.63	9.24
Construction expense	29	7,558.14	7,278.82
Employee benefit expenses	30	1,005.51	986.77
Finance costs	31	1,279.55	1,091.42
Depreciation and amortisation expense	14	327.44	306.95
Other expenses	32	528.51	473.37
Total Expenses		10,719.99	10,214.25
Profit/(Loss) before exceptional item and tax		(305.02)	(372.70)
Exceptional item	33	106.11	-
Profit/(Loss) before tax		(198.91)	(372.70)
Tax expenses			
Current tax		21.31	3.04
Deferred tax		22.38	3.03
Tax in respect of earlier years		0.54	(20.94)
Mat credit entitlement		(15.67)	-
Profit/(Loss) after tax		(227.47)	(357.83)
Share of loss attributed to minority interest		48.15	86.59
Share of profit in associates (net)		19.87	17.31
Profit on sale of shareholding in an associate		-	5.18
Profit / (Loss) from continuing operations		(159.45)	(248.75)
Profit / (loss) from discontinuing operations		-	(28.65)
Net profit/(loss) for the year		(159.45)	(277.40)
Earnings/(loss) per share (face value of ₹ 1 each)			
Basic and Diluted - (including discontinuing operations)	34 a	(2.48)	(4.57)
Basic and Diluted - (excluding discontinuing operations)	34 b	(2.48)	(4.10)

Notes 1 to 52 form an integral part of the consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our audit report of even date.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Date : 30 April 2015

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

For and on behalf of the Board of Directors

AJIT GULABCHAND

Chairman & Managing Director

RAJGOPAL NOGJA

Group Chief Operating Officer &
Whole-Time Director

SHARAD M. KULKARNI

RAJAS R. DOSHI

RAM P. GANDHI

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HARSHA BANGARI

Directors

Consolidated Cash Flow Statement for the year ended 31 March 2015

	Year ended 31 March 2015 ₹ crore	Year ended 31 March 2014 ₹ crore
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax (including discounting operations)	(198.91)	(401.35)
Adjustments for:		
Depreciation and amortisation	327.44	306.95
Finance costs	1,279.55	1,091.42
Interest income	(34.42)	(60.83)
Dividend income	(2.70)	(2.67)
Foreign exchange loss (net)	7.39	9.33
Loss/(profit) on sale of fixed assets (net)	4.48	(5.74)
Excess depreciation charged in earlier years written back (Exceptional Item)	(106.11)	-
Provision for resurfacing expenses	34.22	5.49
Provision for cost to completion	87.96	25.69
Warranty utilisation	(36.88)	(20.37)
Foreign currency monetary item translation account (net)	(0.23)	-
Profit on sale of investments (net)	(1.60)	(8.47)
Bad debts	1.18	-
Provision for doubtful advances	20.39	-
Provision for doubtful debts	2.16	-
Earlier years provision/ liabilities no longer required written back	(0.72)	(81.56)
Operating profit before working capital changes	1,383.20	857.89
Adjustments for changes in working capital:		
(Increase)/decrease in trade and other receivable	(421.73)	(409.74)
(Increase)/decrease in loans and advances	(61.88)	(134.27)
(Increase)/decrease in inventory	(401.10)	234.70
Increase/(decrease) in trade and other payables	162.83	80.10
Increase/(decrease) in advance from contractee	6.30	17.93
Cash generated from operations	667.62	646.61
Direct taxes refund (net)	34.54	93.40
Net cash generated from operating activities	702.16	740.01
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work in progress and intangible assets under development)	(947.54)	(1,285.27)
Proceeds from sale of fixed assets	12.92	28.56
Decrease/(Increase) in other bank balances	137.20	(101.27)
Purchase/(sale) of Investments (net)	(92.01)	27.32
Acquisition of additional stake in Joint Venture	(5.79)	-
Interest received	49.72	58.31
Dividend received	2.70	2.67
Net cash used in investing activities	(842.80)	(1,269.68)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term and short term borrowings (net)	803.22	1,262.76
Proceeds from issue of shares	-	16.00
Proceeds from capital grants	116.19	291.64
Share issue expenses	3.91	-
Interest paid	(1,104.20)	(1,100.15)
Dividend paid	(0.16)	(0.11)
Net cash (used in)/ generated from financing activities	(181.04)	470.14
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(321.68)	(59.53)
Cash and cash equivalents at the beginning of the year	671.75	731.27
Unrealised foreign exchange loss	0.01	0.01
Cash and cash equivalents at the end of the year (Refer note 23)	350.08	671.75

Notes 1 to 52 form an integral part of the consolidated financial statements

This is the Consolidated Cash Flow Statement referred to in our audit report of even date.

For Walker Chandio & Co LLP
(Formerly Walker, Chandio & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Date : 30 April 2015

PRAVEEN SOOD
Group Chief Financial Officer

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For and on behalf of the Board of Directors

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RAM P. GANDHI

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HARSHA BANGARI

Directors

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Note 1 Significant Accounting Policies

1.1 Basis of preparation and Principles of Consolidation

a Basis of Preparation of Consolidated Financial Statements

"The consolidated financial statements ("consolidated financial statements") have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013. The consolidated financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year except as disclosed in note 33. The consolidated financial statements comprises the financial statements of Hindustan Construction Company Limited (the "Company"), its subsidiaries, associates and joint ventures (collectively referred as the "Group").

All the assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

Operating cycle for the business activities of the Company covers the duration of the specific project/ contract/project line/service including the defect liability year, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit year normally applicable to the respective project."

b Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and elimination of resulting unrealized profits in accordance with Accounting Standard ('AS') - 21 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.
- ii) The Interests in Joint Ventures which are in the nature of jointly controlled entities have been consolidated by using the proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transaction and elimination of resulting unrealized profits in accordance with AS 27 - 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.
- iii) Investment in Associate Companies has been accounted under the equity method as per AS 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- iv) The Build, Operate and Transfer (BOT) contracts are governed by service concession agreements with government authorities as grantor. Under these agreements, the operator does not own the road, but gets the "toll collection rights" against the construction services rendered. Since the revenues from the construction activity by the operator are considered to be earned in exchanged with the granting of toll collection rights for a specified year, profits from such contracts are considered as realized. Accordingly, BOT contracts awarded to group companies (operator), where the work is subcontracted to the holding company, the intra group transactions on BOT contracts and profits arising thereon are taken as realized and accordingly, accounted for in preparation of these consolidated financial statements.

v) Foreign subsidiaries financials prepared in compliance with the local laws and applicable Accounting Standards, are translated as per Indian Generally Accepted Accounting Principles (IGAAP) for the purpose of consolidation taking into account local laws, if any. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the 'Foreign Currency Fluctuation Reserve'.

vi) The difference between the cost to the Group of investment in subsidiaries and joint ventures and the proportionate share in the equity of the investee company as at the date of the acquisition of stake is recognised in the consolidated financial statements as goodwill or capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.

vii) Minorities' interest in net profits or losses of consolidated subsidiaries for the year is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of initial investments as stated above. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/ legal obligation on the minorities, the same is accounted for by the holding company.

viii) Consolidated financial statements are prepared using uniform policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

ix) Notes to the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements has not been disclosed in the consolidated financial statements.

1.2 Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the year in which they are determined.

1.3 Group Companies included for Consolidation

- a The details of joint ventures along with share of interest included in consolidation are given hereunder:

Name of Ventures	Name of the Ventures' Partners	Share of Interest
HCC-L&T Purulia Joint Venture	Larsen and Toubro Limited	57.00%
HCC-Pati Joint Venture	Pati Sendirian, Berhad	50.00%
Nathpa Jhakri Joint Venture	Impregilio-Spa, Italy	40.00%

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Name of Ventures	Name of the Ventures' Partners	Share of Interest
Kumagai-Skanska-HCC-Itochu Group Joint Venture	Skanska, Kumagai	19.60%
Alpine - Samsung - HCC Joint Venture	Itochu, Alpine Meyreder Bau, Samsung Corporation	33.00%
Alpine - HCC Joint Venture	Alpine Meyreder Bau	49.00%
HCC - Samsung Joint Venture CC-34	Samsung Corporation	50.00%
Dhule Palesner Tollways Limited	HCC Infrastructure Limited John Laing Investment Limited, John Laing Investments Mauritius (No 1) Limited, Sadbhav Engineering Limited and Sadbhav Infrastructure Projects Ltd.	26.00%
ARGE Prime Tower	Losinger Construction AG	45.00%

b List of subsidiaries included in consolidation and the parent company's shareholding are as under:

Name of the Subsidiary	Country of Incorporation	% Holding *	Immediate Parent Company
1. Western Securities Limited	India	97.87	Hindustan Construction Company Limited
2. HCC Real Estate Limited	India	100.00	Hindustan Construction Company Limited
3. Panchkutir Developers Limited	India	100.00	Hindustan Construction Company Limited
4. HCC Mauritius Enterprises Limited	Mauritius	100.00	Hindustan Construction Company Limited
5. HCC Construction Limited	India	100.00	Hindustan Construction Company Limited
6. Highbar Technologies Limited	India	100.00	Hindustan Construction Company Limited
7. HCC Infrastructure Company Limited	India	100.00	Hindustan Construction Company Limited
8. HCC Mauritius Investments Limited	Mauritius	100.00	Hindustan Construction Company Limited
(w.e.f 4 October 2013)			
9. HRL Township Developers Limited	India	100.00	HCC Real Estate Limited

Name of the Subsidiary	Country of Incorporation	% Holding *	Immediate Parent Company
10. HRL (Thane) Real Estate Limited	India	100.00	HCC Real Estate Limited
11. Nashik Township Developers Limited	India	100.00	HCC Real Estate Limited
12. Maan Township Developers Limited	India	100.00	HCC Real Estate Limited
13. Charosa Wineries Limited	India	100.00	HCC Real Estate Limited
14. Powai Real Estate Developer Limited	India	100.00	HCC Real Estate Limited
15. HCC Realty Limited	India	100.00	HCC Real Estate Limited
16. Pune Paud Toll Road Company Limited	India	100.00	HCC Real Estate Limited
17. HCC Aviation Limited	India	100.00	HCC Real Estate Limited
18. Steiner AG	Switzerland	100.00	HCC Mauritius Enterprises Limited Steiner AG
19. Steiner Promotions et Participations SA	Switzerland	100.00	Steiner AG
20. Steiner (Deutschland) GmbH	Germany	100.00	Steiner AG
21. VM + ST AG	Germany	100.00	Steiner AG
22. Steiner Leman SAS	France	100.00	Steiner AG
23. SNC Valleiry Route de Bloux	France	100.00	Steiner AG
24. Eurohotel SA	Switzerland	95.00	Steiner AG
25. Steiner India Limited	India	100.00	Steiner AG
26. Highbar Technologies FZLLC	Dubai	100.00	Highbar Technologies Limited
27. Dhule Palesner Operations & Maintenance Limited	India	100.00	HCC Infrastructure Company Limited
28. HCC Power Limited	India	100.00	HCC Infrastructure Company Limited
29. HCC Concession Limited	India	85.50	HCC Infrastructure Company Limited
30. HCC Operation and Maintenance Limited	India	100.00	HCC Infrastructure Company Limited
31. Narmada Bridge Tollway Limited	India	100.00	HCC Concession Limited
32. Badarpur Faridabad Tollway Limited	India	100.00	HCC Concession Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Name of the Subsidiary	Country of Incorporation	% Holding *	Immediate Parent Company
33. Nirmal BOT Limited	India	100.00	HCC Concession Limited
34. Baharampore-Farakka Highways Limited	India	100.00	HCC Concession Limited
35. Farakka-Raiganj Highways Limited	India	100.00	HCC Concession Limited
36. Raiganj-Dalkhola Highways Limited	India	100.00	HCC Concession Limited
37. Lavasa Corporation Limited	India	68.70	HCC Real Estate Limited
38. Lavasa Hotel Limited	India	100.00	Lavasa Corporation Limited
39. Apollo Lavasa Health Corporation Limited	India	62.50	Lavasa Corporation Limited
40. Dasve Business Hotel Limited	India	100.00	Lavasa Corporation Limited
41. Dasve Convention Center Limited	India	100.00	Lavasa Corporation Limited
42. Lakeshore Watersports Company Limited	India	100.00	Lavasa Corporation Limited
43. Dasve Hospitality Institutes Limited	India	100.00	Lavasa Corporation Limited
44. Lakeview Clubs Limited	India	100.00	Lavasa Corporation Limited
45. Dasve Retail Limited	India	100.00	Lavasa Corporation Limited
46. Full Spectrum Adventure Limited	India	91.00	Lavasa Corporation Limited
47. Spotless Laundry Services Limited	India	76.00	Lavasa Corporation Limited
48. Lavasa Bamboocrafts Limited	India	100.00	Lavasa Corporation Limited
49. Green Hills Residences Limited	India	60.00	Lavasa Corporation Limited
50. My City Technology Limited	India	63.00	Lavasa Corporation Limited
51. Reasonable Housing Limited	India	100.00	Lavasa Corporation Limited
52. Future City Multiservices SEZ Limited	India	100.00	Lavasa Corporation Limited

Name of the Subsidiary	Country of Incorporation	% Holding *	Immediate Parent Company
53. Rhapsody Commercial Space Limited	India	100.00	Lavasa Corporation Limited
54. Sirrah Palace Hotels Limited	India	100.00	Lavasa Corporation Limited
55. Valley View Entertainment Limited	India	100.00	Lavasa Corporation Limited
56. Whistling Thrush Facilities Services Limited	India	51.00	Lavasa Corporation Limited
57. Warasgaon Power Supply Limited	India	100.00	Lavasa Corporation Limited
58. Sahyadri City Management Limited	India	100.00	Lavasa Corporation Limited
59. Warasgaon Tourism Limited	India	100.00	Lavasa Corporation Limited
60. Our Home Service Apartments Limited	India	100.00	Lavasa Corporation Limited
61. Hill City Service Apartments Limited	India	100.00	Lavasa Corporation Limited
62. Warasgaon Infrastructure Providers Limited	India	100.00	Lavasa Corporation Limited
63. Kart Racers Limited	India	100.00	Lavasa Corporation Limited
64. Nature Lovers Retail Limited	India	100.00	Lavasa Corporation Limited
65. Osprey Hospitality Limited	India	100.00	Lavasa Corporation Limited
66. Mugaon Luxury Hotels Limited	India	100.00	Lavasa Corporation Limited
67. Starlit Resort Limited	India	100.00	Lavasa Corporation Limited
68. Rosebay Hotels Limited	India	100.00	Lavasa Corporation Limited
69. Warasgaon Valley Hotels Limited	India	100.00	Lavasa Corporation Limited
70. Hill View Parking Services Limited	India	100.00	Lavasa Corporation Limited
71. Warasgaon Assets Maintenance Limited	India	100.00	Lavasa Corporation Limited
72. Verzon Hospitality Limited	India	100.00	Lavasa Corporation Limited

* including through subsidiary companies

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

1.4 Fixed Assets

a Tangible fixed assets

Fixed assets are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition/installation of the assets and improvement thereon less accumulated depreciation / amortisation and accumulated impairment losses, if any.

b Toll collection rights / Intangibles assets under development and capital work in progress

i) Intangibles assets under development

In respect of BOT projects, expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development. All income/ expenses earned/incurred prior to the commercial operation of the project have been credited/debited to 'Intangible assets under development'. The same will be transferred to the respective intangible assets (Toll Collection Rights) on completion of project.

ii) Capital work in progress

Capital work in progress represents expenditure incurred in respect of capital projects/ assets under development and are carried at cost.

c Other Intangible assets

Intangible assets including Trademarks, Designs, License fees, Cost for software (ERP) and other application software's acquired for in house use. All Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

1.5 Depreciation / Amortisation

a Depreciation on tangible assets is provided:

- i) In respect of buildings and sheds, on the written down value basis considering the useful life based on the management experience of use of assets which is in line with the industry practices.
- ii) In respect of furniture and fixtures, office equipment, plant and machinery, light vehicles and speed boat, on the straight line basis considering the useful life prescribed in Schedule II to the Companies Act, 2013 on a pro-rata basis. However, in case of certain subsidiaries, depreciation is provided considering the useful life based on the management experience of use of assets which is in line with the industry practices.
- iii) In respect of heavy vehicles and computers, on the straight line basis for the useful life prescribed in Schedule II to the Companies Act, 2013.
- iv) In respect of helicopter and aircraft, on the straight line basis considering the useful life based on the management experience of use of assets which is in line with the industry practices.
- v) Leasehold improvements are amortised over the year of lease or their estimated useful lives as determined by the management, whichever is lower.

b Amortisation on intangible fixed assets is provided:

- i) Software and implementation costs including users license fees of the Enterprise Resource Planning (ERP) system and other application software costs are amortised over a year of 5 years
- ii) Trademark and design is amortised over a year of 10 years.
- iii) Toll collection rights is amortised based on the method prescribed in Schedule II to the Companies Act, 2013 i.e. on the basis of projected and actual revenue over the concession period.

iv) During the year, effective 1 April 2014, certain group companies have changed the method of amortisation of intangible assets held under BOT basis in accordance with the requirements of Schedule II to the Companies Act, 2013 which were hitherto amortised on Straight Line Method (Also refer Note 33).

v) In respect of Toll Collection Rights, of Annuity based projects depreciation is provided on the straight line basis from the commencement of commercial operation over the remaining concession period.

c For overseas subsidiaries, jointly controlled entities and associates, depreciation is provided based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, jointly controlled entities and associates. In view of different sets of environment in which such entities operate in their respective countries, depreciation is provided based on the management experience of use of assets in respective geographies, local laws and are in line with the industry practices. These entities follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, jointly controlled entities and associates with those of the domestic subsidiaries, jointly controlled entities and associates.

d Goodwill on consolidation

Goodwill arising on consolidation is not amortised but tested for impairment annually.

1.6 Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. Capital subsidy received from the government is treated as part of the Shareholders' Funds.

1.7 Investments

- a Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.
- b Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Trade investments are the investments made for or to enhance the Company's business interests.
- c On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.
- d On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.8 Employee Benefits

a Defined contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme, etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

b Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Company also provides for retirement/ post-retirement benefits in the form of gratuity and compensated absences. The Company's liability towards such defined benefit plans is determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the period in which they arise. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

c Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for the measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuations using the projected unit credit method at the year end. Accumulated leave which is expected to be utilised within next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

In respect of a foreign subsidiary, based on the characteristics, the post-employment benefit plans qualify as defined benefit plans under AS 15. The projected unit credit method is used for the calculation of the net present value of the defined benefit obligation ('DBO'). For the purposes of determining the DBO, this method takes account of the years served to date, with an additional unit being added to the DBO each year.

For active plan participants, the defined benefit obligation is thus equal to the net present value of the post-employment defined benefits, taking into account future salary and pension increases as well as the rate of employee turnover. For retirees, the DBO is equal to the net present value of current pensions, taking into account future pension increases. The total defined benefit obligations are compared to the fair value of the plan assets. Any surplus is recognised as an asset up to the benefit of the Group. Any shortfall is reported in the balance sheet as a liability. Actuarial gains and losses are expensed directly in the statement of profit and loss.

1.9 Inventories

a Raw Materials, Stores, Spares, Fuel

The stock of raw materials, stores, spares, food and beverages, groceries and provisions, other guest amenities, information technology material, laboratory materials, other consumables and housekeeping items, medicines, medicare items are stated at the lower of cost and net realisable value (NRV).

b Finished Goods (including Traded and Semi-finished goods)

Finished Goods, Traded goods and semi-finished goods are valued at the lower of the cost (weighted average basis) and NRV.

c Land and Floor Space Index (FSI) Development Right

- i) Cost of land accounted in stock in trade is treated as (a) cost of FSI - 95%, (b) Land, stock-in-trade - 5%, both being distinct items of inventory. Cost of Land and FSI are on a weighted average basis along with related purchase / acquisition price plus all direct and indirect expenditure incurred in connection with the purchase of land. Borrowing costs and overhead expenditure on sectorial / nodal / city level infrastructure, in respect of FSI under development are treated as an element of cost in view of substantial year of time for development. Land and FSI are valued at the lower of cost or NRV. Land or FSI utilized for own construction is transferred to fixed assets at cost.

In case of units where construction is undertaken for which there are no sales, such inventory is valued at the lower of cost and NRV.

- ii) Inventory in Real Estate projects

Real estate projects are valued based on the lower of the construction cost and the sale price until the project is handed over to the purchaser by means of the transfer of title or the transfer of material risks and rewards. Construction / development expenditure includes all direct and indirect expenditure incurred on development of land and/or construction at site, overheads relating to site management and administration, less incidental revenues arising from site operations. Indirect expenses will be allocated to the respective items at the time of their completion or capitalization into fixed assets. Borrowing costs relating to real estate projects with duration of more than one year are capitalized over the entire duration of the project if the development costs are allowed for capitalization.

Payments by customers for a specific project are offset against the construction cost as the customers have generally already signed the purchase contract. Undeveloped land (including development costs) and finished units which are held for sale are valued at the lower of cost and NRV.

- iii) In case of a subsidiary, land and construction/development expenses are accumulated under 'Project work in progress' and the same are valued at the lower of cost and NRV.

d Project work in progress

Project work in progress is valued at the contract rates and site mobilisation expenditure of incomplete contracts is stated at the lower of cost or NRV.

1.10 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transactions

a Initial Recognition and conversion

The Group classifies all its foreign operations as either 'integral foreign operations' or 'non-integral foreign operations'. The financial statements of an integral foreign operations are translated as if the transactions of the foreign operations have been those of the Company itself.

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

b Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and are amortised over the remaining life of the concerned monetary item.

c Financial statement of overseas non-integral operations

- i) Assets and liabilities including goodwill and capital reserve arising on consolidation at the rate prevailing at the end of the year.
- ii) Revenues and expenses, including depreciations and amortisation at average exchange rate prevailing during the year.
Exchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency monetary translation account until the disposal of such investment.
On disposal of a non-integral foreign operations, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss. When there is a change in the classification of foreign operations, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

1.11 Financial derivatives and hedging transactions

Financial derivatives and hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts is recognised in the Statement of Profit and Loss along with the underlying transactions.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment/highly probable forecast transactions are marked to market and the losses, if any are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

1.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

a Accounting of construction contracts

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Accounting Standard 7 and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

- a) In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.
- b) In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management.

Foreseeable losses are accounted for immediately as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

b Accounting of supply contracts-sale of goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

c Accounting for claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as contract revenue on receipt of favourable award.

d Software service contracts

- i) Revenue from software development on fixed price, fixed time frame contracts, including system development and integration contracts, where there is no uncertainty as to measurement or collectability is recognised as per percentage of completion method. Revenue from last billing date to the Balance Sheet date is recognised as unbilled revenue.
- ii) Servicing revenue are recognised over the term of servicing contract. For sales of services, revenue is recognised in the accounting year in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided. The stage of completion is measured by reference to the proportion that service cost incurred for the work performed to date bears to the estimated total service cost. Service cost incurred to date excludes cost that relate to future activity on the contract. Such cost are recognised as an asset and classified under inventory.
- iii) Annual maintenance service contracts are recognised proportionately over the year in which the services are rendered.
- iv) Revenue for sale of user license for software application is recognised on the transfer of title/products, in accordance with the sales contract.

e Revenue from toll contracts

Revenue from toll contracts on operate, maintain and transfer basis are recognised on actual collection of toll revenue.

In case of Build-Operate-Transfer (BOT) contracts, revenue relating to construction services rendered in connection with BOT projects undertaken by the group is recognised during the year of construction using percentage of completion method. Revenue relating to toll collections of such projects from users of facilities are accounted when the amount is due and recovery is certain.

Fees collection from users of the facility are accounted for as and when the amount is due and recovery is certain. Income from sale of smart card is recognized as and when the amount is received from the users of the card.

f Revenue from sale of land and FSI

Income from land sales (including on a long-term lease basis) is recognised on the transfer of all significant risks and rewards of ownership to the buyers and a reasonable expectation of collection of the sale consideration from the buyers exists.

g Revenue from sales of constructed units

Revenue from sales of constructed units other than under long-term construction contracts are recognized on execution of transfer agreements.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

h Revenue from Real Estate projects

i) Revenue from Total and General Contracting (TC/GC)

Long-term contracts for the construction of third-party real estate are accounted for using the percentage of completion (POC) method, whereby external and internal costs and estimated profits are taken into account. The degree of completion is determined on the basis of the work performed on the construction site. The different executed activities of the project are measured based on available units (e.g. m, m2, m3, kg) in comparison to the total quantities needed for the completion (surveys of the work performed-method). With the application of the surveys of the work performed method, the difference between contract costs incurred and contract cost recognised (billed) is adjusted to the 'Inventories'. Contract costs are recognized as an expense in the year in which they are incurred. Contracts and groups of contracts for which the degree of completion or the outcome cannot be reliably estimated are capitalized/inventorised only to the extent of the amount of the contract costs that are likely to be recoverable. Anticipated losses from construction contracts are covered in full by valuation allowances. In accounting for contracts in progress, contractual revenue comprises the contractually agreed revenue and amendments / variations and claims that have been confirmed by the customer or for which payment is considered highly probable.

ii) Revenue from Real Estate Development

Revenue from the sale of real estate projects is realised on the transfer of title or the transfer of material risks and rewards to the purchaser. Real estate investor projects are accounted for as construction contracts based on POC. Accordingly, revenue and the gains of development is recognised along the construction of the building.

The separate sale of project development rights and plans is accounted for as sale and the revenue and gains are realised at the time of the transfer of risks and rewards. Real estate development projects with multiple buyers (i.e. condominium projects) are accounted for according to the specific guidance note i.e. revenue is only recognised if the POC is above 25% and revenue is measured using the cost-to-cost method.

i Project management consultancy fees

Revenue from project management consultancy fees is recognised on accrual basis, as per the agreements.

j Revenue from rent

Rent is recognised on time proportionate basis.

k Revenue from services (Room rent and allied services)

Revenue comprises of revenue from room rent and other allied services relating to hotel operation. Revenue is recognised upon rendering of services and the collectability is reasonably measured.

l Other miscellaneous incomes (Tuition fees, Installation and other services)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

m Interest Income

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

n Dividend Income

Dividend is recognized when the right to receive the payment is established.

1.13 Segment Reporting

a Identification of segments

The Group's operating businesses are organised and managed separately taking into account the nature of the products/ services, the differing risks and returns, the organisation structure and internal reporting system.

b Unallocated Items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

c Segment accounting

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

1.14 Taxation

a Current tax

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

b Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Where there is no unabsorbed depreciation/carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

1.15 Borrowing Costs

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued.

1.16 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

1.17 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the Statement of Profit and Loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.18 Cash and Cash Equivalents

Cash and cash equivalents for purpose of the cash flow statements comprise cash at bank and on hand and short-term investments with an original maturity of three months or less.

1.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of equity shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

1.20 Provisions and Contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates. Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.21 Resurfacing expenses

Resurfacing costs are recognised and measured in accordance with AS 29 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at each Balance Sheet date.

1.22 Provision for warranty provision

In case of real estate projects of a subsidiary, the estimated liability for warranty is recorded on the building and its components during the construction period. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions during the construction period under warranty phase. The timing of outflows will vary as and when the obligation will arise during the warranty period.

1.23 Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities Premium Account.

		As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Note 2 Share Capital			
Authorised Share Capital			
900,000,000	Equity Shares of ₹ 1 each	90.00	90.00
10,000,000	Redeemable cumulative preference shares of ₹ 10 each	10.00	10.00
	TOTAL	100.00	100.00
Issued, Subscribed and Paid-up Equity Share Capital			
645,774,106	Equity Shares of ₹ 1 each fully paid-up	64.57	60.65
	(Previous year 606,558,420 Equity Shares of ₹ 1 each)		
	Add : 13,225 Forfeited equity shares		
	(Previous year: 13,225 equity shares)	0.01	0.01
	TOTAL	64.58	60.66

a Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

		As at 31 March 2015	As at 31 March 2014
		Number	Amount ₹ crore
Balance at the beginning of the year	606,558,420	60.65	60.65
Add: Issued during the year (Refer note 4)	39,215,686	3.92	-
Balance at the end of the year	645,774,106	64.57	60.65

b Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c	Shareholding of more than 5%:	As at 31 March 2015		As at 31 March 2014	
		Name of the Shareholder	% held	No. of shares	% held
	Hincon Holdings Limited	33.45%	216,023,600	33.09%	200,703,600
	Hincon Finance Limited	9.64%	62,261,186	6.32%	38,365,500
	Siwa Holding Limited	5.59%	36,082,151	5.95%	36,082,151

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

		31 March 2015 ₹ crore	31 March 2014 ₹ crore
d	Shares reserved for issue under Employee Stock Options Scheme (ESOP):		
	As on 31 March 2015, there are 3,239,330 (Previous year: 4,694,800) Stock Options outstanding convertible into 3,239,330 (Previous year: 4,694,800) equity shares of ₹ 1 each convertible at an exercise price of ₹ 52.03 per share.		
	During the year ended 31 March 2015, none of the Options were exercised / converted into equity shares and 1,455,470 (Previous year: 1,459,280) Stock Options got lapsed.		
i.	Options granted		
a)	The Company offered 4,458,800 Stock Options on 25 April 2008 (each option carrying entitlement for one equity share of the face value of ₹ 1 each) at a price of ₹ 132.50 per equity share.		
	In accordance with the approval of the board of directors and shareholders of the Company, the ESOP compensation committee at its meeting held on 20 July 2009 repriced 4,131,600 options at ₹ 104.05 per equity share.		
b)	The ESOP Compensation Committee of the Company at its Meeting held on 12 August 2010 decided to double the number of employee stock options (vested and unvested) but not exercised and in-force as on the Record Date i.e. 11 August 2010 and halved the exercise price on account of issuance and allotment of bonus equity shares in the proportion of 1:1.		
	Accordingly, 3,553,760 employee stock options in-force granted by the Company on 25 April 2008 were doubled i.e. 7,107,520 and the exercise price in respect of the same was reduced from ₹104.05 to ₹ 52.03 per equity share.		
ii.	Settlement Through Equity Shares		
iii.	Options vested 3,239,330 number of options remain vested and outstanding as at 31 March 2015		
e	Bonus shares / buy back/shares for consideration other than cash issued during past five years.		
i)	Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil		
ii)	Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares 303,256,460 equity shares were issued as fully paid bonus shares by capitalisation of Securities Premium Reserve on 12 August 2010.		
iii)	Aggregate number and class of shares bought back - Nil		
f	Pursuant to bonus issue of equity shares in the proportion to 1:1, outstanding 95,146 Global Depository Shares (outstanding as of Record Date i.e. 11 August 2010) have increased to 190,292. Out of the total Global Depository Shares (GDR) issued, 17,300 (Previous year: 120,720) GDR's are outstanding as on 31 March 2015.		
g	Subsequent to 31 March 2015, pursuant to the approval of the Qualified Institutional Placement Committee of the Board of Directors on 10 April 2015, the Company issued 133,332,800 equity shares of ₹ 1 each, at an issue price of ₹ 30 per equity share (of which ₹ 29 per share towards securities premium) aggregating ₹ 399.99 crore to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder.		
		31 March 2015 ₹ crore	31 March 2014 ₹ crore
Note 3 Reserves and Surplus			
	Capital reserve (forfeited equity share warrants) #	15.19	15.19
	Capital grant/subsidy (Refer note 3.1)		
	Balance at the beginning of the year	503.35	243.11
	Add: Received during the year	103.71	260.24
	Balance at the end of the year	607.06	503.35
Capital reserve on consolidation			
	Balance at the beginning of the year	12.59	8.17
	Addition / (deduction) during the year	(4.10)	4.42
	Balance at the end of the year	8.49	12.59
Securities premium account [Refer note 2(g)]			
	Balance at the beginning of the year	1,003.29	1,003.29
	Addition during the year (Refer note 4)	78.85	-
	Less Share issue expenses	(2.64)	
	Balance at the end of the year	1,079.50	1,003.29
Foreign currency fluctuation reserve			
	Balance at the beginning of the year	12.21	(13.46)
	Addition during the year	(20.04)	25.67
	Balance at the end of the year	(7.83)	12.21
Foreign currency monetary translation account			
	Balance at the beginning of the year	4.29	0.31
	Add : Additions during the year	3.91	7.10
	Less : Amount debited to the Statement of Profit and Loss	(4.14)	(3.12)
	Balance at the end of the year	4.06	4.29
	Capital reserve on amalgamation #	7.76	7.76
	Capital redemption reserve #	21.61	21.61
	Debenture redemption reserve #	65.46	65.46
	Forfeited debentures account #	0.02	0.02
	General reserve #	180.24	180.24
Deficit in statement of profit and loss			
	Balance at the beginning of the year	(1,346.46)	(1,069.06)
	Add: Impact of depreciation/amortisation (Refer note 3.2)	(3.16)	-
	Add: Adjustment of minority interest	(11.24)	-
	Add: Adjustment of opening loss of Joint venture on acquisition of stake	(1.91)	-
	Less: Transferred from statement of profit and loss	(159.45)	(277.40)
		(1,522.22)	(1,346.46)
	Total	459.34	479.55
# No movement during the year			
3.1	Capital grant / subsidy represents grant received from National Highway Authorities of India (NHAI) and Ministry of Food Processing Industry (MoFPI) to Baharampore Farakka Highway Limited, Farakka Raiganj Highway Limited and Charosa Wineries Limited.		
3.2	Consequent to the introduction of Schedule II to the Companies Act, 2013, the useful lives of certain fixed assets has been revised. Accordingly ₹ 3.16 crore (net of deferred tax ₹ 1.31 crore) representing carrying value of the fixed assets with revised useful life as NIL, has been adjusted against opening balance of Statement of Profit and Loss.		

Note 4 Money received against share warrants

On exercise of option by share warrant holders, the Company has converted 39,215,686 share warrants into 39,215,686 equity shares of ₹ 1 each at a price of ₹ 16.32 per equity share (inclusive of securities premium of ₹ 15.32 per equity share) and allotted to the Promoters of the Company (Hincon Holdings Limited and Hincan Finance Limited) pursuant to resolution passed by the Committee of Directors at its meeting held on 2 May 2014.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Note 5 Long-term borrowings

	Non-current portion		Current maturities	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
	₹ crore	₹ crore	₹ crore	₹ crore
a Secured				
i) Debentures	489.91	647.42	583.27	515.73
ii) Term loans from banks				
Rupee loans from banks	5,920.59	6,327.67	694.86	544.92
Foreign currency loans	309.58	393.63	89.59	19.31
	6,230.17	6,721.30	784.45	564.23
iii) Term loan from others	991.60	389.70	128.29	204.22
Total secured loans (i+ii+iii)	7,711.68	7,758.42	1,496.01	1,284.18
b Unsecured				
6% cumulative redeemable preference shares issued by a subsidiary company (11,349,103 preference shares of ₹ 10 each)	18.42	14.85	-	-
Rupee loans from banks	225.00		-	-
Loan from others	299.52	449.65	52.10	35.47
Total unsecured loans	542.93	464.50	52.10	35.47
Total long-term borrowings (a+b)	8,254.62	8,222.92	1,548.11	1,319.65

5.1 Corporate Debt Restructuring (CDR) Package

The Company received Letter of Approval (LOA) on 29 July 2012 issued by the Corporate Debt Restructuring Empowered Group (CDREG) approving the CDR package. The CDR related documents have been executed and creation of security stands completed. Details of borrowings included in CDR package along with repayment details are listed below:

I. Secured Debentures included in Note 5(a)(i)

1) Axis NCD

On restructuring by the CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

2) LIC NCD

On restructuring by CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

Rupee Loans from Banks included in Note 5(a)(ii)

Rupee Term Loans 1 (RTL - 1) and Rupee Term Loans 2 (RTL - 2)

RTL - 1 and RTL - 2 carries an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

Working Capital Term Loan (WCTL - 1)

Working Capital Term Loan (WCTL -1) carries an interest rate of 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 16 quarterly installments commencing 15 April 2014 and ending on 15 January 2018.

Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL - 2) carries an interest rate of 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

Funded Interest Term Loan (FITL)

FITL carry an interest of 11.25% p.a. linked to Monitoring Institution's base rate. FITL is repayable in 3 equal quarterly installments commencing 15 January 2015 and ending on 15 July 2015.

Foreign Currency Loans included in Note 5(a)(iii)

Other Term Loans

Standard Chartered Bank- External Commercial Borrowings (ECB)

ECB loan from Standard Chartered Bank carries an interest rate of 3 month LIBOR plus 350 basis points. This loan is repayable in 17 quarterly installments commencing 15 April 2014 and ending on 15 March 2018.

Development Bank of Singapore - ECB

ECB loan from Development Bank of Singapore carries an interest rate of 3 month LIBOR plus 385 basis points. This loan is repayable in 17 quarterly installments commencing 5 October 2014 and ending on 5 October 2018.

Toronto Dominion LLC - ECB

ECB loan from Toronto Domino LLC carries an interest rate of 3 month LIBOR plus 120 basis points. This loan is repayable in 22 equal quarterly installments commencing 15 April 2014 and ending on 15 July 2019.

Term Loans from Others included in Note 5(a)(iii)

Industrial Finance Corporation of India Limited (IFCI)

The loan carries an interest rate of 11.50% p.a. This loan is repayable in 28 quarterly installments commencing 15 January 2015 and ending on 15 October 2021.

Funded Interest Term Loan (FITL)

FITL from others carries an interest rate of 11.50% p.a. FITL is repayable in 3 equal quarterly installments commencing 15 January 2015 and ending on 15 July 2015.

5.2 The Master Restructuring Agreement (MRA) as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers depends on various factors including improved performance of the borrowers and other conditions. The aggregate present value of the sacrifice made/ to be made by CDR Lenders as per the MRA is approximately ₹ 205.66 crore.

5.3 Restructuring agreement of Badarpur Faridabad Tollways Ltd (BFTL) BFTL entered into an agreement dated 22 February 2013 ("Restructuring Agreement") to restructure the outstanding loan. The cut-off date for implementation of the restructuring package was 1 July 2012 and the rate of interest on the outstanding term loan was agreed at 11% p.a. upto 30 June 2013 and the same is existing. BFTL was also allowed a moratorium period with principal repayment starting from 30 June 2013 and ending on 31 March 2026. As per the terms of restructuring agreement, 47.4% of the amount of interest on the term for financial year 2013-14 and 41.6% for the financial year 2014-15 will be transferred to Funded Interest Term Loan (FITL), rate of interest for which is 11% p.a. with effect from 31 July 2013.

Loans are taken under Common Loan Agreement (CLA) and are secured by way of pari-passu first charge on all assets both present and future, excluding the project assets as defined in the Concession Agreement and pledge of 50% of the promoters equity shareholding - HCC Concessions Limited.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

5.4 Information of securities in respect of borrowings etc. disclosed, in respective standalone financial statements has not been reproduced in the consolidated financial statements.

As at
31 March 2015
₹ crore

As at
31 March 2014
₹ crore

As at
31 March 2015
₹ crore

As at
31 March 2014
₹ crore

Note 6 Deferred tax liabilities (net)

Components of deferred tax assets and liabilities arising on account of timing differences are:

Deferred tax liability

Depreciation and amortisation	144.08	135.52
Claims/ arbitration awards	1,178.43	769.72
Others	9.06	16.82

Deferred tax asset

Business loss/ unabsorbed depreciation	(1,177.07)	(794.30)
Others	(67.04)	(61.90)
TOTAL	87.46	65.86

Note 7 Long-term trade payables

Trade payables	-	27.26
TOTAL	-	27.26

Note 8 Other long-term liabilities

Tax payable	-	0.09
Due to employees	-	0.31
Advance from contractees	-	19.26
Interest accrued but not due	16.34	11.42
Other payables	14.21	84.70
TOTAL	30.55	115.78

Note 9 Long-term provisions

Provision for employee benefits	58.05	55.04
Provision for warranty	74.34	104.31
Provision for resurfacing expenses	29.90	9.49
TOTAL	162.29	168.84

Note 10 Short-term borrowings

Secured

Rupee Term from Banks

Cash credit facilities (Repayable on demand)	2,028.99	1,540.48
Working capital demand loan (Repayable on demand)	50.00	50.00
Buyer's credit	3.37	-
TOTAL	2,082.36	1,590.48

Unsecured (Repayable on demand)

Loans from related parties	13.44	16.99
TOTAL	2,095.80	1,607.47

Rupee Loan from Banks :

1. Cash Credit Facilities

Cash Credit facilities taken by the Company carries an interest rate of 11.75% p.a. (floating) linked to monitoring institution's base rate and carries an interest rate of 3% to 13% in case of its subsidiaries.

2. Working Capital Demand Loan

The loan carries an interest rate of 11.5% p.a.

3. Buyer's Credit

Buyer's credit carries an interest rate of 12 months EURO LIBOR plus 55 basis points having maturity on 10 September 2015.

Note 11 Short-term trade payables

Trade payables	2,299.84	2,115.65
TOTAL	2,299.84	2,115.65

Note 12 Other current liabilities

Interest accrued but not due	61.81	115.09
Interest accrued and due	239.24	15.53
Unpaid dividends	0.72	0.88
Others		
i) Provision for cost to completion	1,232.44	1,144.48
ii) Advance towards sale of investments	10.00	10.00
iii) Due to employees	61.28	42.19
iv) Statutory dues payable	43.62	30.56
v) Liability for capital goods	20.76	11.63
vi) Book overdraft	33.02	18.45
vii) Other payables	215.78	150.61
TOTAL	1,918.67	1,539.42

Note 13 Short-term provisions

Provision for employee benefits	18.48	17.25
Provision for warranty	39.14	46.05
Provision for foreseeable losses (Refer note 13.1)	126.59	144.97
Provision for resurfacing expenses	13.81	-
TOTAL	198.02	208.27

Note 13.1 The Group has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Note 14 - Fixed Assets

₹ crore

Particulars	GROSS BLOCK (AT COST)						DEPRECIATION / AMORTISATION						NET BLOCK		
	As at 1 April 2014	Additions/ Adjustment	Addition through acquisition of stake	Exchange Difference	Deduction/ Adjustment	As at 31 March 2015	As at 1 April 2014	Exchange Difference	For the year ended	Adjustment (Refer note 33)	Deduction	Deduction through acquisition of additional stake	Upto 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible Assets															
Freehold Land	39.66	10.79	0.02	-	-	50.47	-	-	-	-	-	-	-	50.47	39.66
Leasehold Premises	21.43	-	-	-	-	21.43	8.24	-	2.35	-	-	-	10.59	10.84	13.19
Buildings and Sheds	909.03	180.87	-	-	3.68	1,086.22	156.93	-	61.76	-	3.68	-	215.01	871.20	752.10
Plant and Machinery	1,757.26	169.61	-	6.60	48.96	1,884.51	918.14	-	166.32	-	33.38	-	1,051.08	833.32	839.12
Biological Assets	2.51	-	-	-	-	2.51	0.53	-	0.13	-	-	-	0.66	1.85	1.98
Furniture and Fixtures	137.69	9.23	-	5.64	0.87	151.69	70.59	1.70	18.38	(0.05)	0.87	-	89.75	61.94	67.10
Office Equipment	10.83	-	-	-	0.06	10.77	7.53	-	2.15	0.03	0.06	-	9.65	1.12	3.30
Heavy Vehicles	160.85	0.67	-	-	10.29	151.23	108.24	-	17.51	(0.12)	8.77	-	116.86	34.37	52.61
Light Vehicles	35.93	0.31	0.04	0.05	0.75	35.58	22.38	0.05	5.27	(0.06)	0.68	0.02	26.98	8.60	13.55
Helicopter / Aircraft	179.48	-	-	2.81	-	182.29	45.56	-	10.37	0.02	-	-	55.95	126.34	133.92
Speed Boat	5.59	-	-	-	0.52	5.07	1.48	-	0.13	-	0.34	-	1.27	3.80	4.11
Computers	40.62	4.80	-	0.59	4.65	41.36	35.93	0.57	1.48	0.05	4.60	-	33.43	7.94	4.69
Total (a)	3,300.88	376.28	0.06	15.69	69.78	3,623.13	1,375.55	2.32	285.85	(0.13)	52.38	0.02	1,611.23	2,011.91	1,925.34
Intangible Assets							-								
Toll Collection Rights	1,478.98	1,017.17	25.97	-	-	2,522.12	234.96	-	46.22	(105.89)	-	3.35	178.64	2,343.48	1,244.02
Software\ Patents and Trade Mark	33.49	9.90	-	1.01	-	44.40	23.67	0.50	6.50	-	-	-	30.67	13.73	9.82
Total (b)	1,512.47	1,027.07	25.97	1.01	-	2,566.52	258.63	0.50	52.72	(105.89)	-	3.35	209.31	2,357.21	1,253.84
Goodwill on Consolidation (c) (Refer notes 14.1, 14.2 and 48 below)	54.29	48.22	-	22.27	-	124.78	-	-	-	-	-	-	-	124.78	54.29
Total (a+b+c)	4,867.64	1,451.57	26.03	38.97	69.78	6,314.43	1,634.18	2.82	338.57	(106.02)	52.38	3.37	1,820.54	4,493.90	3,233.46
Less: Transfer to project work in progress									(11.12)						
Depreciation/Amortisation									327.45						
Previous year	4,712.79	355.26	-	29.74	230.15	4,867.64	1,456.62	4.38	306.95	-	140.47	-	1,634.18	3,233.46	
Capital work in progress														1,518.87	1,519.68
Intangible assets under development (refer note 47 below)														1,616.31	2,125.56

14.1 Additions / Adjustments includes ₹ 3.88 crore Goodwill arising on additional acquisition of shareholding in a joint venture entity during the current year and amounts regrouped with Minority Interest from earlier year.

14.2 Exchange difference of ₹ 22.27 crore is in respect of earlier years.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Note 15 Non-current investments

(Valued at cost, fully paid up, unless stated otherwise)

Trade investments			Trade investments		As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore				
a Investment In Equity Shares in Associates (unquoted)			iii) Radio- und Fernsehgenossenschaft Zürich-SH 50 (Previous year : 50) equity shares		0.00 *	0.0 *
i) Bona Sera Hotels Limited (Refer note 42) 42,900 (Previous year : 42,900) equity shares of ₹ 10 each	-	-	iv) Opernhaus Zürich AG 10 (Previous year : 10) equity shares of CHF 900 each		0.06	0.07
ii) Knowledge Vistas Limited 218,253 (Previous year : 218,253) equity shares of ₹ 10 each	9.25	9.08	v) Genossenschaft Theater für den Kt. 300 (Previous year : 300) equity shares		0.0 *	0.0 *
iii) Ecomotel Hotel Limited (Refer note 42) 2,644,673 (Previous year : 2,644,673) equity shares of ₹ 10 each	-	0.34	vi) AG Hallenstadion Zürich 10 (Previous year : 10) equity shares of CHF 100 each		0.06	0.07
iv) Warasgaon Lakeview Hotels Limited 140,957 (Previous year : 120,957) equity shares of ₹ 10 each	12.69	10.72	vii) MTZ Medizinisches Therapiezentrum 50 (Previous year : 50) equity shares of CHF 1,000 each		0.31	0.34
v) Evostate AG, Zurich 30 (Previous year : 30) equity shares of CHF 1,000 each	45.57	34.12	viii) Dominice Swiss Property Fund 1,000 (Previous year : Nil) units		64.17	-
vi) Projektentwicklungsges. Parking AG 400 (Previous year : 400) equity shares of CHF 1,000 each	1.25	1.19	ix) Hincan Finance Limited 120,000 (Previous year : 120,000) equity shares of ₹ 10 each		0.12	0.12
vii) Andromeda Hotels Limited 48,400 (Previous year : 48,400) equity shares of ₹ 10 each	2.96	1.79	x) Hindustan Kohinoor Co-operative Society 45 (Previous year : 45) equity shares of ₹ 50 each		0.0 *	0.0 *
viii) Vikhroli Corporate Park Private Limited (Refer note 42) 1,000,000 (Previous year : 1,000,000) equity shares of ₹ 10 each	-	-	xi) Space Theme Park India Limited 50,000 (Previous year : 50,000) equity shares of ₹ 10 each		0.04	0.04
b Investment in Debentures in Associates (unquoted)			xii) Betriebsges. Kongresshaus Zürich AG 30 (Previous year : 30) equity shares of CHF 1,000 each		0.19 *	0.20
Vikhroli Corporate Park Private Limited (VCPPL)			xiii) Mobimo Holding AG 720 (Previous year : 720) equity shares of CHF 29 each		0.06	0.67
i) VCPPL 17.91% optionally fully convertible debenture series-I 4,904 (Previous year : 4,904) debentures of ₹ 100,000 each	49.04	49.04	xiv) Goldbach Media AG 6,000 (Previous year : 6,000) equity shares of CHF 1.25 each		0.0 *	0.0 *
ii) VCPPL 6.32% optionally fully convertible debenture series-II 2,432 (Previous year : 2,432) debentures of ₹ 100,000 each	24.32	24.32	xv) MCH Group AG 2,100 (Previous year : 2,100) equity shares of CHF 10 each		0.50	0.54
iii) VCPPL 0% optionally fully convertible debenture series-IV each 821 (Previous year : 821) debentures of ₹100,000 each	8.21	8.21	c Investments in Equity Shares (quoted)			
Non-trade investments			i) Punjab National Bank Limited 943 (Previous year : 943) equity shares of ₹ 10 each		0.04	0.04 *
a Investments in Properties	1.94	2.02	ii) Hubtown Limited 10 (Previous year : 10) equity shares of ₹ 10 each		0.00 *	0.00 *
b Investments in Equity Shares (unquoted)			iii) Ansal Housing and Construction Limited 10 (Previous year : 10) equity shares of ₹ 10 each		0.00 *	0.00 *
i) Walchand Co-op.Housing Society Limited 5 (Previous year : 5) equity shares of ₹ 50 each	0.00 *	0.0 *	iv) Ansal Properties and Infrastructure Limited 10 (Previous year : 10) equity shares of ₹ 5 each		0.00 *	0.00 *
ii) Shushrusha Citizens Co-Op. Hospitals Limited 100 (Previous year : 100) equity shares of ₹ 100 each	0.00 *	0.0 *	v) Ashiana Housing Limited 35 (Previous year : 35) equity shares of ₹ 10 each		0.00 *	0.00 *
			vi) DLF Limited 10 (Previous year : 10) equity shares of ₹ 2 each		0.00 *	0.00 *

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Trade investments		As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore		As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
vii)	D S Kulkarni Developers Limited 10 (Previous year : 10) equity shares of ₹ 10 each	0.00 *	0.00 *	Note 16 Deferred tax asset (net) Components of deferred tax assets and liabilities arising on account of timing differences are:		
viii)	Housing Development Infrastructure Limited 12 (Previous year : 12) equity shares of ₹ 10 each	0.00 *	0.00 *	Deferred tax asset Business loss	32.45	34.17
				Others	0.56	0.50
ix)	Indiabulls Real Estate Limited 10 (Previous year : 10) equity shares of ₹ 10 each	0.00 *	0.00 *	Deferred tax liability Depreciation and amortisation	(0.18)	(0.12)
				Others	(15.34)	(14.00)
x)	Indiabulls Wholesale Services Limited 1 (Previous year : 1) equity share of ₹ 2 each	0.00 *	0.00 *	TOTAL	17.49	20.55
xi)	Mahindra Lifestyle Limited 10 (Previous year : 10) equity shares of ₹ 10 each	0.00 *	0.00 *	Deferred tax assets recognised on unabsorbed losses by Steiner AG and Highbar Technologies Limited, subsidiary companies, are expected to be adjusted against future taxable income during the time limit prescribed under the applicable Income Tax Law.		
xii)	Orbit Corporation Limited 20 (Previous year : 20) equity shares of ₹ 10 each	0.00 *	0.00 *	Note 17 Long-term loans and advances Unsecured, considered good Capital advances	0.78	0.61
				Security and other deposits	39.51	37.76
xiii)	Parshwanath Developers Limited 20 (Previous year : 20) equity shares of ₹ 10 each	0.00 *	0.00 *	Advance payment of taxes (net of provisions)	169.30	230.42
xiv)	Peninsula Land Limited 50 (Previous year : 50) equity shares of ₹ 2 each	0.00 *	0.00 *	Mat credit entitlement	79.56	64.40
				Balance with government authorities	63.16	53.07
xv)	Shobha Developers Limited 10 (Previous year : 10) equity shares of ₹ 10 each	0.00 *	0.00 *	Advances recoverable in cash or in kind	126.31	153.87
				TOTAL	478.62	540.13
xvi)	Unitech Limited 10 (Previous year : 10) equity shares of ₹ 2 each	0.00 *	0.00 *	Note 18 Long-term trade receivables Unsecured, considered good Trade receivables (net of advance against workbill)	1,488.35	1,059.43
xvii)	Housing Development Finance Corporation Limited 15,220 (Previous year : 15,220) equity shares of ₹ 2 each	0.01	0.01	[including retention ₹ 0.79 crore (Previous year: ₹ 69.3 crore)]		
				TOTAL	1,488.35	1,059.43
xviii)	HDFC Bank Limited 2,500 (Previous year : 2,500) equity shares of ₹ 10 each	0.00 *	0.00 *	Note 19 Other non-current assets Unsecured, considered good Non-current bank balances	28.63	26.73
				Pension assets	69.85	63.41
xix)	Khandwala Securities Limited 3,332 (Previous year : 3,332) equity shares of ₹ 10 each	0.00 *	0.00 *	Interest receivable	59.11	46.52
		220.80	142.93	Other receivable	0.46	7.25
				TOTAL	158.05	143.91
Aggregate of investments				Note 20 Current investments Investments in mutual funds	52.07	16.46
	Cost	Market	Cost	TOTAL	52.07	16.46
	₹ crore	₹ crore	₹ crore			
Details:				Note 21 Inventories Stores, spares and embedded goods	231.53	276.68
Quoted investments	0.05	4.20	0.05	Fuel	10.48	9.13
Unquoted investments	218.81		140.86	Land and development rights	1,987.64	1,627.07
Investment properties	1.94		2.02	Materials in transit	0.56	0.02
Provision towards diminution in value of investments	-		-	Finished goods	3.72	4.18
				Cost incurred on GC/TC projects	1,117.68	895.11
				Work-in-progress: Uncompleted contracts and value of work done (Refer Footnote below)	3,521.78	3,660.09
				TOTAL	6,873.39	6,472.28
				Footnote: Includes payment received against workbill ₹ 134.12 crore (Previous year: ₹ 76.22 crore)		

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore		Year ended 31 March 2015 ₹ crore	Year ended 31 March 2014 ₹ crore
Note 22 Trade receivables			Note 26 Revenue from operations		
Unsecured, considered good			Construction and project related revenue (refer footnote below)	9,791.58	9,293.70
Outstanding over six months	158.60	181.34	Sale of land	104.82	10.40
[including retention ₹ 16.15 crore (Previous year Nil)]			Toll collection and annuity	228.95	132.49
Others	581.27	569.05	Sale of products	31.87	156.13
[including retention ₹ 270.22 crore (Previous year ₹ 370.52 crore)]			Real estate condominium developments	108.01	-
Unsecured, considered doubtful			Other operating income	87.72	75.53
Outstanding over six months	2.16	-		<u>10,352.95</u>	<u>9,668.25</u>
Less: Provision for doubtful debts	(2.16)	-	Footnote: Includes revenue from BOT projects ₹ 399.67 crore (Previous year ₹ 561.87 crore)		
TOTAL	<u>739.87</u>	<u>750.39</u>	Note 27 Other income		
Footnote: Includes advance received against workbill ₹ 4.14 crore (Previous year: ₹ 98.75 crore)			Interest income	34.42	60.83
Note 23 Cash and bank balances			Dividend income	2.70	2.67
Cash and cash equivalents			Profit on sale of fixed assets (net)	-	5.74
Cash on hand	2.30	2.29	Profit on sale of investments (net)	1.60	8.47
Cheques on hand	10.19	4.20	Earlier years provision/ liabilities no longer required written back (Refer footnote below)	0.72	81.56
Balances with banks in current accounts	320.36	611.22	Miscellaneous income [(Refer note 37(a))]	22.58	14.03
Bank deposits with original maturity of less than 3 months	17.23	54.04		<u>62.02</u>	<u>173.30</u>
	<u>350.08</u>	<u>671.75</u>	Footnote: Includes Nil (Previous year: ₹ 81.50 crore) no longer payable pursuant to a settlement arrived with the creditor.		
Other bank balances			Note 28 Cost of materials consumed		
Earmarked bank balances	454.36	588.67	Stock at beginning of the year	9.84	15.81
Balances with bank for unpaid dividends	0.72	0.88	Add: Purchases	8.53	62.87
Bank deposits maturity of more than 3 months but less than 12 months	10.57	15.19		<u>18.37</u>	<u>78.68</u>
	<u>465.65</u>	<u>604.74</u>	Less: Scrap and unserviceable sold	(0.18)	(1.16)
TOTAL	<u>815.73</u>	<u>1,276.49</u>		<u>18.19</u>	<u>77.52</u>
Note 24 Short-term loans and advances			Less: Stock at the end of the year	(8.98)	(9.84)
Unsecured, considered good				<u>9.21</u>	<u>67.68</u>
Loans and advances to related parties	45.96	50.55	Note 29 Construction expense		
Advances recoverable in cash or in kind			Construction materials consumed		
- considered good	275.86	262.62	Stock at beginning of the year	266.84	382.17
- considered doubtful	20.39	-	Add: Purchases	981.42	1,007.44
- provision for doubtful advances	(20.39)	-		<u>1,248.26</u>	<u>1,389.61</u>
Earnest money and other deposits	13.98	9.02	Less: Scrap and unserviceable sold	(16.80)	(22.64)
Advance for land purchases	57.70	46.13		<u>1,231.46</u>	<u>1,366.97</u>
Advance to suppliers	75.49	49.56	Less: Stock at the end of the year	(222.55)	(266.84)
TOTAL	<u>468.99</u>	<u>417.88</u>		<u>1,008.91</u>	<u>1,100.13</u>
Note 25 Other current assets			Subcontracting expense	5,912.68	5,496.59
Interest accrued	8.78	11.49	Power and fuel	149.25	215.23
Receivable from related parties	16.47	11.85	Land development expenses	242.04	244.36
Unbilled revenue	3.23	2.22	Repairs to machinery	8.98	13.85
Others	70.23	77.19	Insurance	48.85	38.48
TOTAL	<u>98.71</u>	<u>102.75</u>	Rates and taxes	180.67	168.59
			Lease rent	26.19	46.04
			Water charges	1.36	1.74
				<u>6,570.02</u>	<u>6,224.88</u>
			Less: Capitalised	(20.79)	(46.19)
				<u>7,558.14</u>	<u>7,278.82</u>

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

	Year ended 31 March 2015 ₹ crore	Year ended 31 March 2014 ₹ crore
Note 30 Employee benefits expense		
Salaries and wages	888.71	901.20
Contribution / provisions to and for provident, gratuity and other funds	98.06	76.81
Staff welfare expenses	21.21	23.67
	<u>1,007.98</u>	<u>1,001.68</u>
Less: Capitalised	(2.47)	(14.91)
	<u>1,005.51</u>	<u>986.77</u>
Note 31 Finance costs		
Interest expenses	1,385.06	1,226.73
Guarantee commission and finance charges	56.26	42.45
	<u>1,441.32</u>	<u>1,269.18</u>
Less: Capitalised	(161.77)	(177.76)
	<u>1,279.55</u>	<u>1,091.42</u>
Note 32 Other Expenses		
Stationery, postage, telephone and advertisement	39.67	37.99
Travelling and conveyance	20.61	18.54
Rent, rates and taxes	59.37	75.76
Insurance	11.80	12.77
Professional	62.53	63.31
Repairs and maintenance	28.46	30.09
Directors sitting fees	0.55	0.20
Auditor's remuneration		
Audit fees	4.03	4.09
Tax audit fees	0.69	0.61
Review and certification work	1.02	0.67
Reimbursement of out of pocket expenses	0.01	0.01
Office expenses	0.77	1.14
Operation and maintenance	99.86	59.61
Bad debts	1.18	-
Provision for doubtful debts	2.16	-
Provision for doubtful advances	20.39	-
Selling and distribution expenses	46.00	42.94
Electricity charges	3.27	2.41
Office, site and establishment expenses	69.37	80.18
Computer maintenance and development	7.22	6.20
Loss on foreign currency transactions and translations (net)	7.39	9.33
Loss on sale of fixed assets (net)	4.48	-
Expenses relating to prior years	-	0.77
Miscellaneous	42.84	34.86
	<u>533.67</u>	<u>481.48</u>
Less: Capitalised	(5.16)	(8.11)
	<u>528.51</u>	<u>473.37</u>

Note 33 Exceptional item

During the year, effective from 1 April 2014, certain group companies have changed the method of amortization of intangible assets held under Build, Operate and Transfer (BOT) basis in accordance with the requirements of Schedule II to the Companies Act, 2013 which were hitherto amortized on a Straight Line Method. These companies have changed the amortization method retrospectively and consequent impact of excess amortization charged till 31 March 2014 aggregating ₹ 106.11 crore has been credited to the Statement of Profit and Loss of the current year as an exceptional item.

Note 34 Earnings/(loss) per share (EPS)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Weighted average number of shares outstanding during the year	642,443,459	606,558,420
Add: Dilutive effect	-	-
Weighted average number of shares used to compute diluted EPS	642,443,459	606,558,420
Loss after tax (including discontinuing operations) (₹ crore)	(159.45)	(277.40)
Less: Preference dividend for the year (₹ crore)	-	-
Adjusted loss (₹ crore)	(159.45)	(277.40)
Loss per share: Basic and Diluted (a)	(2.48)	(4.57)
Loss after tax (excluding discontinuing operations) (₹ crore)	(159.45)	(248.75)
Less: Preference dividend for the year (₹ crore)	-	-
Adjusted loss (₹ crore)	(159.45)	(248.75)
Loss per share: Basic and Diluted (a)	(2.48)	(4.10)

Note 35 Contingent liabilities and commitments

Sr. No.	Particulars	As at 31 March 2015	As at 31 March 2014
a Contingent Liabilities			
i)	Counter indemnities given to: Banks, in respect of contracts		
a)	For works in India (secured on all the assets)	1,301.89	1,117.58
b)	For works abroad (secured by ECGC counter guarantees)	65.04	54.06
ii)	Guarantees given by banks and insurance companies	1,388.44	1,339.64
iii)	Corporate Guarantees given to banks for associate companies	40.92	39.65
iv)	Claims filed against the Group not acknowledged as debts	192.92	108.86
v)	Income tax liability that may arise in respect of which Group is in appeal	42.62	35.38

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Sr. No.	Particulars	₹ crore	
		As at 31 March 2015	As at 31 March 2014
vi)	Sales tax liability / works contract tax liability/ service tax/ customs liability that may arise in respect of matters in appeal (net of ₹ 68.5 crore recoverable from customers as per the terms of contract).	126.41	85.58
vii)	Lavasa Corporation Limited has filed petitions against the orders / notices of various authorities towards payment of royalty / penalty on materials excavated. In view of these demands being legally unjustifiable, the Group does not expect any liability in respect of this matter.	17.76	17.76
b	Capital Commitments (net of advances)	408.12	544.51
c	Other Commitments		
(i)	Group has an outstanding commitment of Nil (Previous year: ₹ 157.78 crore) for capital investment as per shareholder agreement in an associate company, Evostate AG.		
(ii)	In respect of land parcels at Vikhroli (East) held by a subsidiary company, the Notification under Section 3C(1) under the Maharashtra Slum Area (Improvement & Redevelopment) Act, 1971 declaring the said property at Vikhroli (East) as "Slum Rehabilitation Area" has been challenged by some persons and Appeals preferred by both the parties are pending in the Bombay High Court. Similarly, a suit filed by some persons in the High Court declaring that they are the leasees of the said property is also pending. Suit filed by the Group for vacant and peaceful possession of part of the said land is pending in the Small Causes Court, Mumbai.		
	It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities other than stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.		

Note 36 Uncompleted Contracts and Value of Work Done' and 'Long-Term Trade Receivables' includes ₹ 1,181 crore and ₹ 241 crore respectively, outstanding as at 31 March 2015 representing various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ₹ 149 crore of arbitration awards received in favour of the Company, which have been subsequently set aside by District Court / High Courts against which the Company has preferred appeals at High Courts / Supreme Court. The Company has been legally advised that it has good case on merits in respect of these matters. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

Note 37(a) The Company had paid managerial remuneration to the Chairman and the Managing Director (CMD) aggregating ₹ 10.66 crores during the year ended 31 March 2013, which was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. The Ministry of Corporate Affairs (the "Ministry")

had approved remuneration of ₹ 1.72 crores against which the Company made representations to the Ministry to reconsider Company's application and requested to accord approval of the entire remuneration paid. The Company's representation for approval of remuneration has not been acceded by the Ministry and accordingly remuneration paid in excess of the Ministry's approval amounting to ₹ 8.94 crores has been fully recovered from the CMD and included under Miscellaneous Income (Refer note 27)

(b) The Company had paid managerial remuneration of ₹ 10.66 crore to Chairman and Managing Director (CMD) for the year ended 31 March 2014. The Company had made an application to the Ministry of Corporate Affairs (the "Ministry") seeking its approval for payment of ₹ 10.66 crore which was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. The Ministry has approved remuneration of ₹ 1.92 crore against which the Company has made a representation to the Ministry to reconsider the Company's application and requested to accord approval of the entire remuneration paid.

Note 38 Disclosure in accordance with Accounting Standard -18 'Related Party Transactions'

a	Names of Related Parties and Nature of Relationship	
	Names of the entity	Nature of Relationship
	Dhule Palener Tollway Limited	Joint Venture
	HCC-Samsung Joint Venture CC34	Joint Venture
	HCC-Pati Joint Venture	Joint Venture
	Alpine HCC Joint Venture	Joint Venture
	Kumagai-Skanska HCC-Itochu Group Joint Venture	Joint Venture
	Nathpa Jhakri Joint Venture	Joint Venture
	HCC L&T Purulia Joint Venture	Joint Venture
	Alpine HCC Samsung Joint Venture	Joint Venture
	ARGE Prime Tower	Joint Venture
	Warasgaon Lake View Hotels Limited	Associate
	Andromeda Hotels Limited	Associate
	Bona Sera Hotels Limited	Associate
	Knowledge Vistas Limited	Associate
	Ecomotel Hotel Limited	Associate
	Evostate AG	Associate
	MCR Managing Corp. Real Estate AG	Wholly owned subsidiary of Evostate AG
	Projektentwicklungsges. Parking Kunstmuseum AG	Associate
	Vikhroli Corporate Park Private Limited	Associate
	Gulabchand Foundation	Other Related Parties
	Hincon Holdings Limited	Other Related Parties
	Hincon Finance Limited	Other Related Parties
b	Key Management Personnel and their relatives	
	Mr. Ajit Gulabchand	Chairman and Managing Director of the Company
	Mr. Rajgopal Nogja	Group Chief Operating Officer and Whole Time Director
	Mr. Arun Karambelkar	President & Chief Executive Officer-(E&C) of the Company (ceased to be Wholetime Director w.e.f. 29 April 2014)
	Mr. Praveen Sood	Group Chief Financial Officer of the Company
	Mr. V. P. Kulkarni	Wholetime Company Secretary of the Company
	Mr. Arjun Dhawan	Relative of Key Managerial Personnel (Son-in law of Mr. Ajit Gulabchand)
	Ms. Shalaka Gulabchand Dhawan	Relative of Key Managerial Personnel (Daughter of Mr. Ajit Gulabchand)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

c Transactions with Related Parties:

Nature of Transactions	JV's	Associate	₹ crore Other Related Parties
Sale of materials			
Evostate AG	-	0.05	
	-	(0.03)	
HCC-Samsung Joint Venture CC34	0.27	-	-
	(0.05)	(-)	(-)
	0.27	0.05	-
	(0.05)	(0.03)	(-)
Rendering of services / financial income			
Ecomotel Hotel Limited	-	2.28	-
	-	(2.10)	(-)
Andromeda Hotels Limited		2.20	
		(0.62)	
Vikhroli Corporate Park Private Limited	-	12.52	-
	(-)	(97.97)	(-)
Dhule Palesner Tollyway Limited	12.66	-	-
	(12.47)	(-)	(-)
Hincon Finance Limited	-	-	1.34
	(-)	(-)	(1.58)
Others	0.10	2.60	-
	(1.27)	(5.33)	(-)
	12.76	19.60	1.34
	(13.74)	(106.02)	(1.58)
Rendering of service and financial income			
Vikhroli Corporate Park Private Limited	-	29.57	-
	(-)	(29.45)	(-)
Hincon Holding Limited	-	-	0.52
	(-)	(-)	(0.52)
Others	-	2.73	-
	(-)	(2.41)	(-)
	-	32.30	0.52
	(-)	(31.86)	(0.52)
Purchase of fixed assets			
Hincon Finance Limited	-	-	10.75
	(-)	(-)	(0.04)
	-	-	10.75
	(-)	(-)	(0.04)
Conversion of share warrant application money into equity			
Hincon Holdings Limited*	-	-	6.25
	(-)	(-)	(-)
Hincon Finance Limited*	-	-	9.75
	(-)	(-)	(-)
* ₹ 16 crore appropriated towards issue of equity share warrants	-	-	16.00
	(-)	(-)	(-)
Conversion of promoters contribution into equity			
Hincon Holdings Limited	-	-	18.75
	(-)	(-)	(-)
Hincon Finance Limited	-	-	29.25
	(-)	(-)	(-)
	-	-	48.00
	(-)	(-)	(-)

Transactions with Related Parties:

Nature of Transactions	JV's	Associate	₹ crore Other Related Parties
Equity share contribution during the year			
Ecomotel Hotel Limited	-	-	-
	(-)	(1.30)	(-)
Warasgaon Lakeview Hotels Limited	-	2.00	-
	(-)	(4.00)	(-)
Andromeda Hotels Limited	-	-	-
	(-)	(2.81)	(-)
	-	2.00	-
	(-)	(8.11)	(-)
Corporate guarantees and bank guarantees given and outstanding			
Ecomotel Hotel Limited	-	14.54	-
	(-)	(14.85)	(-)
Knowledge Vistas Limited	-	14.00	-
	(-)	(14.00)	(-)
Warasgaon Lake View Hotels Limited	-	12.15	-
	(-)	(10.80)	(-)
HCC-Samsung Joint Venture CC34	44.80	-	-
	(43.30)	(-)	(-)
	44.80	40.69	-
	(43.30)	(39.65)	(-)
Outstanding payables			
Ecomotel Hotel Limited	-	2.03	-
	(-)	(0.95)	(-)
HCC-Pati JV	-	-	-
	(1.36)	(-)	(-)
Hincon Holdings Limited	-	-	0.45
	(-)	(-)	(18.88)
Hincon Finance Limited	-	-	-
			(29.25)
Alpine HCC JV	-	-	-
	(0.88)	(-)	(-)
Vikhroli Corporate Park Private Limited	-	7.38	-
	(-)	(1.44)	(-)
Bona Sera Hotels Limited	-	1.40	-
	(-)	(0.72)	(-)
Others	-	-	-
	(-)	(0.21)	(-)
	-	10.81	0.45
	(2.24)	(3.32)	(48.13)
Outstanding receivables			
Bona Sera Hotels Limited	-	12.57	-
	(-)	(11.72)	(-)
Ecomotel Hotel Limited	-	8.68	-
	(-)	(7.96)	(-)
Knowledge Vistas Limited	-	7.73	-
	(-)	(6.77)	(-)
Dhule Palesner Tollways Limited	148.42	-	-
	(156.21)	(-)	(-)
Vikhroli Corporate Park Private Limited	-	32.45	-
	(-)	(38.12)	(-)
Hincon Finance Limited	-	-	3.74
	(-)	(-)	(13.39)
Others	15.27	16.80	0.02
	(7.60)	(19.21)	(0.02)
	163.69	78.23	3.76
	(163.81)	(83.78)	(13.41)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

d Details of transactions relating to persons referred to in item (b) above

Nature of Transactions	Year ended 31 March 2015	Outstanding as at 31 March 2015	Year ended 31 March 2014	Outstanding as at 31 March 2014
	₹ crore	₹ crore	₹ crore	₹ crore

Remuneration for the earlier year recovered [Refer note 37 (a)]

Mr. Ajit Gulabchand	8.94	-	-	-
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Remuneration to key managerial persons

Mr. Ajit Gulabchand	Refer footnote below		10.66	0.89
Mr. Rajgopal Nogja	4.98	0.36	4.17	0.35
Mr. Arun Karambelkar	3.53	0.31	3.07	0.26
Mr. Praveen Sood	2.51	0.17	2.40	0.16
Mr. V.P. Kulkarni	1.08	0.76	1.41	0.08
	<u>12.10</u>	<u>1.60</u>	<u>21.71</u>	<u>1.74</u>

Salary of Ms. Shalaka Gulabchand Dhawan	1.17	0.09	1.07	0.09
Salary of Mr. Arjun Dhawan	2.92	0.20	2.55	0.17
	<u>16.19</u>	<u>1.89</u>	<u>25.33</u>	<u>2.00</u>

The above figure does not include provisional gratuity liability valued by Actuary, as separate figures are not available.

Remuneration to key managerial persons from subsidiary companies

Mr. Ajit Gulabchand	2.20	2.20	2.05	2.05
Mr. Rajgopal Nogja	2.20	0.55	2.12	-
	<u>4.40</u>	<u>2.75</u>	<u>4.17</u>	<u>2.05</u>

Footnote: The Company has provided for remuneration for Chairman and Managing Director (CMD) of ₹10.66 crore for the year ended 31 March 2015. The Company has made an application to the Ministry of Corporate Affairs (the "Ministry") seeking its approval for payment of ₹ 10.66 crore which is in excess of the limits specified under Schedule V to the Companies Act, 2013. Pending approval from Ministry, no payment has been made to the CMD.

	31 March 2015 Number	31 March 2014 Number
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Options granted to key managerial personnel under ESOP of Company

Mr. Rajgopal Nogja	188,760	274,560
Mr. Praveen Sood	301,950	439,200
Mr.V.P. Kulkarni	150,920	219,520

Options granted to Key Management Personnel under ESOP of Lavasa Corporation Limited (Subsidiary Company)

Mr. Rajgopal Nogja	403,303	403,303
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Note 39 The Group has taken various construction equipment and vehicles under non cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2015 are as follows:

	As at 31 March 2015 ₹ crore	As at 31 March 2014 ₹ crore
Minimum lease rental payments		
Payable not later than 1 year	43.58	49.37
Payable later than 1 year and not later than 5 years	142.09	146.17
Later than 5 years	<u>28.63</u>	<u>98.05</u>
	<u>214.30</u>	<u>293.59</u>

The lease agreement provides for an option to the Group to renew the lease year at the end of the non cancelable lease term. There are no exceptional / restrictive covenants in the lease agreements.

The Group has entered into certain cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc. Lease payments in respect of above note 29 and note 32 are recognised in the Statement of Profit and Loss under the heads "Construction expense" and "Other Expenses"

Note 40 Segment Reporting

The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system. The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure', 'Real Estate' and 'Comprehensive Urban Development and Management'. Other business segments contribute less than 10 % of the total revenue and have been grouped as 'Others'. The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

a Information about primary business segments

Particulars	Engineering and Construction	Infrastructure	Real estate	Comprehensive Urban Development and Management	Others	Total
Revenue:						
External Sales	9,790.45 (9,347.68)	223.29 (131.99)	0.17 (9.95)	302.37 (159.22)	36.67 (19.41)	10,352.95 (9,668.25)
Add: Inter segment sales [Refer note 1.1 (b) (iv)]	115.88 (57.40)	6.80 (4.31)	- (-)	5.19 (-)	9.53 (10.32)	137.40 (72.03)
Less: Elimination	115.88 (57.40)	6.8 (4.31)	- (-)	5.19 (-)	9.53 (10.32)	137.40 (72.03)
Total Revenue	9,790.45 (9,347.68)	223.29 (131.99)	0.17 (9.95)	302.37 (159.22)	36.67 (19.41)	10,352.95 (9,668.25)
Results (profit/ (loss) before tax and interest)	584.75 (595.31)	195.17 (11.04)	(1.01) (5.08)	305.51 (114.52)	(3.78) 7.23	1,080.64 (718.72)
Less: Eliminations	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Profit/(loss) before tax and interest	584.75 (595.31)	195.17 (11.04)	(1.01) (5.08)	305.51 (114.52)	(3.78) 7.23	1,080.64 (718.72)
Finance costs						1,279.55 (1,091.42)
Profit/(loss) before tax						(198.91) (372.70)
Tax expenses						21.31 (3.04)
Current tax						22.38 (3.03)
Deferred tax						0.54 20.94
Tax in respect of earlier years						(15.67) -
Mat credit entitlement						

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Particulars	Engineering and Construction	Infrastructure	Real estate	Comprehensive Urban Development and Management	Others	Total
Profit/(loss) after tax						(227.47)
Share of loss attributed to minority interest						(357.83)
Share of profit in associates (net)						48.15
Profit on sale of shareholding in an associate						(86.59)
Profit/ (Loss) from continuing operations						19.87
Profit / (loss) from discontinuing operations						(17.31)
Net Profit / (loss) for the year after tax						(5.18)
						(159.45)
						(248.75)
						-
						(28.65)
						(159.45)
						(277.40)

Other Information						
₹ crore						
Particulars	Engineering and Construction	Infrastructure	Real estate	Comprehensive Urban Development and Management	Others	Total
Segment assets	9,495.93	4,112.48	473.24	4,249.68	45.83	18,377.16
	(8,998.05)	(3,904.96)	(599.33)	(3,648.59)	(141.91)	(17,292.84)
Segment liabilities	5,339.41	118.16	37.14	483.44	15.87	5,994.02
	(5,123.12)	(80.25)	(5.57)	(494.06)	(6.65)	(5,709.65)
Capital expenditure	97.00	513.45	-	366.16	3.86	980.47
	(125.58)	(854.78)	(-)	(318.66)	(14.09)	(1,313.11)
Depreciation and amortisation	185.52	46.97	0.37	89.38	5.20	327.44
	(162.06)	(82.95)	(0.44)	(50.88)	(10.62)	(306.95)

Footnotes:-

- Segment asset excludes current and non-current investments, goodwill on consolidation, deferred tax assets and advance payment of income tax (including MAT Credit Entitlement).
- Segment liabilities excludes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability, accrued interest and minority interest.

b Information about secondary business segments (geographical segments)

₹ crore			
Particulars	Domestic	Overseas	Total
Segment Revenue	4,747.76	5,605.19	10,352.95
	(4,376.65)	(5,291.60)	(9,668.25)
Segment Assets	15,402.60	2,974.55	18,377.16
	(15,374.07)	(1,918.77)	(17,292.84)
Capital expenditure	925.77	54.70	980.47
	(1,285.41)	(27.70)	(1,313.11)

Footnotes:-

- Bhutan operations are considered as part of domestic operations
- Figures in brackets pertain to previous year

Note 41 The share of losses of Vikhroli Corporate Park Private Limited, Bona Sera Hotels Limited and Ecomotel Hotel Limited, associate companies, exceeds the carrying value of the investment. Hence investment in these companies are reported at nil value.

Note 42 In respect of Lavasa Corporation Limited, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9 November 2011 accorded Environment Clearance (EC) to 2,000 hectare (5,000 acres) which are subject to the compliance of terms and conditions. The Company has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said Order which is pending before tribunal. The Company believes that the matter will be decided in its favour. Construction has resumed at project site from 9 November 2011.

Note 43 Lavasa Corporation Limited has filed a Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) for the proposed Initial Public Offer (IPO) of equity shares.

Note 44 Details of Employees Stock Option Scheme for Lavasa Corporation Limited (LCL), a subsidiary company.

	As at 31 March 2015 (Nos.)	As at 31 March 2014 (Nos.)
a. Outstanding as at beginning of the year	1,703,317	1,725,740
b. Granted during the year	-	-
c. Forfeited during the year	-	-
d. Exercised during the year	-	-
e. Expired / cancelled / lapsed during the year	224,126	22,423
f. Outstanding at the end of the year	1,479,191	1,703,317
g. Exercisable at the end of the year	1,479,191	1,703,317

Note 45 In case of LCL, cost of land includes:

- ₹ 12.71 crore (previous year ₹ 12.71 crore) in respect of which sale deed is yet to be executed in favour of LCL.
- Land amounting to ₹ 0.11 crore (previous year ₹ 0.11 crore) in respect of which irrevocable Power of Attorney is obtained in favour of LCL.
- Land amounting to ₹ 0.36 crore (previous year ₹ 0.39 crore) not covered by the Master Plan in respect of which sale deed is yet to be executed in favour of LCL.

Note 46 In case of Pune Paud Toll Road Company Limited (PPTRCL), a subsidiary company, as per the terms of the contract, the year to operate the project has expired on 5 February 2014, and the project since stands transferred to the Public Works Department (PWD) of Government of Maharashtra. PPTRCL has preferred a claim for compensation aggregating ₹ 103.88 crore (including interest) on account of delay in granting permission to collect the toll and change in location of Toll Plaza, which resulted in significant reduction in revenue collection. PPTRCL has filed a petition in the Bombay High Court under section 11 of the Arbitration and Conciliation Act, 1996 demanding refund of cost of land acquisition of Bhugaon bypass. Consequently, the Bombay High Court has appointed an arbitrator on behalf of PWD on 8 August 2014 and Indian Road Congress (IRC) has also appointed the third arbitrator on 6 January 2015. With the constitution of panel of arbitrator, the resolution of the dispute through arbitration is expected to commence shortly. In view of this, the management is confident of recovery of the claims and views the entity as a going concern despite the negative net-worth of PPTRCL.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2015

Note 47 In case of Raiganj-Dalkhola Highways Limited (RDHL), a subsidiary company, National Highways Authority of India (NHAI) has not been able to make the balance land available. RDHL is in discussion with NHAI for balance land acquisition and on various approvals on design and structures on a regular basis and is optimistic of resolving the matter soon. The delay in acquisition of land in Raiganj Dalkhola Highways Limited is temporary in nature, hence total cost incurred ₹ 117.57 crore (including interest of ₹ 39.55 crore) as at 31 March 2015 has been capitalised.

Note 48 Goodwill on consolidation includes ₹ 95.04 crore arising in respect of consolidation of a subsidiary, Lavasa Corporation Limited. Considering the intrinsic value and the business prospects of the underlying businesses within the fold of HCC Group, no diminution in value of goodwill arising on consolidation has been considered necessary.

Note 49 Detail of provision in respect of resurfacing expenditure and warranty is as stated below.

Particulars	As at 31 March 2015		As at 31 March 2014	
	Warranty	Resurfacing expenses	Warranty	Resurfacing expenses
	₹ crore	₹ crore	₹ crore	₹ crore
Opening provision as at the beginning of the year	150.37	7.61	170.73	4.00
Addition during the year	27.16	36.10	41.19	3.61
Utilized/reversed during the year	(47.55)	-	(59.00)	-
Unused amount reversed during the year	(16.50)	-	(2.56)	-
Closing provision as at the end of the year	113.48	43.71	150.36	7.61
Non current	74.34	29.90	104.31	6.35
Current	39.14	13.81	46.05	1.26
Total	113.48	43.71	150.36	7.61

These provision represents estimates made towards estimated liability arising out of contractual obligations in respect of warranties and resurfacing expenses. The timing of outflows will vary as and when the obligation will arise.

Note 50 Receivable includes ₹ 1,772.16 crore on account of claims awarded in favour of the Company which has been challenged by the client in the High Court/ Supreme Court.

Note 51. * represents amount less than ₹ 1 lac

Note 52 Previous year figures have been regrouped/ reclassified to conform to the current year's presentation, whenever considered necessary.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N /
N500013

AMYN JASSANI
Partner
Membership No. 46447

Place : Mumbai,
Date : 30 April 2015

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

For and on behalf of the Board of Directors

AJIT GULABCHAND

Chairman & Managing Director

RAJGOPAL NOGJA

Group Chief Operating Officer &
Whole-Time Director

SHARAD M. KULKARNI

RAJAS R. DOSHI

RAM P. GANDHI

ANIL C. SINGHVI

HARSHA BANGARI

} Directors

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries\associates\joint venture

(₹ in crore)

Sr. No	2. Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Deferred Tax	Profit after Tax	Proposed Dividend
1	HCC Construction Limited	01.04.2014-31.03.2015	INR	0.05	(0.06)	0.01	0.02	-	-	(0.00)	-	-	(0.00)	-
2	Highbar Technologies Limited	01.04.2014-31.03.2015	INR	6.25	7.68	42.02	28.09	0.06	44.33	3.25	-	(0.87)	2.40	-
3	Panchkutir Developers Limited	01.04.2014-31.03.2015	INR	1.40	41.15	103.45	60.90	-	-	(0.01)	-	-	(0.01)	-
4	Narmada Bridge Tollway Limited	01.04.2014-31.03.2015	INR	0.05	(32.36)	0.04	32.35	-	-	(2.49)	-	-	(2.49)	-
5	HCC Operations & Maintenance Limited	01.04.2014-31.03.2015	INR	0.05	(0.22)	86.31	86.48	0.93	25.41	0.35	-	0.10	0.25	-
6	Nirmal BOT Limited	01.04.2014-31.03.2015	INR	31.50	(23.43)	298.52	290.46	18.26	4760	(4.64)	-	-	(4.64)	-
7	Badarpur Faridabad Tollway Limited	01.04.2014-31.03.2015	INR	86.00	(17752)	539.22	630.74	-	40.72	15.60	-	-	15.60	-
8	Raiganj-Dalkhola Highways Limited	01.04.2014-31.03.2015	INR	102.52	-	208.13	105.61	-	-	-	-	-	-	-
9	HCC Concessions Limited	01.04.2014-31.03.2015	INR	419.85	588.74	1,148.71	140.12	668.73	739	(3.85)	-	-	(3.85)	-
10	Baharampore-Farakka Highways Limited	01.04.2014-31.03.2015	INR	21725	343.83	1,243.81	682.73	23.21	79.64	(2.80)	-	-	(2.80)	-
11	Farakka-Raiganj Highways Limited	01.04.2014-31.03.2015	INR	250.22	333.37	1,404.75	821.16	-	-	-	-	-	-	-
12	HCC Power Limited	01.04.2014-31.03.2015	INR	0.50	(0.47)	0.04	0.01	-	-	(0.01)	-	-	(0.01)	-
13	HCC Infrastructure Company Limited	01.04.2014-31.03.2015	INR	0.25	(452.82)	879.52	1332.09	-	4.25	(124.96)	-	-	(124.96)	-
14	Dhule Palesner Operations & Maintenance Limited	01.04.2014-31.03.2015	INR	0.50	0.04	14.55	14.02	0.53	-	0.02	-	-	0.02	-
15	Steiner India Limited	01.04.2014-31.03.2015	INR	7.16	(1790)	101.60	112.34	-	134.72	(11.67)	-	-	(11.67)	-
16	HCC Real Estate Limited.	01.04.2014-31.03.2015	INR	66.19	354.13	1,005.11	584.78	534.54	19.59	(18.36)	-	-	(18.36)	-
17	Western Securities Limited	01.04.2014-31.03.2015	INR	2.00	(0.26)	2.43	0.68	0.01	0.73	0.22	0.13	-	0.08	-
18	HRL (Thane) Real Estate Limited	01.04.2014-31.03.2015	INR	0.10	(12.74)	28.99	41.62	-	-	(12.51)	-	-	(12.51)	-
19	HRL Township Developers Limited	01.04.2014-31.03.2015	INR	0.10	(0.48)	0.00	0.39	-	-	(0.00)	-	-	(0.00)	-
20	Nashik Township Developers Limited	01.04.2014-31.03.2015	INR	0.10	(1.82)	0.00	1.73	-	0.00	(0.01)	-	-	(0.01)	-
21	Maan Township Developers Limited	01.04.2014-31.03.2015	INR	0.10	(0.23)	26.47	26.61	-	-	(0.01)	-	-	(0.01)	-
22	Charosa Wineries Limited	01.04.2014-31.03.2015	INR	7.00	(51.85)	81.20	126.06	-	4.90	(13.64)	-	-	(13.64)	-
23	Powai Real Estate Developers Limited	01.04.2014-31.03.2015	INR	0.05	(0.04)	0.01	0.00	-	-	(0.00)	-	-	(0.00)	-
24	HCC Realty Limited	01.04.2014-31.03.2015	INR	0.05	(0.02)	0.03	0.00	-	-	(0.00)	-	-	(0.00)	-
25	HCC Aviation Limited	01.04.2014-31.03.2015	INR	0.05	(12.45)	3.44	15.84	-	-	(0.01)	-	-	(0.01)	-
26	Pune Paud Toll Road Company Limited	01.04.2014-31.03.2015	INR	6.05	(45.21)	2.52	41.68	-	0.23	0.19	-	-	0.19	-
27	Lavasa Corporation Limited	01.04.2014-31.03.2015	INR	833.19	(61.75)	5,429.01	4,657.56	464.04	285.47	(48.49)	(11.58)	-	(36.91)	-
28	Whistling Thrush Facilities Services Limited	01.04.2014-31.03.2015	INR	0.05	1.06	10.47	9.35	-	15.53	0.45	0.15	-	0.30	-
29	Starlit Resort Limited	01.04.2014-31.03.2015	INR	0.05	0.38	15.49	15.06	-	4.08	0.39	0.13	-	0.27	-
30	Verzon Hospitality Limited	01.04.2014-31.03.2015	INR	0.05	0.78	2.08	1.25	-	0.98	0.55	0.17	-	0.38	-
31	Hill View Parking Services Limited	01.04.2014-31.03.2015	INR	0.05	(0.02)	0.04	0.01	-	-	(0.00)	-	-	(0.00)	-
32	Warasgaon Valley Hotels Limited	01.04.2014-31.03.2015	INR	0.05	(0.02)	0.03	0.01	-	-	(0.00)	-	-	(0.00)	-
33	Osprey Hospitality Limited	01.04.2014-31.03.2015	INR	0.05	(0.02)	0.03	0.00	-	-	(0.00)	-	-	(0.00)	-
34	Rosebay Hotels Limited	01.04.2014-31.03.2015	INR	0.05	(0.03)	0.03	0.00	-	-	(0.01)	-	-	(0.01)	-
35	Valley View Entertainment Limited	01.04.2014-31.03.2015	INR	0.05	(0.04)	0.02	0.01	-	-	(0.01)	-	-	(0.01)	-
36	Our Home Service Apartments Limited	01.04.2014-31.03.2015	INR	0.05	(0.04)	0.01	0.00	-	-	(0.01)	-	-	(0.01)	-
37	Mugaon Luxury Hotels Limited	01.04.2014-31.03.2015	INR	0.05	(0.04)	17.49	17.48	-	-	(0.02)	-	-	(0.02)	-

As on 31st March 2015 1CHF=1.0285, 1US\$ =62.87 & 1AED=16.97

(₹ in crore)

Sr. No	2. Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before Tax	Provision for Tax	Deferred Tax	Profit after Tax	Proposed Dividend
38	Sirrah Palace Hotels Limited	01.04.2014-31.03.2015	INR	0.05	(0.04)	0.02	0.01	-	-	(0.01)	-	-	(0.01)	-
39	Kart Racers Limited	01.04.2014-31.03.2015	INR	0.05	(0.20)	0.01	0.16	-	-	0.22	-	-	0.22	-
40	Nature Lovers Retail Limited	01.04.2014-31.03.2015	INR	0.07	0.91	1.14	0.16	-	-	(0.08)	-	-	(0.08)	-
41	Rhapsody Commercial Space Limited	01.04.2014-31.03.2015	INR	0.05	(0.84)	10.76	11.55	-	-	(0.81)	-	-	(0.81)	-
42	Future City Multiservices SEZ Limited	01.04.2014-31.03.2015	INR	0.07	0.84	1.06	0.16	-	-	(0.07)	-	-	(0.07)	-
43	Dasve Business Hotel Limited	01.04.2014-31.03.2015	INR	0.28	20.05	31.87	11.53	-	0.02	(1.44)	-	-	(1.44)	-
44	Warasgaon Infrastructure Providers Limited	01.04.2014-31.03.2015	INR	0.05	(3.68)	2.08	5.70	-	1.61	(3.64)	-	-	(3.64)	-
45	My City Technology Limited	01.04.2014-31.03.2015	INR	0.29	19.53	23.88	4.07	0.62	1.77	(1.49)	-	-	(1.49)	-
46	Hill City Service Apartments Limited	01.04.2014-31.03.2015	INR	0.15	5.39	6.77	1.23	-	-	(0.43)	-	-	(0.43)	-
47	Warasgaon Power Supply Limited	01.04.2014-31.03.2015	INR	0.10	(3.02)	345.13	348.06	-	-	(4.45)	-	-	(4.45)	-
48	Lavasa Bamboocrafts Limited	01.04.2014-31.03.2015	INR	0.13	(0.45)	0.92	1.25	-	0.44	(0.99)	(0.03)	-	(0.96)	-
49	Reasonable Housing Limited	01.04.2014-31.03.2015	INR	0.25	10.52	32.96	22.19	-	1.65	(1.17)	(0.86)	-	(0.31)	-
50	Lakeshore Watersports Company Limited	01.04.2014-31.03.2015	INR	0.16	1.84	3.17	1.16	-	1.78	(0.65)	(0.12)	-	(0.54)	-
51	Spotless Laundry Services Limited	01.04.2014-31.03.2015	INR	0.13	(4.60)	17.09	21.56	-	0.24	(5.13)	-	-	(5.13)	-
52	Full Spectrum Adventure Limited	01.04.2014-31.03.2015	INR	0.06	(12.73)	5.14	17.82	-	2.42	(3.99)	(0.10)	-	(3.89)	-
53	Lavasa Hotel Limited	01.04.2014-31.03.2015	INR	0.05	(13.23)	10.39	23.57	-	11.65	(1.32)	-	-	(1.32)	-
54	Dasve Retail Limited	01.04.2014-31.03.2015	INR	0.84	59.83	68.99	8.32	-	0.67	(3.09)	(0.56)	-	(2.53)	-
55	Apollo Lavasa Health Corporation Limited	01.04.2014-31.03.2015	INR	1.28	62.39	80.86	17.19	-	0.53	(4.35)	(0.92)	-	(3.43)	-
56	Warasgaon Assets Maintenance Limited	01.04.2014-31.03.2015	INR	0.15	(17.87)	828.81	846.54	-	-	(21.95)	-	-	(21.95)	-
57	Green Hills Residences Limited	01.04.2014-31.03.2015	INR	0.09	(26.27)	1.03	27.20	-	-	(0.07)	-	-	(0.07)	-
58	Lakeview Clubs Limited	01.04.2014-31.03.2015	INR	0.24	(25.70)	61.75	87.21	-	1.90	(7.27)	(3.37)	-	(3.89)	-
59	Dasve Hospitality Institutes Limited	01.04.2014-31.03.2015	INR	0.33	(14.73)	41.04	55.44	-	3.40	(14.60)	(0.20)	-	(14.40)	-
60	Sahyadri City Management Limited	01.04.2014-31.03.2015	INR	0.44	(14.52)	13.80	27.89	-	2.72	(9.51)	-	-	(9.51)	-
61	Dasve Convention Center Limited	01.04.2014-31.03.2015	INR	0.57	(21.10)	108.93	129.46	-	6.82	(15.31)	(4.98)	-	(10.33)	-
62	Warasgaon Tourism Limited	01.04.2014-31.03.2015	INR	0.15	(71.75)	3.12	74.72	-	0.95	(37.45)	(0.03)	-	(37.42)	-
	Foreign Subsidiary Companies													
63	Highbar Technologies FZ LLC	01.04.2014-31.03.2015	AED	0.06	(1.00)	3.94	4.88	-	9.07	0.59	-	-	0.59	-
64	Steiner AG, Zurich	01.04.2014-31.03.2015	CHF	257.24	16.91	2,856.56	2,582.41	-	5,368.06	37.38	-	-	25.85	-
65	SNC Valleiry Route De Bloux	01.04.2014-31.03.2015	EUR	0.01	-	0.01	(0.00)	-	-	(0.01)	-	-	(0.01)	-
66	Steiner (Deutschland) GmbH Paderborn #	01.01.2014-31.12.2014	EUR	78.05	(10.53)	90.27	22.75	-	0.88	(0.26)	-	-	(0.26)	-
67	VM & ST AG, Zurich	01.04.2014-31.03.2015	CHF	6.43	0.18	6.64	0.03	-	-	(0.07)	-	-	(0.01)	-
68	SAS Steiner Leman	01.04.2014-31.03.2015	EUR	5.07	(2.40)	88.03	85.36	-	7.09	(0.03)	-	-	(0.03)	-
69	HCC Mauritius Investment Limited	01.04.2014-31.03.2015	USD	6.24	(10.80)	134.52	139.08	27.77	2.54	(7.75)	-	-	(7.75)	-
70	HCC Mauritius Enterprises Limited	01.04.2014-31.03.2015	USD	31.24	(36.69)	204.35	209.80	201.19	0.31	(7.43)	-	-	(7.43)	-
71	Eurohotel SA	01.04.2014-31.03.2015	CHF	0.64	(7.23)	0.07	6.66	-	-	(0.21)	-	-	(0.21)	-
72	Steiner Promotions et Participations SA	01.04.2014-31.03.2015	CHF	19.29	4.92	119.61	95.40	-	-	(4.05)	-	-	(4.05)	-

As on 31st March 2015 1CHF=1.0285, 1US\$ =62.87 & 1AED=16.97As on 31st December 2014 1EUR=76.32INR# Company having 31st December as reporting date.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Warasgaon Lake View Hotels Limited	Andromeda Hotels Limited	Ecomotel Hotel Limited	Knowledge Vistas Limited	Bona Sera Hotels Limited	Projektentwicklungsges. Parking Kunstmuseum AG	Evostate AG	MCR Managing Corp. Real Estate	HCC-L & T Purulia Joint Venture	HCC Samsung Joint Venture	Alpine Samsung HCC JV	Alpine HCC JV	Nathpa Jhakri Joint Venture	Kumagai-Skanska-HCC Itochu Group	Dhule Palesner Tollway Limited	ARGE Primetower, Zurich
1. Latest audited Balance Sheet Date	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-14	31-Mar-14	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15	31-Mar-15
2. Shares of Associate/Joint Ventures held by the company at the year end.																
- No.	140,957	61,070	2,644,673	218,253	42,900	400	30	-								
- Amount of Investment in Associates/Joint Venture	12.13	4.13	5.78	16.88	1.72											
- Extend of Holding %	2700%	40.00%	2726%	49.00%	26.00%	30.77%	30.00%	-	57.00%	50.00%	33.00%	49.00%	40.00%	19.60%	38.92%	45%
3. Description of how there is significant influence	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	-	-	-	Significant Influence and control	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital
4. Reason why the associate/joint venture is not consolidated.	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
5. Networth attributable to Shareholders as per latest audited Balance Sheet	12.64	3.09	-	9.72	-	1.25	45.57	-	5.17	10.37	-21.86	-765	5.32	-2.81	69.93	0.02
6. Profit / Loss for the year																
i. Considered in Consolidation	(0.02)	(0.10)	(0.34)	(0.41)	-	(0.01)	20.16	-	0.29	7.23	0.31	0.52	-0.57	-0.05	19.89	0.00
i. Not Considered in Consolidation	-	-	-	-	-	-	-	-								

Disclosure as per Schedule III by way of additional information as per general instruction 2

The share of subsidiaries, joint venture and associates in the consolidated net assets and consolidated profit and loss account is as follows :

	Name of Entity	Net assets (Total assets - Total Liabilities)		Share in profit or loss (after tax)	
		As % of consolidated Net Asset	Amount (₹ in crore)	As % of consolidated Profit or Loss	Amount (₹ in crore)
	Consolidated		523.92		(227.47)
	Parent Company				
	HCC Construction Company Limited	264.82%	1,387.45	-35.89%	81.64
	Subsidiary Companies				
	Indian				
1	HCC Construction Limited	0.00%	(0.01)	0.00%	(0.00)
2	Highbar Technologies Limited	2.66%	13.93	-1.06%	2.40
3	Panchkutir Developers Limited	8.12%	42.55	0.01%	(0.01)
4	Narmada Bridge Tollway Limited	-6.17%	(32.31)	1.09%	(2.49)
5	HCC Operations & Maintenance Limited	-0.03%	(0.17)	-0.11%	0.25
6	Nirmal BOT Limited	1.54%	8.07	2.04%	(4.64)
7	Badarpur Faridabad Tollway Limited	-17.47%	(91.52)	-6.86%	15.60
8	Raiganj-Dalkhola Highways Limited	19.57%	102.52	0.00%	-
9	HCC Concessions Limited	192.51%	1,008.59	1.69%	(3.85)
10	Baharampore-Farakka Highways Limited	107.09%	561.09	1.23%	(2.80)
11	Farakka-Raiganj Highways Limited	111.39%	583.59	0.00%	-
12	HCC Power Limited	0.01%	0.03	0.00%	(0.01)
13	HCC Infrastructure Company Limited	-86.38%	(452.57)	54.93%	(124.96)
14	Dhule Palesner Operations & Maintenance Limited	0.10%	0.54	-0.01%	0.02
15	Steiner India Limited	-2.05%	(10.74)	5.13%	(11.67)
16	HCC Real Estate Limited.	80.23%	420.33	8.07%	(18.36)
17	Western Securities Limited	0.33%	1.74	-0.04%	0.08
18	HRL (Thane) Real Estate Limited	-2.41%	(12.64)	5.50%	(12.51)
19	HRL Township Developers Limited	-0.07%	(0.38)	0.00%	(0.00)
20	Nashik Township Developers Limited	-0.33%	(1.72)	0.00%	(0.01)
21	Maan Township Developers Limited	-0.03%	(0.13)	0.00%	(0.01)
22	Charosa Wineries Limited	-8.56%	(44.85)	6.00%	(13.64)
23	Powai Real Estate Developers Limited	0.00%	0.01	0.00%	(0.00)
24	HCC Realty Limited	0.01%	0.03	0.00%	(0.00)
25	HCC Aviation Limited	-2.37%	(12.40)	0.00%	(0.01)
26	Pune Paud Toll Road Company Limited	-7.47%	(39.16)	-0.08%	0.19
27	Lavasa Corporation Limited	147.25%	797.67	16.23%	(36.91)
28	Whistling Thrush Facilities Services Limited	0.21%	1.12	-0.13%	0.30
29	Starlit Resort Limited	0.08%	0.43	-0.12%	0.27
30	Verzon Hospitality Limited	0.16%	0.83	-0.17%	0.38
31	Hill View Parking Services Limited	0.01%	0.03	0.00%	(0.00)
32	Warasgaon Valley Hotels Limited	0.01%	0.03	0.00%	(0.00)
33	Osprey Hospitality Limited	0.01%	0.03	0.00%	(0.00)
34	Rosebay Hotels Limited	0.00%	0.02	0.00%	(0.01)
35	Valley View Entertainment Limited	0.00%	0.01	0.00%	(0.01)
36	Our Home Service Apartments Limited	0.00%	0.01	0.00%	(0.01)
37	Mugaon Luxury Hotels Limited	0.00%	0.01	0.01%	(0.02)
38	Sirrah Palace Hotels Limited	0.00%	0.01	0.00%	(0.01)
39	Kart Racers Limited	-0.03%	(0.15)	-0.09%	0.22
40	Nature Lovers Retail Limited	0.19%	0.97	0.03%	(0.08)

	Name of Entity	Net assets (Total assets - Total Liabilities)		Share in profit or loss (after tax)	
		As % of consolidated Net Asset	Amount (₹ in crore)	As % of consolidated Profit or Loss	Amount (₹ in crore)
41	Rhapsody Commercial Space Limited	-0.15%	(0.79)	0.36%	(0.81)
42	Future City Multiservices SEZ Limited	0.17%	0.90	0.03%	(0.07)
43	Dasve Business Hotel Limited	3.88%	20.34	0.63%	(1.44)
44	Warasgaon Infrastructure Providers Limited	-0.69%	(3.63)	1.60%	(3.64)
45	My City Technology Limited	3.78%	19.82	0.65%	(1.49)
46	Hill City Service Apartments Limited	1.06%	5.54	0.19%	(0.43)
47	Warasgaon Power Supply Limited	-0.56%	(2.92)	1.96%	(4.45)
48	Lavasa Bamboocrafts Limited	-0.06%	(0.32)	0.42%	(0.96)
49	Reasonable Housing Limited	2.05%	10.77	0.14%	(0.31)
50	Lakeshore Watersports Company Limited	0.38%	2.00	0.24%	(0.54)
51	Spotless Laundry Services Limited	-0.85%	(4.47)	2.26%	(5.13)
52	Full Spectrum Adventure Limited	-2.42%	(12.68)	1.71%	(3.89)
53	Lavasa Hotel Limited	-2.52%	(13.18)	0.58%	(1.32)
54	Dasve Retail Limited	11.58%	60.67	1.11%	(2.53)
55	Apollo Lavasa Health Corporation Limited	12.15%	63.67	1.51%	(3.43)
56	Warasgaon Assets Maintenance Limited	-3.38%	(17.72)	9.65%	(21.95)
57	Green Hills Residences Limited	-5.00%	(26.18)	0.03%	(0.07)
58	Lakeview Clubs Limited	-4.86%	(25.46)	1.71%	(3.89)
59	Dasve Hospitality Institutes Limited	-2.75%	(14.40)	6.33%	(14.40)
60	Sahyadri City Management Limited	-2.69%	(14.09)	4.18%	(9.51)
61	Dasve Convention Center Limited	-3.92%	(20.53)	4.54%	(10.33)
62	Warasgaon Tourism Limited	-13.67%	(71.61)	16.45%	(37.42)
	Foreign				
63	Steiner AG, Zurich	52.33%	274.15	-11.36%	25.85
64	SNC Valleiry Route De Bloux	0.00%	(0.01)	0.01%	(0.01)
65	Steiner (Deutschland)GmbH Paderborn	12.89%	67.52	0.11%	(0.26)
66	VM & ST AG, Zurich	1.26%	6.61	0.00%	0.01
67	SAS Steiner Leman	0.51%	2.68	0.01%	(0.03)
68	HCC Mauritius Investment Limited	-0.87%	(4.57)	3.41%	(7.75)
69	HCC Mauritius Enterprises Limited	-1.04%	(5.45)	3.27%	(7.43)
70	Eurohotel SA, Geneva	-1.26%	(6.59)	0.09%	(0.21)
71	Highbar Technologies FZ LLC	-0.18%	(0.94)	-0.26%	0.59
72	Steiner Promotions et Participations SA	4.62%	24.21	1.78%	(4.05)
	Minority Interest in all subsidiaries	41.96%	219.82	21.17%	(48.15)
	Joint Ventures				
	Indian				
	Joint Ventures				
1	HCC- L & T Purulia Joint Venture	0.99%	5.17	-0.13%	0.29
2	HCC Samsung Joint Venture	1.98%	10.37	-3.18%	7.23
3	Alpine Samsung HCC Joint Venture	-6.20%	(32.46)	-0.20%	0.46
4	Alpine HCC Joint Venture	-0.98%	(5.15)	-0.15%	0.35
5	Nathpa Jhakri Joint Venture	1.02%	5.32	0.25%	(0.57)
6	Kumagai -Skanska-HCC Itochu Group	-0.54%	(2.81)	0.02%	(0.05)
7	Dhule Palesner Tollway Limited	-13.35%	(69.93)	-8.74%	19.89
8	HCC Pati Joint Venture	0.00%	-	-0.76%	1.73

	Name of Entity	Net assets (Total assets - Total Liabilities)		Share in profit or loss (after tax)	
		As % of consolidated Net Asset	Amount (₹ in crore)	As % of consolidated Profit or Loss	Amount (₹ in crore)
	Foreign				
9	ARGE Prime Tower Joint Venutre	0.00%	0.01	0.00%	-
	Associate Companies				
	Indian				
1	Vikhroli Corporate Park Private Limited (Ref note1)	0.00%	-	0.00%	-
2	Warasgoan Lake View Hotels Limited	2.42%	12.69	0.01%	(0.02)
3	Andromeda Hotels Limited	0.57%	2.96	0.04%	(0.10)
4	Ecomotel Hotel Limited	0.00%	-	0.15%	(0.34)
5	Knowledge Vistas Limited	1.77%	9.25	-0.08%	0.18
6	Bona Sera Hotels Limited	0.00%	-	0.00%	-
	Associate Companies				
	Foreign				
1	Evostate AG, Zurich	8.70%	45.57	-8.86%	20.16
2	MCR Managing Corp. Real Estate AG	-	-	-	-
3	Projektentwicklungsges. Parking AG	0.24%	1.25	0.01%	(0.01)

Note :-

1. Financial information for the period 1 April 2014 to 31 March 2015 not available

Important Financial Statistics

Year	Paid Up Capital			Fixed Assets					Dividend paid on Preference and Equity shares ₹ Lacs	Equity Dividend %
	Equity ₹ Lacs	Preference ₹ Lacs	Reserves ₹ Lacs	Debentures ₹ Lacs	Gross Block ₹ Lacs	Net Block ₹ Lacs	Turnover ₹ Lacs	Net Profit ₹ Lacs		
1926-27	4.00	—	0.30	—	0.58	0.58	N.A.	0.98	0.80	20.00
1927-28	4.00	—	0.30	—	0.53	0.53	N.A.	0.98	0.80	20.00
1928-29	4.00	—	0.25	—	0.53	0.53	N.A.	1.38	1.40	35.00
1929-30	4.00	—	0.25	—	0.50	0.50	N.A.	0.81	0.70	17.50
1930-31	4.00	—	0.25	—	0.84	0.84	N.A.	0.12	-	-
1931-32	4.00	—	0.25	—	0.94	0.64	N.A.	0.44	0.40	10.00
1932-33	8.00	—	0.25	—	1.78	1.28	N.A.	2.19	2.00	25.00
1933-34	8.00	—	0.19	—	3.16	2.66	N.A.	2.67	2.80	35.00
1934-35	12.00	—	0.24	—	3.42	2.82	N.A.	2.19	2.00	16.33
1935-36	12.00	—	0.48	—	4.71	3.96	9.40	1.86	1.75	14.50
1936-37	12.00	—	0.56	—	7.30	6.40	62.96	1.81	—	—
1937-38	12.00	—	0.70	—	8.08	7.18	69.04	-1.90	—	—
1938-39	12.00	—	0.70	—	6.85	5.95	45.50	0.31	—	—
1939-40	12.00	—	0.70	—	6.02	5.12	90.39	3.58	2.40	20.00
1940-41	12.00	—	1.70	—	5.36	4.46	184.58	4.28	4.20	35.00
1941-42	12.00	25.00	1.70	—	4.70	3.80	510.53	7.45	6.18	45.00
1942-43	12.00	25.00	1.70	—	4.66	3.01	574.57	10.59	8.76	60.00
1943-44	12.00	25.00	1.70	—	4.89	1.74	466.69	10.33	8.56	60.00
1944-45	12.00	25.00	2.70	—	3.87	—	—	10.14	1.56	—
1945-46	12.00	25.00	9.70	—	3.99	0.04	175.47	12.89	4.56	25.00
1946-47	12.00	25.00	17.70	—	10.46	6.31	165.70	10.92	4.56	25.00
1947-48	36.00	25.00	1.70	—	12.40	8.25	249.76	8.26	4.56	8.33
1948-49	36.00	25.00	5.70	—	14.46	10.31	263.14	11.20	4.56	8.33
1949-50	36.00	25.00	12.70	—	18.52	14.37	202.49	9.75	5.16	10.00
1950-51	36.00	25.00	15.70	—	21.38	16.23	239.24	9.10	5.16	10.00
1951-52	36.00	25.00	18.70	—	21.89	15.94	299.04	6.22	5.16	10.00
1952-53	36.00	25.00	19.00	—	24.30	17.35	231.57	8.16	5.16	10.00
1953-54	36.00	25.00	21.50	—	24.09	16.64	—	10.65	5.16	10.00
1954-55	36.00	25.00	24.00	—	24.06	14.11	345.62	15.34	5.16	10.00
1955-56	36.00	25.00	25.35	—	27.93	16.01	415.54	17.73	6.06	12.50
1956-57	36.00	25.00	23.34	—	29.42	17.01	769.15	12.46	6.06	12.50
1957-58	36.00	25.00	51.11	—	37.16	25.06	928.37	15.22	6.06	12.50
1958-59	36.00	25.00	66.70	—	38.48	24.10	1080.85	24.37	8.76	20.00
1959-60	36.00	25.00	97.62	—	563.22	210.51	913.84	31.88	8.76	20.00
1960-61	36.00	25.00	129.34	—	575.97	202.46	1037.66	31.08	8.76	20.00
1961-62	72.00	25.00	144.75	—	635.20	225.06	1280.33	59.68	11.45	20.00
1962-63	72.00	25.00	218.32	—	673.22	259.40	1476.12	30.86	15.96	20.00
1963-64	72.00	25.00	280.29	—	744.67	281.65	1837.79	84.51	37.56	50.00
1964-65	72.00	25.00	389.13	—	889.87	364.65	2169.89	120.79	44.76	60.00
1965-66	180.00	25.00	389.81	—	977.45	401.22	2021.32	114.64	46.43	25.00
1966-67	252.00	25.00	391.81	—	1154.51	503.28	1994.93	72.76	46.92	18.00
1967-68	252.00	25.00	427.26	—	1250.05	524.60	1689.72	55.35	31.80	12.00
1968-69	252.00	25.00	472.14	—	1420.94	614.79	2249.82	36.61	31.80	12.00
1969-70	252.00	25.00	492.31	—	1473.64	577.23	2574.57	28.86	31.80	12.00
1970-71	252.00	25.00	468.44	—	1541.99	527.99	2256.93	-37.01	1.56	—
1971-72	252.00	25.00	355.07	—	1580.80	471.42	2294.29	-140.47	1.56	—
1972-73	252.00	25.00	260.62	120.00	1677.91	491.34	2478.09	-136.27	1.56	—
1973-74	252.00	25.00	216.33	120.00	1776.09	481.58	2962.99	-55.7	—	—
1974-75	252.00	25.00	301.11	120.00	1825.94	462.49	3006.50	61.65	—	—
1975-76	252.00	25.00	320.23	120.00	1890.47	471.69	2529.62	15.98	19.81	6.00
1976-77	252.00	25.00	435.82	120.00	1994.99	508.35	3485.71	-46.25	51.96	20.00
1977-78	252.00	25.00	384.81	96.00	2111.14	594.75	2903.63	145.71	16.68	6.00
1978-79	252.00	25.00	387.43	80.42	2170.42	595.93	3146.53	21.38	24.24	9.00
1979-80	252.00	25.00	409.90	64.85	2255.96	582.63	4181.76	45.31	24.24	9.00
1980-81	252.00	25.00	608.98	49.28	3122.81	1152.64	6916.96	233.58	39.36	15.00
1981-82	252.00	25.00	755.81	45.71	3991.44	1598.37	10989.86	184.07	39.36	15.00
1982-83	252.00	25.00	1861.51	42.14	4744.49	2745.66	11021.23	422.90	39.36	15.00
1983-84	628.54	25.00	2046.45	38.57	5022.30	2748.32	10989.89	513.13	81.46	15.00
1984-85	629.96	25.00	2253.89	1035.00	5627.17	3052.75	9178.04	231.06	96.06	15.00
1985-86	629.98	25.00	2057.21	1035.00	6329.50	3311.65	8426.38	-195.12	1.56	—
1986-87	630.00	25.00	1710.57	1035.00	6578.91	3102.10	9885.49	-346.64	—	—
1987-88	630.00	25.00	1672.72	990.83	6445.07	2653.76	12334.37	21.98	59.83	9.00
1988-89 (14 months)	630.00	25.00	1772.71	1032.15	6282.70	2308.82	12223.19	202.61	102.62	16.00
1989-91 (18 months)	630.00	—	1820.25	1421.60	6685.51	2477.79	12794.33	161.05	113.46	18.00
1991-92 (15 months)	775.13	—	1824.84	1031.78	6318.24	2015.47	11232.57	64.95	60.36	8.00
1992-93	775.90	—	2006.60	800.65	7033.20	2488.91	11072.27	275.01	93.25	12.00
1993-94	775.98	—	2624.81	547.16	7949.79	3101.73	14292.85	812.48	194.27	25.00
1994-95	776.79	—	3955.22	451.73	8442.89	2899.08	22037.40	1562.96	232.96	30.00
1995-96	2002.55	—	5499.23	7120.58	9890.04	4770.48	24695.24	1050.63	304.84	17.50
1996-97	2003.04	—	5559.82	7206.41	16083.41	10493.38	31170.13	324.51	200.03	10.00
1997-98	2003.04	—	5771.45	7133.23	17112.45	10743.31	37563.57	431.97	200.03	10.00
1998-99	2003.04	—	6348.45	7059.89	27251.87	18942.28	62540.25	924.66	300.46	15.00
99-2000	2003.04	—	8043.55	6962.16	29566.64	19839.21	53077.22	2139.83	400.66	20.00
2000-01	2003.05	—	10145.17	6142.13	34454.43	23602.22	56585.93	2653.54	500.83	25.00
2001-02 (9 months)	2003.06	—	9986.63	5819.92	41916.96	28851.20	46394.16	4274.91	600.72	30.00
2002-03	2003.06	—	11948.68	7000.00	48911.08	35820.96	78923.25	2865.64	800.96	40.00
2003-04	2003.06	—	14387.18	7000.00	54821.32	36943.13	117135.67	3567.98	1001.20	50.00
2004-05	2293.61	—	33004.80	9800.00	62076.02	43804.21	157654.05	7401.96	1375.77	60.00
2005-06	2563.16	—	86418.93	8933.33	77280.60	59949.11	202814.87	12479.81	1793.75	70.00
2006-07	2563.16	—	87845.40	17966.67	110118.56	74616.08	239450.36	3675.96	1921.87	75.00
2007-08	2563.16	—	96323.45	16900.00	140970.45	95307.98	310434.07	10875.74	2050.00	80.00
2008-09	2563.16	—	96403.00	20500.00	168283.00	112819.00	351832.00	12535.00	2050.00	80.00
2009-10	3033.16	—	148683.00	18333.00	181418.00	114969.00	386297.00	8144.00	2426.00	80.00
2010-11	6066.00	—	146153.00	16667.00	198749.00	118428.00	414905.00	7100.00	2426.00	40.00
2011-12	6066.00	—	123944.00	22000.00	205622.00	112447.00	401060.00	-22225.00	—	—
2012-13	6066.00	—	110211.00	22000.00	206289.00	101039.00	383865.00	-13764.00	—	—
2013-14	6066.00	—	118673.00	22000.00	202580.00	91540.00	411349.00	8064.00	—	—
2014-15	6459.00	—	132286.00	21010.00	200646.00	78474.00	430114.00	8165.00	—	—

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This annual report has been printed on eco-friendly paper.

Cover images (clockwise from top)

- HCC team at 250 km NH-34 highway project in West Bengal (Baharampore to Dalkhola)
- Toll Plaza at Baharampore Farakka Highway (West Bengal), built by HCC Concessions
- Aerial view of Dasve town at Lavasa City
- Maison de la paix, building dedicated to the world's most precious commodity: peace, in Geneva, Switzerland, built by Steiner AG

ATTENDANCE SLIP



HINDUSTAN CONSTRUCTION CO. LTD

(CIN: L45200MH1926PLC001228)
Regd Office: Hincon House, 11th Floor, 247Park,
LBS Marg, Vikhroli West, Mumbai – 400 083.
Website: www.hccindia.com
Tel.: +91 22 2575 1000 Fax: +91 22 2577 7568

89th ANNUAL GENERAL MEETING

I / We hereby record my/our presence at the 89th Annual General Meeting of the Company at **Walchand Hirachand Hall, Indian Merchants’ Chamber, Indian Merchants’ Chamber Marg, Churchgate, Mumbai 400 020** on **Tuesday, July 14, 2015** at **11.00 a.m.**

Member’s Folio / DP ID-Client ID No.	Member’s / Proxy’s name in Block Letters	Member’s/Proxy’s signature
Note: - Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL - Electronic copy of the Annual Report for FY 2014-15 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip. - Physical copy of the Annual Report for FY 2014-15 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.		

REMOTE E-VOTING PARTICULARS



REMOTE ELECTRONIC VOTING PARTICULARS

EVEN (Remote E-Voting Event Number)	USER ID	Password / PIN

The Remote e-voting facility will be available during the following voting period:

Commencement of Remote e-voting	From Friday, July 10, 2015 (9:00 am)
End of Remote e-voting	Upto Monday, July 13, 2015 (5:00 pm)

Note: During the Remote e-voting period, members of the Company holding shares as on the cut-of date of July 8, 2015 may cast their vote electronically. Any person, who acquires shares of the Company and become a member of the Company after despatching of the Notice and holding shares as of the cut-off date i.e. July 8, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact NSDL at following toll free no.: 1800-222-990 or contact the Company or TSR Darashaw Ltd, Registrar & Share Transfer Agent.

Please read the instructions given at Note No. 16 of the Notice of the 89th Annual General Meeting carefully before voting electronically.

PROXY FORM



HINDUSTAN CONSTRUCTION CO. LTD

(CIN: L45200MH1926PLC001228)
Regd Office: Hincon House, 11th Floor, 247Park,
LBS Marg, Vikhroli West, Mumbai – 400 083.
Website: www.hccindia.com
Tel.: +91 22 2575 1000 Fax: +91 22 2577 7568

I/We being the member(s) of _____ shares of the above named company hereby appoint:

- 1) Name:.....Address.....
Email ID.....Signature.....or failing him;
- 2) Name:.....Address.....
Email ID.....Signature.....or failing him;
- 3) Name:.....Address.....
Email ID.....Signature.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 89th Annual General Meeting of the Company to be held on Tuesday, July 14, 2015 at 11.00 a.m. at **Walchand Hirachand Hall, Indian Merchants’ Chamber, Indian Merchants’ Chamber Marg, Churchgate, Mumbai 400 020** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional *	
		For	Against
Ordinary Business			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended March 31, 2015		
2	Ordinary Resolution that the vacancy caused by retirement by rotation of Mr. D.M.Popat, who has not sought re-election, be not filled at this AGM or any adjournment thereof		
3	Ordinary Resolution under Section 139 of the Companies Act, 2013 for ratification of appointment of M/s Walker ChandioK & Co. LLP as Statutory Auditors of the Company and fixing their remuneration		
Special Business			
4	Ordinary Resolution for appointment of Mr. Rajas R. Doshi as an Independent Director of the Company under the provisions of Section 149 of the Companies Act, 2013		
5	Ordinary Resolution for appointment of Mr. Anil C. Singhvi as an Independent Director of the Company under the provisions of Section 149 of the Companies Act, 2013		
6	Ordinary Resolution for appointment of Dr. Omkar Goswami as an Independent Director of the Company under the provisions of Section 149 of the Companies Act, 2013		
7	Special Resolution under Section 196, 197 of the Companies Act, 2013 for appointment of Ms. Shalaka Gulabchand Dhawan as Whole-time Director of the Company for the period of 5 years effective April 30, 2015 and for payment of remuneration to her for the period of 3 years effective April 30, 2015		
8	Special Resolution under Section 14 of the Companies Act, 2013 for adoption of Articles of Association in substitution of the existing Articles of Association of the Company		
9	Special Resolution under Section 148 of the Companies Act, 2013 for payment of remuneration to M/s Joshi Apte & Associates, Cost Auditors for the financial year 2014-15		
10	Special Resolution under Clause 49 (V) of the Listing Agreement for sale of investments by HCC Concessions Limited, Subsidiary Company		
11	Special Resolution for issue of securities of the Company under Section 62 of the Companies Act, 2013 for an amount not exceeding ₹ 1,000 crore		

Signed this _____ day of _____ 2015.

Signature of the shareholder_____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp not
less than
₹ 0.15

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 89th Annual General Meeting
- * It is optional to put ‘X’ in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate
- Please complete all details including details of member(s) in the above box before submission