

HINDUSTAN CONSTRUCTION COMPANY LIMITED
Unaudited Interim Consolidated Balance Sheet as at 31 December 2014

	Note No.	As at 31 December 2014 (₹ million)	As at 31 March 2014 (₹ million)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	645.8	606.6
Reserves and surplus	3	5,710.3	4,795.5
Money received against share warrants	4	-	160.0
		6,356.1	5,562.1
Minority Interest		1,803.9	1,980.9
Non-Current Liabilities			
Long-term borrowings	5	81,622.6	82,229.2
Deferred tax liabilities (net)	6	950.2	658.6
Long-term trade payables	7	-	272.6
Other long-term liabilities	8	453.3	816.3
Long-term provisions	9	1,933.0	1,838.0
		84,959.1	85,814.7
Current Liabilities			
Short-term borrowings	10	20,200.4	16,074.7
Trade payables	11	15,855.3	16,144.0
Current maturities of long-term borrowings	5	15,214.2	13,196.5
Advance from contractees		15,246.5	16,764.9
Other current liabilities	12	14,152.9	9,202.7
Short-term provisions	13	666.3	770.5
		81,335.6	72,153.3
Total		174,454.7	165,511.0
ASSETS			
Non-Current Assets			
Fixed assets	14		
Tangible assets		20,705.2	19,253.1
Intangible assets		23,662.5	12,538.5
Goodwill on consolidation		806.4	542.9
Intangible assets under development and capital work in progress		29,939.6	36,452.5
Non-current investments	15	1,985.8	1,429.3
Deferred tax assets (net)	16	191.4	205.5
Long-term loans and advances	17	3,064.9	3,119.4
Long-term trade receivables	18	10,397.3	10,594.3
Other non-current assets	19	1,615.2	1,463.3
		92,368.3	85,598.8
Current Assets			
Current investments	20	751.1	164.6
Inventories	21	57,053.5	51,753.1
Trade receivables	22	8,102.0	6,717.8
Cash and bank balances	23	7,190.2	12,764.9
Short-term loans and advances	24	8,326.5	7,602.9
Other current assets	25	663.1	908.9
		82,086.4	79,912.2
Total		174,454.7	165,511.0

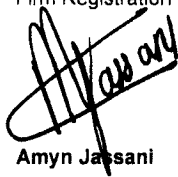


HINDUSTAN CONSTRUCTION COMPANY LIMITED
Unaudited Interim Consolidated Balance Sheet as at 31 December 2014

Notes 1 to 48 form an integral part of the unaudited interim consolidated financial statements

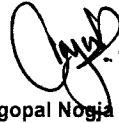
This is the unaudited interim consolidated balance sheet referred to in our review report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

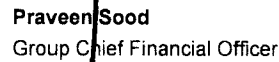


Aryn Jassani
Partner
Membership No. 46447

For and on behalf of the Board constituted QIP committee
Hindustan Construction Company Limited



Rajgopal Nogia
Group Chief Operating Officer & Whole Time Director


Sharad M. Kulkarni
Director
Praveen Sood
Group Chief Financial Officer
Vithal P. Kulkarni
Company Secretary

Place: Mumbai
Date: - **6 APR 2015**



Place: Mumbai
Date: - **6 APR 2015**



HINDUSTAN CONSTRUCTION COMPANY LIMITED

Unaudited Interim Consolidated Statement of Profit and Loss for the nine month period ended 31 December 2014

	Note No.	Nine month period ended 31 December 2014 (₹ million)
Revenue from operations	26	79,225.1
Other income	27	418.2
Total Revenue		79,643.3
Expenses		
Cost of materials consumed	28	47.2
Purchase of traded goods		112.2
Construction expense	29	57,954.5
Employee benefits expenses	30	7,588.4
Finance costs	31	9,464.8
Depreciation and amortisation expenses	14	2,446.8
Other expenses	32	3,764.1
Total Expenses		81,378.0
Loss before exceptional item and tax		(1,734.7)
Exceptional item	33	1,064.5
Loss before tax		(670.2)
Tax expenses		
Current tax		108.4
Deferred tax		307.9
Mat credit entitlement		(71.3)
Loss after tax		(1,015.2)
Share of loss attributed to Minority Interest		322.3
Share of loss in associates		(4.1)
Net loss for the period		(697.0)
Loss after exceptional items (Face Value of ₹ 1 each) (not annualised) - Basic and Diluted	34 a	(1.1)
Loss before exceptional items (Face Value of ₹ 1 each) (not annualised) - Basic and Diluted	34 b	(2.7)

Notes 1 to 48 form an integral part of the unaudited interim consolidated financial statements

This is the unaudited interim consolidated statement of profit and loss referred to in our review report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Amya Jassani
Partner
Membership No. 46447

For and on behalf of the Board constituted QIP committee
Hindustan Construction Company Limited

Rajdeep Nogja
Group Chief Operating Officer & Whole Time Director

Sharad M. Kulkarni
Director

Praveen Sood
Group Chief Financial Officer

Vithal P. Kulkarni
Company Secretary

Place: Mumbai
Date: **6 APR 2015**

Place: Mumbai
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HINDUSTAN CONSTRUCTION COMPANY LIMITED

Unaudited Interim Consolidated Cash Flow Statement for the nine month period ended 31 December 2014

Nine month
period ended 31
December 2014
(₹ million)

A. CASH FLOW FROM OPERATING ACTIVITIES

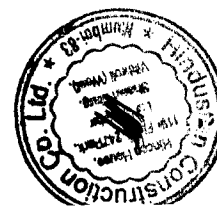
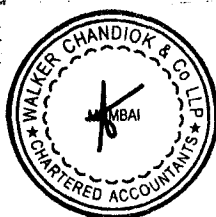
Loss before tax	(670.2)
Adjustments for:	
Depreciation and amortisation	2,446.8
Finance costs	9,464.8
Interest income	(266.7)
Dividend income	(17.8)
Exchange loss	-
Loss on sale of fixed assets (net)	31.3
Excess depreciation charged in earlier years written back (Exceptional Item)	(1,064.5)
Foreign currency monetary item translation difference account amortisation	19.6
Profit on sale of current investments	(15.2)
Provision for doubtful debts	15.4
Earlier years provision/liabilities no longer required written back	(3.2)
Operating profit before working capital changes	9,940.3
Adjustments for change in working capital:	
Increase in trade and other receivables/loans and advances	(1,723.7)
Increase in inventories	(5,300.4)
Increase in trade and other payables	2,868.9
Decrease in advances from contractees	(1,711.1)
Cash generated from operations	4,074.0
Direct taxes paid (net)	(24.7)
Net cash generated from operating activities	4,049.3

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of fixed assets	(7,924.7)
Proceeds from sale of fixed assets	35.6
Decrease in other bank balances	2,860.6
Purchase of Investments (net)	(1,132.0)
Acquisition of additional stake in Joint Venture	(57.9)
Interest received	271.9
Dividend received	17.8
Net cash used in investing activities	(5,928.7)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from long term and short term borrowings (net)	5,907.5
Proceeds from capital grant	1,162.0
Interest paid	(7,791.3)
Dividend paid	(1.5)
Net cash used in financing activities	(723.3)



HINDUSTAN CONSTRUCTION COMPANY LIMITED

Unaudited Interim Consolidated Cash Flow Statement for the nine month period ended 31 December 2014

**Nine month
period ended 31
December 2014
(₹ million)**

Net decrease in cash and cash equivalents (A+B+C)	(2,602.7)
Cash and cash equivalents at the beginning of the period	6,717.5
Unrealised foreign exchange loss	(0.4)
Cash and cash equivalents at the end of the period	4,114.4
Cash and cash equivalents at the end of the period (Refer note 23)	4,114.4

Note:

Figures given in the bracket indicate cash outflow.

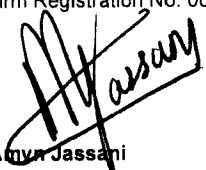
Notes 1 to 48 form an integral part of the unaudited interim consolidated financial statements

This is the unaudited interim consolidated cash flow statement referred to in our review report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

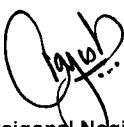

Anvra Jassani

Partner

Membership No. 46447

For and on behalf of the Board constituted QIP committee

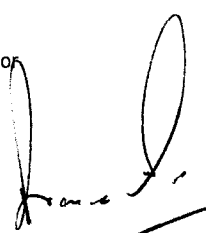
Hindustan Construction Company Limited


Rajgopal Nogja

Group Chief Operating Officer & Whole Time Director


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Vithal P. Kulkarni

Company Secretary

Place: Mumbai

Date: **6 APR 2015**

Place: Mumbai

Date: **6 APR 2015**



1 Significant Accounting Policies

1.1 Basis of preparation and Principles of consolidation

a Basis of preparation

The unaudited interim consolidated financial statements ("consolidated financial statements") have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 to the Companies Act, 2013. The unaudited interim consolidated financial statements for the nine month period ended 31 December 2014 have been prepared in accordance with Accounting Standard (AS) 25 on Interim Financial Reporting and 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 unaudited interim consolidated financial statements comprises the unaudited interim financial statements of Hindustan Construction Company Ltd (Company), its subsidiaries, associates and joint ventures (collectively referred as '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 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.

b Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the company, its subsidiary company 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 fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or unrealized cash losses in accordance with Accounting Standard ('AS') - 21 'Consolidated Financial Statements' notified by Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 to the Companies Act, 2013.
- 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 and intra-group transactions resulting in group unrealized profit or unrealized cash losses as per the AS 27 - 'Financial Reporting of Interests in Joint Ventures' notified by Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 to the Companies Act, 2013.
- Investment in Associate Companies has been accounted under the equity method as per AS 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements'.
- 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 period, profits from such contracts are considered as realized. Accordingly, BOT contracts awarded to group Companies (operator), where the work is subcontracted to 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.
- 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 period. All assets and liabilities are converted at rates prevailing at the end of the period. Any exchange difference arising on consolidation is recognised in the 'Foreign Currency Fluctuation Reserve'.
- 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.
- 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 investments as stated above.
- 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.
- 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 interim consolidated financial statements has not been disclosed in the interim 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 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. While measurements in both annual and interim periods is based on reasonable estimates, preparation of interim financial statements may require greater use of estimation methods than annual financial statements.

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%
Kumagai-Skanska-HCC-Itochu Group Joint Venture	Skanska, Kumagai, Itochu	19.60%
Alpine - Samsung - HCC Joint Venture	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	John Laing Investment Limited, John Laing Investments Mauritius (No 1) Limited, Sadbhav Engineering Limited, Sadbhav Infrastructure Project Limited	38.92%

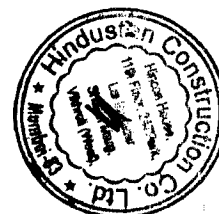
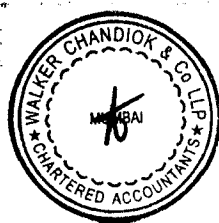


Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the unaudited interim consolidated financial statements as at and for the nine month period ended 31 December 2014

b. List of subsidiaries included in consolidation and the parent company's holding are as under:

Name of the Subsidiary	Country of Incorporation	% Holding	Subsidiaries of
HCC Real Estate Limited	India	100.00	Hindustan Construction Company Limited
Panchkutr Developers Limited	India	100.00	Hindustan Construction Company Limited
HCC Mauritius Enterprises Limited	Mauritius	100.00	Hindustan Construction Company Limited
HCC Construction Limited	India	100.00	Hindustan Construction Company Limited
Highbar Technologies Limited	India	100.00	Hindustan Construction Company Limited
HCC Infrastructure Company Limited	India	100.00	Hindustan Construction Company Limited
Western Securities Limited	India	97.87	Hindustan Construction Company Limited
HRL Township Developers Limited	India	100.00	HCC Real Estate Limited
HRL (Thane) Real Estate Limited	India	100.00	HCC Real Estate Limited
Nashik Township Developers Limited	India	100.00	HCC Real Estate Limited
Maan Township Developers Limited	India	100.00	HCC Real Estate Limited
Charosa Wineries Limited	India	100.00	HCC Real Estate Limited
Powai Real Estate Developer Limited	India	100.00	HCC Real Estate Limited
HCC Realty Limited	India	100.00	HCC Real Estate Limited
Pune Paud Toll Road Co. Limited	India	100.00	HCC Real Estate Limited
HCC Aviation Limited	India	100.00	HCC Real Estate Limited
Steiner AG	Switzerland	100.00	HCC Mauritius Enterprises Limited 66% HCC Mauritius Investments Limited 34%
Steiner Promotions et Participations SA	Switzerland	100.00	Steiner- AG
Steiner (Deutschland) GmbH	Germany	100.00	Steiner- AG
VM + ST AG	Germany	100.00	Steiner- AG
Steiner Leman SAS	France	100.00	Steiner- AG
SNC Valléry Route de Bloux	France	100.00	Steiner- AG
Eurohotel SA	Switzerland	95.00	Steiner- AG
Steiner India Limited	India	100.00	Steiner- AG
Highbar Technologies FZLLC	Dubai	100.00	Highbar Technologies Limited
Dhule Palesner Operations and Maintenance Limited	India	100.00	HCC Infrastructure Company Limited
HCC Power Limited	India	100.00	HCC Infrastructure Company Limited
HCC Concession Limited	India	85.45	HCC Infrastructure Company Limited
HCC Operation and Maintenance Limited	India	100.00	HCC Infrastructure Company Limited
Narmada Bridge Tollways Limited	India	100.00	HCC Concession Limited
Badarpur Faridabad Tollways Limited	India	100.00	HCC Concession Limited
Nirmal Bot Limited	India	100.00	HCC Concession Limited
Baharampore-Farakka Highways Limited	India	100.00	HCC Concession Limited 74% Hindustan Construction Company Limited 26%
Farakka-Raiganj Highways Limited	India	100.00	HCC Concession Limited 74% Hindustan Construction Company Limited 26%
Raiganj-Dalkhoia Highways Limited	India	100.00	HCC Concession Limited 90% Hindustan Construction Company Limited 10%
Lavasa Corporation Limited	India	68.70	HCC Real Estate Limited
Lavasa Hotel Limited	India	100.00	Lavasa Corporation Limited
Apollo Lavasa Health Corporation Limited	India	62.50	Lavasa Corporation Limited
Dasve Business Hotel Limited	India	100.00	Lavasa Corporation Limited
Dasve Convention Center Limited	India	100.00	Lavasa Corporation Limited
Lakeshore Watersports Co. Limited	India	100.00	Lavasa Corporation Limited
Dasve Hospitality Institutes Limited	India	100.00	Lavasa Corporation Limited
Lakeview Clubs Limited	India	100.00	Lavasa Corporation Limited
Dasve Retail Limited	India	100.00	Lavasa Corporation Limited
Full Spectrum Adventure Limited	India	91.00	Lavasa Corporation Limited
Spotless Laundry Services Limited	India	76.00	Lavasa Corporation Limited
Lavasa Bamboocrafts Limited	India	100.00	Lavasa Corporation Limited
Green Hills Residences Limited	India	60.00	Lavasa Corporation Limited
My City Technology Limited	India	63.00	Lavasa Corporation Limited
Reasonable Housing Limited	India	100.00	Lavasa Corporation Limited
Future City Multiservices SEZ Limited	India	100.00	Lavasa Corporation Limited
Rhapsody Commercial Space Limited	India	100.00	Lavasa Corporation Limited
Sirrah Palace Hotels Limited	India	100.00	Lavasa Corporation Limited
Valley View Entertainment Limited	India	100.00	Lavasa Corporation Limited
Whistling Thrush Facilities Services Limited	India	51.00	Lavasa Corporation Limited
Warasgaon Power Supply Limited	India	100.00	Lavasa Corporation Limited
Sahyadri City Management Limited	India	100.00	Lavasa Corporation Limited
Warasgaon Tourism Limited	India	100.00	Lavasa Corporation Limited
Our Home Service Apartments Limited	India	100.00	Lavasa Corporation Limited
Hill City Service Apartments Limited	India	100.00	Lavasa Corporation Limited
Warasgaon Infrastructure Providers Limited	India	100.00	Lavasa Corporation Limited



Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the unaudited interim consolidated financial statements as at and for the nine month period ended 31 December 2014

Name of the Subsidiary	Country of Incorporation	% Holding	Subsidiaries of
Kart Racers Limited	India	100.00	Lavasa Corporation Limited
Nature Lovers Retail Limited	India	100.00	Lavasa Corporation Limited
Osprey Hospitality Limited	India	100.00	Lavasa Corporation Limited
Mugaon Luxury Hotels Limited	India	100.00	Lavasa Corporation Limited
Starlit Resort Limited	India	100.00	Lavasa Corporation Limited
Rosebay Hotels Limited	India	100.00	Lavasa Corporation Limited
Warasgaon Valley Hotels Limited	India	100.00	Lavasa Corporation Limited
Hill View Parking Services Limited	India	100.00	Lavasa Corporation Limited
Warasgaon Assets Maintenance Limited	India	100.00	Lavasa Corporation Limited
Verzon Hospitality Limited	India	100.00	Lavasa Corporation Limited
HCC Mauritius Investments Limited	Mauritius	100.00	Hindustan Construction Company Limited (w.e.f 4 October 2013)

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 inhouse 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:

- 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 industry practices.
- 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 industry practices.
- 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.
- 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 industry practices.
- Leasehold improvements are amortised over the period of lease or their estimated useful lives as determined by the management, whichever is lower.

b Amortisation on intangible fixed assets is provided:

- Software and implementation costs including users license fees of the Enterprise Resource Planning (ERP) system and other application software costs are amortised over a period of 5 years
- Trademark and design is amortised over a period of 10 years.
- 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.
- During the period, effective from 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 of Companies Act 2013 which were hitherto amortised on Straight Line Method (Also refer Note 33)
- 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.

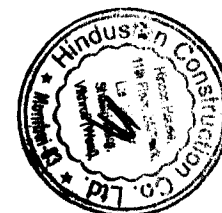
c For overseas subsidiaries, jointly controlled entities and associates, depreciation is provided based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, jointly controlled entities and associates. In view of different sets of environment in which such 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 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

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.



Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the unaudited interim consolidated financial statements as at and for the nine month period ended 31 December 2014

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, 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 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.

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. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. 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 classification of the company's net obligation into current and non-current is as per the actuarial valuation report.

c Other 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. 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 period.

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 lower of cost or net realisable value (NRV).

b Finished Goods (including Traded and Semi-finished goods)

Finished Goods, Traded goods and semi-finished goods are valued at cost (weighted average basis), or NRV whichever is lower.

c Land and Floor Space Index (FSI) Development Right

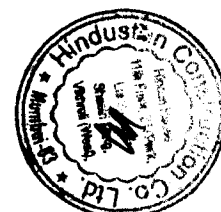
- i) Cost of land accounted in stock in trade is treated as (a) cost of FSI - 95%, (b) Land, stock-in-trade - 5%, both being distinct items of inventory. Cost of Land and FSI are on a weighted average basis along with related purchase / acquisition price plus all direct and indirect expenditure incurred 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 period of time for development. Land and FSI are valued at lower of cost or net realisable value. 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 lower of cost or net realisable value.

- 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 (Inc. development costs) and finished units which are held for sale are valued at the lower of costs and net selling price.



- (ii) In case of a subsidiary, land and construction/development expenses are accumulated under 'Project work in progress' and the same are valued at cost or net realisable value, whichever is lower.

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 lower of cost or net realisable value.

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 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.

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 period.

- ii) Revenues and expenses, including depreciations and amortisation at average exchange rate prevailing during the period.

Exchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve 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 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 period 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 Derivates' 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 Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

a Construction contracts

The Company follows 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/variation 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:

- i) In case of item rate contracts, on the basis of physical measurement of work actually completed, at the balance sheet date.
- ii) In case of lumpsum contracts, revenue is recognized 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.

b Supply contracts - Sale of products

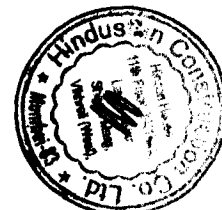
Revenue from supply contract is recognized when the substantial risk and rewards of ownership is transferred to the buyer. Revenue from product sales are shown as net of all applicable taxes and discounts.

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 income on awards, being in nature of additional compensation, 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 period 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 period 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 period 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 recognised 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 recognised on execution of transfer agreements.

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 period 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 Company 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

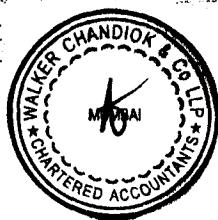
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

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 period 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 the Company will pay normal income tax during the specified period.



Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the unaudited interim consolidated financial statements as at and for the nine month period ended 31 December 2014

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 or sale 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.

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.

1.18 Cash and cash equivalents

Cash and cash equivalents for purpose of the cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.19 Earnings per share

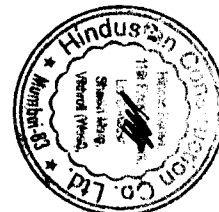
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented 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.

1.20 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.



	As at 31 December 2014 ₹ million	As at 31 March 2014 ₹ million
2 Share Capital		
Authorised Capital		
900,000,000 Equity Shares of ₹ 1 each	900.0	900.0
10,000,000 Redeemable cumulative preference shares of ₹ 10 each	100.0	100.0
	1,000.0	1000.0
Issued, Subscribed and Paid-up Equity Share Capital		
645,774,106 Equity Shares of ₹ 1 each	645.7	606.5
(Previous year 606,558,420 Equity Shares of ₹ 1 each)		
Add : 13,225 Forfeited shares	0.1	0.1
	645.8	606.6

a Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 December 2014		As at 31 March 2014	
	Number	Amount ₹ million	Number	Amount ₹ million
Balance as at 1 April 2014	606,558,420	606.5	606,558,420	606.5
Add: Issued during the period (Refer note 4)	39,215,686	39.2	-	-
Balance at the end of the period	645,774,106	645.7	606,558,420	606.5

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 is subject to the approval of the shareholders in the ensuing Annual General Meeting except for 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 shareholder.

c Shareholders holding more than 5% of the equity shares in the Company as at 31 December 2014

Name of the Shareholder	% 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

d Shares reserved for issue under Employee Stock Options Scheme (ESOP)

As on 31 December 2014, 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, the same are convertible at an exercise price of ₹ 52.03 per share.

During the nine months period from 1 April 2014 to 31 December 2014; none of the Options were exercised / converted into Equity Shares. There were 1,455,470 (Previous year: 1,459,280) stock options that got lapsed between 1 April 2014 to 31 December 2014.

i) Options granted

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 had repriced 4,131,600 options at ₹ 104.05 per equity share.

ii) Settlement Through equity shares.

iii) Options vested 3,239,330 number of options remain vested and outstanding as at 31 December 2014

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 ('GDR') (outstanding as of Record Date i.e. 11 August 2010) has increased to 190,292. Out of the total GDR issued, 17,300 GDR are outstanding as on 31 December 2014.



Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the nine month period ended 31 December 2014

3 Reserves and Surplus

	As at 31 December 2014 ₹ million	As at 31 March 2014 ₹ million
Capital reserve (forfeited equity share warrants)*	151.9	151.9
Capital grant/subsidy (Refer note 3.2)		
Balance at the beginning of the period	5,033.5	2,431.1
Add: Received during the period	1,037.1	2,602.4
Balance at the end of the period	6,070.6	5,033.5
Capital reserve on consolidation		
Balance at the beginning of the period	125.9	81.7
Addition / (deduction) during the period	(41.0)	44.2
Balance at the end of the period	84.9	125.9
Securities premium account		
Balance at the beginning of the period	10,032.9	10,032.9
Addition during the period (Refer note 4)	600.8	-
Balance at the end of the period	10,633.7	10,032.9
Foreign currency fluctuation reserve		
Balance at the beginning of the period	122.1	(134.6)
Addition during the period	46.4	256.7
Balance at the end of the period	168.5	122.1
Foreign currency monetary translation account		
Balance at the beginning of the period	42.9	3.1
Addition during the period	19.6	39.8
Balance at the end of the period	62.5	42.9
Capital reserve on amalgamation*	77.6	77.6
Capital redemption reserve*	216.1	216.1
Debenture redemption reserve*	654.6	654.6
Forfeited debentures account*	0.2	0.2
General reserve*	1,802.4	1,802.4
Deficit in statement of profit and loss		
Balance at the beginning of the period	(13,464.6)	(10,690.6)
Add: Impact of depreciation/amortisation (Refer note 3.1)	(32.0)	-
Add: Adjustment of opening loss of Joint venture on acquisition of stake	(19.1)	-
Less: Transferred from statement of profit and loss	(697.0)	(2,774.0)
	(14,212.7)	(13,464.6)
Total	5,710.3	4,795.5

* No movement during the period

3.1 Consequent to the introduction of Schedule II to the Companies Act, 2013, the useful lives of certain fixed assets have been revised. Accordingly ₹ 32 million representing carrying value of the assets with revised useful life as NIL, has been adjusted towards opening balance of retained earnings as on 1 April 2014.

3.2 Capital grants / subsidy represent 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.

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.

5 Long-term borrowings

	Non-current portion		Current maturities	
	As at 31 December 2014 ₹ million	As at 31 March 2014 ₹ million	As at 31 December 2014 ₹ million	As at 31 March 2014 ₹ million
a Secured				
i) Debentures:	5,005.1	6,474.2	4,173.1	5,157.3
ii) Term loans from banks				
Rupee loans from Banks	60,320.6	63,276.7	8,308.4	5,449.2
Foreign currency loans	3,003.4	3,936.3	1,054.1	193.1
	63,324.0	67,213.0	9,362.5	5,642.3
iii) Term loans from others	4,646.6	3,897.0	1,243.7	2,042.2
Total secured loans (i+ii+iii)	72,975.7	77,584.2	14,779.3	12,841.8
b Unsecured				
6% cumulative redeemable preference shares issued by subsidiary company (11,349,103 preference shares of ₹ 10 each)	148.5	148.5	-	-
Rupee loans from Banks	4,847.4	-	-	-
Loan from others	3,651.0	4,496.5	434.9	354.7
Total unsecured loans	8,646.9	4,645.0	434.9	354.7
Total long-term borrowings (a+b)	81,622.6	82,229.2	15,214.2	13,196.5



5.1 Corporate Debt Restructuring (CDR) Package of Company, terms of repayment and details of security

The Company received Letter of Approval (LOA) on 29 July 2012 issued by Corporate Debt Restructuring Empowered Group (CDREG) approving CDR package. The CDR related documents have been executed and security creation stands completed. Details of borrowings included in CDR package along with repayment details listed below:

Secured Debentures included in Note 5 (a)(i)

1) Axis NCD ₹ 1,146 million

On restructuring by CDR, above 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 ₹ 955 million

On restructuring by CDR, above 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) and (iii)

Rupee Term Loans 1 (RTL - 1) and Rupee Term Loans 2 (RTL - 2) ₹ 23,366.1 million

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) ₹ 721.2 million

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) ₹ 477.5 million

Working Capital Term Loan (i.e. 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) ₹ 633.6 million

FITL carries an interest of 11.25% p.a. linked to monitoring institution's base rate. The balance FITL is repayable in 3 equal quarterly installments commencing 15 January 2015 to 15 July 2015.

Foreign currency loans included in Note 5(a) (ii)

Other Term Loans

Standard Chartered Bank- External Commercial Borrowings (ECB) USD 13.36 million ₹ 847.6 million

ECB loan from Standard Chartered Bank carries an interest rate of 3 months LIBOR plus 350 basis points. These are repayable in 17 quarterly installments commencing 15 April 2014 and ending 15 March 2018.

Development Bank of Singapore - ECB USD 10.18 million ₹ 645.4 million

ECB loan from Development Bank of Singapore carries an interest rate of 3 months LIBOR plus 385 basis points. These are repayable in 17 quarterly installments commencing 5 October 2014 and ending 5 October 2018.

Toronto Dominion LLC - ECB USD 9.36 million ₹ 593.4 million

ECB loan from Toronto Domino LLC carries an interest rate of 3 month Libor plus 120 basis points. The balance loan is repayable 22 equal quarterly installments commencing 15 April 2014 and ending on 15 July 2019.

Term Loans from Others:

Industrial Finance Corporation of India Limited (IFCI)

The loan carries an interest rate of 11.50% p.a. The balance loan is repayable in 28 quarterly installments commencing 15 January 2015 and ending on 15 October 2021.

Funded Interest Term Loan (FITL) from others

FITL from others carries an interest rate of 11.50% p.a. The balance 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 ₹ 2,046.3 million.

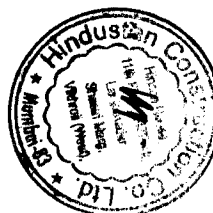
5.3 Restructuring agreement of Badarpur Faridabad Tollways Ltd (BFTL)

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 up to 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 loan 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 Concession Ltd.

5.4 Information of securities in respect of borrowings etc. disclosed, in respective standalone financial statements has not been reproduced in the interim consolidated financial statements.



Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the nine month period ended 31 December 2014

	As at 31 December 2014 ₹ million	As at 31 March 2014 ₹ million
16 Deferred tax asset (net)		
Components of deferred tax assets and liabilities arising on account of timing differences are:		
Deferred tax asset		
Business loss	317.3	341.7
Others	5.3	5.0
Deferred tax liability		
Depreciation and amortisation	(0.2)	(1.2)
Others	(131.0)	(140.0)
	<u>191.4</u>	<u>205.5</u>
Deferred tax assets recognised on unabsorbed losses by Steiner AG, a subsidiary company which is expected to be adjusted against future taxable income during the prescribed time period under the applicable Income Tax Law.		
17 Long-term loans and advances		
Unsecured, considered good		
Capital advances	16.6	-
Security and other deposits	394.1	377.6
Advance payment of taxes (net of provisions)	1,279.6	1,151.3
Loans and advances to related parties	31.7	87.7
Advances recoverable in cash or in kind	1,342.9	1,502.8
	<u>3,064.9</u>	<u>3,119.4</u>
18 Long-term trade receivables		
Unsecured, considered good		
Trade receivables (net of advance against workbill)	10,397.3	10,594.3
[including retention Nil (Previous year: ₹ 693 million)]		
	<u>10,397.3</u>	<u>10,594.3</u>
19 Other non-current assets		
Unsecured, considered good		
Non-current bank balance	140.3	29.3
Pension assets	595.0	634.1
Others	879.9	799.9
	<u>1,615.2</u>	<u>1,463.3</u>
20 Current investments		
Investments in mutual funds	751.1	164.6
	<u>751.1</u>	<u>164.6</u>
21 Inventories		
Stores, spares and embedded goods	2,614.4	2,668.8
Fuel	166.4	91.3
Land and development rights	19,059.0	16,270.7
Materials in transit	0.2	0.2
Finished goods	40.9	41.8
Cost incurred on GC/TC projects	11,222.3	8,951.1
Work-in-progress:		
Uncompleted contracts and value of work done (Refer note below)	23,950.3	23,729.2
	<u>57,053.5</u>	<u>51,753.1</u>
Note: Includes payment received against workbill ₹ 1,133.6 million		
22 Trade receivables		
Unsecured, considered good		
Outstanding over six months	812.5	1,027.3
Others	7,289.5	5,690.5
[including retention ₹ 4,159.8 million (Previous year ₹ 3,705.2 million)]		
Unsecured, considered doubtful		
Outstanding over six months	15.4	-
Less: Provision for doubtful debts	(15.4)	-
	<u>8,102.0</u>	<u>6,717.8</u>
23 Cash and bank balances		
a) Cash and cash equivalents		
Cash on hand	25.0	22.9
Cheques on hand	24.6	42.0
Balances with banks in current accounts	3,833.4	6,112.2
Bank deposits with original maturity of less than 3 months	231.4	540.4
	<u>4,114.4</u>	<u>6,717.5</u>
b) Other bank balances		
Earmarked bank balances	3,008.9	5,886.7
Balances with bank for unpaid dividends	7.3	8.8
Bank deposits maturity of more than 3 months but less than 12 months	59.6	151.9
	<u>3,075.8</u>	<u>6,047.4</u>
	<u>7,190.2</u>	<u>12,764.9</u>
24 Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties	296.0	545.3
Advances recoverable in cash or in kind	4,929.0	4,237.8
Earnest money and other deposits	129.4	90.2
Advance for land purchases	576.7	461.3
Advance to suppliers	834.8	495.6
Advance payment of taxes (net of provisions)	1,560.6	1,772.7
	<u>8,326.5</u>	<u>7,602.9</u>
25 Other current assets		
Interest accrued	109.6	114.9
Unbilled revenue	12.5	22.2
Others	541.0	771.8
	<u>663.1</u>	<u>908.9</u>



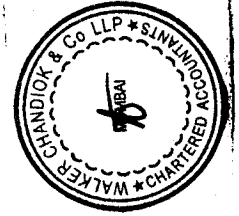
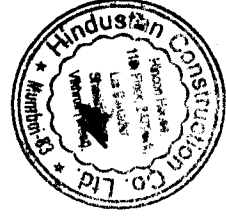
14 - Fixed Assets

GROSS BLOCK														DEPRECIATION / AMORTISATION					NET BLOCK	
Particulars	As at 01.04.2014	Additions/ Adjustment	Addition through acquisition of stake	Exchange Difference	Deduction/ Adjustment	As at 31.12.2014	As at 01.04.2014	Exchange Difference	For the Nine month period ended	Adjustment	Deduction	Upto 31.12.2014	As at 31.12.2014	As at 31.03.2014						
Fixed Assets	396.6	107.8	0.2	-	-	504.6	-	-	-	-	-	-	504.6	396.6						
	214.3	-	-	-	-	214.3	82.4	-	17.6	-	-	100.0	114.3	131.9						
	9,090.3	1,781.7	-	-	-	10,872.0	1,569.3	-	487.5	-	-	2,056.8	8,815.2	7,520.9						
	17,572.6	1,531.4	-	79.0	217.4	18,965.6	9,181.4	-	1,225.8	-	163.1	10,244.1	8,721.5	8,391.2						
	25.1	-	-	-	-	25.1	5.3	-	0.9	-	-	6.2	18.9	19.8						
	1,376.9	85.5	-	67.4	0.6	1,529.2	705.9	20.3	156.9	0.2	0.6	882.7	646.5	704.0						
	108.3	0.2	-	-	0.1	108.4	75.3	-	75.3	0.0	0.1	77.3	31.1	-						
	1,608.5	2.1	-	0.1	59.9	1,550.8	1,082.4	-	136.5	(1.2)	49.5	1,168.2	382.6	526.0						
	359.3	2.5	0.4	0.6	3.5	359.3	223.8	0.6	42.8	(0.6)	3.2	263.4	95.9	135.5						
	1,794.8	-	-	33.2	-	1,828.0	455.6	-	78.5	0.2	-	534.3	1,293.7	1,339.2						
Intangible Assets	55.9	-	-	-	5.2	50.7	14.8	-	14.8	-	3.4	12.4	38.3	41.1						
	406.2	5.4	-	7.0	-	418.6	359.3	6.8	9.7	0.2	-	376.0	42.6	46.9						
	33,008.8	3,516.6	0.6	187.3	286.7	36,426.6	13,755.5	27.7	2,159.3	(1.2)	219.9	15,721.4	20,705.2	19,253.1						
	14,789.8	10,171.7	259.7	-	-	25,221.2	2,349.6	-	335.0	(1,029.7)	-	1,654.9	23,566.3	12,440.3						
	334.9	37.9	-	12.1	0.1	384.8	236.7	6.0	45.9	-	-	288.6	96.2	98.2						
	15,124.7	10,209.6	259.7	12.1	0.1	25,606.0	2,586.3	6.0	380.9	(1,029.7)	-	1,943.5	23,662.5	12,538.5						
	542.9	38.8	-	224.7	-	806.4	-	-	-	-	-	-	806.4	542.9						
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Indian Construction Company 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 in 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 ₹ 1143.9 million (including interest of ₹ 371.8 million) during the period (2010-till date) has continued to be capitalised.

Goodwill on consolidation includes ₹ 507 million arising in respect of consolidation prepared by a subsidiary, Lavasa Corporation Limited. Considering the intrinsic value and the business prospects of the underlying businesses within the HCC Group, no diminution in value of goodwill arising on consolidation has been considered necessary.

Addition includes ₹ 38.8 million goodwill arising on account of additional acquisition of shareholding of 1.93% in Dhule Palesner Tollways Limited, a joint venture entity, by HCC Concession Limited during the current period.



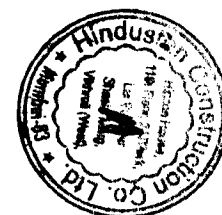
Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the nine month period ended 31 December 2014

15 Non-current investments

(Valued at cost, fully paid up, unless stated otherwise)

	As at 31 December 2014 ₹ million	As at 31 March 2014 ₹ million
Trade investments		
a Investment in Equity Shares (unquoted)		
Investment in Associates		
i) Bona Sera Hotels Limited (Refer note 42) 42,900 (Previous year : 42,900) equity shares of ₹ 10 each fully paid up	-	-
ii) Knowledge Vistas Limited 218,253 (Previous year : 218,253) equity shares of ₹ 10 each fully paid up	93.6	90.8
iii) Ecomotel Hotel Limited (Refer note 42) 2,644,673 (Previous year : 2,644,673) equity shares of ₹ 10 each fully paid up	-	3.4
iv) Warasgaon Lakeview Hotels Limited 140,957 (Previous year : 120,957) equity shares of ₹ 10 each fully paid up	127.0	107.2
v) Evostate AG	251.8	341.2
vi) Projektentwicklungsges. Parking AG	10.7	11.9
vii) Andromeda Hotels Limited 48,400 (Previous year : 48,400) equity shares of ₹ 10 each fully paid up	17.0	17.9
viii) Vikhroli Corporate Park Private Limited (Refer note 42) 1,000,000 (Previous year : 1,000,000) equity shares of ₹ 10 each fully paid up	-	-
b Investment in Debentures (unquoted)		
Vikhroli Corporate Park Private Limited (VCPPL)		
i) VCPPL 17.91% optionally fully convertible debenture series-I 4,904 (Previous year : 4,904) debentures of ₹ 100,000 each fully paid up	490.4	490.4
ii) VCPPL 6.32% optionally fully convertible debenture series-II 2,432 (Previous year : 2,432) Debentures of ₹ 100,000 each fully paid up	243.2	243.2
iii) VCPPL 0% optionally fully convertible debenture series-IV 821 (Previous year : 821) debentures of ₹ 100,000 each fully paid up	82.1	82.1
Non-trade investments		
a Investments in Properties (unquoted)	18.9	20.2
b Investments in Equity Shares (unquoted)		
i) Walchand Co-op. Housing Society Limited 5 equity shares of ₹ 50 each fully paid up	0.0 *	0.0 *
ii) Shushrusa Citizens Co-Op. Hospitals Limited 100 (Previous year : 100) equity shares of ₹ 100 each fully paid up	0.0 *	0.0 *
iii) Radio- und Fernsehgenossenschaft Zürich-SH Zürich-Schaffhausen, 50 Anteilscheine	0.0 *	0.0 *
iv) Opernhaus Zürich AG 10 (Previous year : 10) equity shares of CHF 900 each fully paid up	0.6	0.7
v) Genossenschaft Theater für den Kt. Zürich, 300 Anteilscheine	0.0 *	0.0 *
vi) AG Hallenstadion Zürich 10 (Previous year : 10) equity shares of CHF 100 each fully paid up	0.6	0.7
vii) MTZ Medizinisches Therapiezentrum Heilbad St. Moritz AG, 50 Equity Shares	3.1	3.4
viii) Dominice Swiss Property Fund 1,000 (Previous year : Nil) fund units, fully paid up	633.4	-
ix) Hincan Finance Limited 120,000 (Previous year : 120,000) equity shares of ₹ 10 each fully paid up	1.2	1.2
x) Hindustan Kohinoor Co-operative Society 45 (Previous year : 45) equity shares of ₹ 50 each fully paid up	0.0 *	0.0 *
xi) Space Theme Park India Limited 50,000 (Previous year : 50,000) equity shares of ₹ 10 each fully paid up	0.4	0.4
xii) Betriebsges. Kongresshaus Zürich AG 30 (Previous year : 30) equity shares of CHF 1,000 each fully paid up	0.0 *	2.0
xiii) Mobimo Holding AG 720 (Previous year : 720) equity shares of CHF 29 each fully paid up	6.3	6.7
xiv) Goldbach Media AG 6,000 (Previous year : 6,000) equity shares of CHF 1.25 each fully paid up	0.0 *	0.0 *
xv) MCH Group AG 2,100 (Previous year : 2,100) equity shares of CHF 10 each fully paid up	5.0	5.4



Hindustan Construction Company Limited

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the nine month period ended 31 December 2014

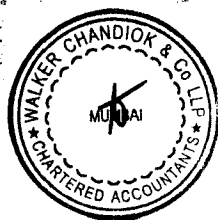
	As at 31 December 2014 ₹ million	As at 31 March 2014 ₹ million
c Investments in Equity Shares (quoted)		
i) Punjab National Bank Limited	0.4	0.4
943 (Previous year : 943) equity shares of ₹ 10 each fully paid up		
ii) Hubtown Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 10 each fully paid up		
iii) Ansal Housing and Construction Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 10 each fully paid up		
iv) Ansal Properties and Infra Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 5 each fully paid up		
v) Ashiana Housing Limited	0.0 *	0.0 *
35 (Previous year : 35) equity shares of ₹ 10 each fully paid up		
vi) DLF Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 2 each fully paid up		
vii) D S Kulkarni Developers Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 10 each fully paid up		
viii) Housing Development Infrastructure Limited	0.0 *	0.0 *
12 (Previous year : 12) equity shares of ₹ 10 each fully paid up		
ix) Indiabulls Real Estate Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 10 each fully paid up		
x) Indiabulls Wholesale Services Limited	0.0 *	0.0 *
1 (Previous year : 1) equity shares of ₹ 2 each fully paid up		
xi) Mahindra Lifestyle Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 10 each fully paid up		
xii) Orbit Corporation Limited	0.0 *	0.0 *
20 (Previous year : 20) equity shares of ₹ 10 each fully paid up		
xiii) Parshwanath Developers Limited	0.0 *	0.0 *
20 (Previous year : 20) equity shares of ₹ 10 each fully paid up		
xiv) Peninsula Land Limited	0.0 *	0.0 *
50 (Previous year : 50) equity shares of ₹ 2 each fully paid up		
xv) Shobha Developers Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 10 each fully paid up		
xvi) Unitech Limited	0.0 *	0.0 *
10 (Previous year : 10) equity shares of ₹ 2 each fully paid up		
xvii) Housing Development Finance Corporation Limited	0.1	0.1
15,220 (Previous year : 15,220) equity shares of ₹ 2 each fully paid		
xviii) HDFC Bank Limited	0.0 *	0.0 *
2,500 (Previous year : 2,500) equity shares of ₹ 10 each fully paid up		
xix) Khandwala Securities Limited	0.0 *	0.0 *
3,332 (Previous year : 3,332) equity shares of ₹ 10 each fully paid up		

1,985.8

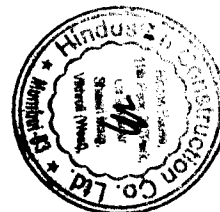
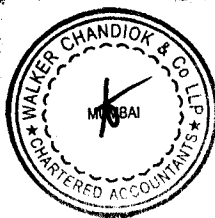
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Aggregate of investment

	Cost ₹ million	Market Value ₹ million	Cost million	Market Value million
Details:				
Quoted investments	0.5	27.5	0.5	2.9
Unquoted investments	1,966.4	-	1,408.6	-
Investment properties	18.9	-	20.2	-
	1,985.8	27.5	1,429.3	2.9
Provision towards diminution in value of investment	-	-	-	-
Total	1,985.8	27.5	1,429.3	2.9



	Nine month period ended 31 December 2014 ₹ million
26 Revenue from operations	
Construction and project related revenue*	75,671.5
Sale of land	1,045.0
Toll collection and annuity	1,634.1
Sale of products	225.3
Other operating income	649.2
	<u>79,225.1</u>
* Includes revenue from BOT projects ₹ 3,049.3 million	
27 Other income	
Interest income	266.7
Dividend income	17.8
Profit on sale of current investments (net)	15.2
Earlier years provision no longer required	3.2
Miscellaneous income	115.3
	<u>418.2</u>
28 Cost of materials consumed	
Stock at beginning of the period	98.4
Add: Purchases	68.0
	<u>166.4</u>
Less: Scrap and unserviceable sold	(2.1)
	<u>164.3</u>
Less: Stock at the end of the period	(117.1)
	<u>47.2</u>
29 Construction expense	
Construction materials consumed	
Stock at beginning of the period	2,668.3
Add: Purchases	6,953.3
	<u>9,621.6</u>
Less: Scrap and unserviceable sold	(114.0)
	<u>9,507.6</u>
Less: Stock at the end of the period	(2,497.3)
	<u>7,010.3</u>
Subcontracting expense	49,672.6
Power and fuel	1,167.6
Land purchased and development expense	32.8
Repairs to machinery	68.4
Rent	187.8
Water charges	11.8
	<u>51,141.0</u>
Less: Capitalised	(196.8)
	<u>57,954.5</u>
30 Employee benefits expense	
Salaries and wages	6,618.8
Contribution / provisions to and for provident, gratuity and other funds	839.3
Staff welfare expenses	155.0
Less: Capitalised	(24.7)
	<u>7,588.4</u>
31 Finance costs	
Interest expenses	10,418.3
Guarantee commission and finance charges	269.9
Less: Capitalised	(1,223.4)
	<u>9,464.8</u>



Nine month
period ended
31 December
2014
₹ million

32 Other Expenses

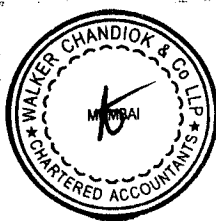
Stationery, postage, telephone and advertisement	839.3
Travelling and conveyance	150.6
Rent, rates and taxes	475.0
Insurance	39.8
Professional	451.8
Repairs and maintenance	181.8
Directors fees	3.2
<u>Auditor's remuneration</u>	
Audit fees	31.7
Tax audit fees	8.4
Review and certification work	1.4
Reimbursement of out of pocket expenses	0.1
Office expenses	874.6
Operation and maintenance	475.0
Provision for doubtful debts	15.4
Computer maintenance and development	52.2
Net loss on Foreign currency transaction and translation	18.2
Loss on sale of fixed assets (net)	31.3
Miscellaneous	165.9
Total	3,815.7
Less: Transferred to fixed assets / CWIP	(51.6)
	3,764.1

33 Exceptional item

During the period, 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 of 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 ₹ 1,064.5 million has been credited to the Statement of Profit and Loss of the current period as an exceptional item.

34 Earnings per share (EPS)

Particulars	Nine month period ended 31 December 2014
Weighted average number of shares outstanding during the period	641,353,428.7
Add: Dilutive effect	-
Weighted average number of shares used to compute diluted EPS	641,353,428.7
Loss after Exceptional Items (₹ million)	(697.0)
Less: Preference dividend for the period (₹ million)	-
Adjusted net profit/ (loss) (₹ million)	(697.0)
Loss per share: Basic and Diluted (a)	(1.1)
Loss before exceptional items (₹ million)	(1,761.5)
Less: Preference dividend for the period (₹ million)	-
Adjusted net profit/ (loss) (₹ million)	(1,761.5)
Loss per share: Basic and Diluted (b)	(2.7)



35 Contingent liabilities and commitments

		₹ million
Sr no	Particular	As at 31 December 2014
a	Contingent liabilities	
i)	Counter indemnities given to: Banks, in respect of contracts a) For works in India (secured on all the assets) b) For works abroad (secured by ECGC counter guarantees)	12,962.5 712.9
ii)	Guarantees given by banks on our behalf	76.8
iii)	Corporate Guarantees given to banks for associate companies	406.9
iv)	Guarantees given by insurance companies	11,939.6
v)	Claims not acknowledged as debts by the Company	1,029.4
vi)	Income tax liability that may arise in respect of which Group is in appeal.	369.1
vii)	Sales Tax liability / Works Contract Tax liability/ Service tax/ customs Liability that may arise in respect of matters in appeal. (Net of ₹ 68.5 million recoverable from Clients as per the terms of contract).	1,035.9
viii)	Lavasa Corporation Limited has filed petitions against the orders / notices of various authorities demanding ₹ 177.6 million towards payment of royalty / penalty on materials excavated. In view of these demands being legally unjustifiable, the Company does not expect any liability in these matters.	177.6
b	Capital Commitment	3,855.5
c	Other Commitment	
i)	Group has outstanding commitment for capital investment as per shareholder commitment agreement in an associate company, Evostate AG	1,481.4
ii)	With regard to land parcels at Vikhroli (East) held by the 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 in the High Court by some persons for declaration that they are Lessees of the said property is also pending. Suit filed by the Company 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 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.

36 Uncompleted Contracts and Value of Work Done', 'Long term Trade Receivables' and 'Short term Loans and Advances' aggregating ₹ 14,910 million, outstanding as at 31 December 2014 represented 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 ₹ 1,490 million 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 the recovery of the same.

37 a) The Company had paid managerial remuneration to the Chairman and the Managing Director (CMD) aggregating ₹ 106.6 million during the year ended 31 March 2013. The Company made an application to the Ministry of Corporate Affairs (the "Ministry") seeking its approval for payment of ₹ 106.6 million which was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. The Ministry had approved remuneration of ₹ 17.2 million against which the Company made representations to the Ministry to reconsider Company's application and requested to accord approval of the entire remuneration paid. Subsequent to nine month period ended 31 December 2014, 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 ₹ 89.4 million has been fully recovered from the CMD on receiving final order dated 9 February 2015.

b) The Company had paid managerial remuneration of Rs. ₹ 106.6 million to Chairman and Managing Director 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 ₹ 106.6 million which was in excess of the limits specified under Schedule XIII to the erstwhile Companies Act, 1956. Subsequent to nine month period ended 31 December 2014, the Ministry had approved remuneration of ₹ 19.16 million against which the Company has made a representation to the Ministry of Corporate Affairs to reconsider the same and accord its approval for ₹ 106.6 million.

38 In respect of certain projects, client has recovered from work bills, Building and Labour cess as per the provisions of "Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996". The Company has claimed these amount from clients as per the provisions of the Contract, being levy made applicable subsequent to award of the contract as this incidence of expenditure was not part of tender/contract. Total amount outstanding on this account as of 31 December 2014 is ₹ 332.3 million. These amounts are under discussion/referred to Arbitration as the case may be, and based on legal opinion are considered as recoverable in due course of time.

39 Disclosure in accordance with Accounting Standard -18 'Related Party Transactions'

a Names of Related Parties & Nature of Relationship

Names of Related Parties	Nature of Relationship
Dhule Palener Tollway Limited	Joint Venture
HCC-Samsung Joint Venture CC34	Joint Venture
HCC-Pati JV	Joint Venture
Alpine HCC JV	Joint Venture
Nathpa Jhakri Joint Venture	Joint Venture
Alpine HCC Samsung JV	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	Associate
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

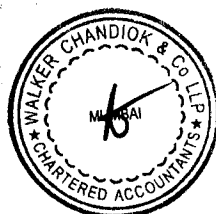
b Key Management Personnel and their relatives

Mr. Ajit Gulabchand	Chairman & Managing Director of Hindustan Construction Company Limited
Mr. Rajgopal Nogia	Group Chief Operating Officer & Whole Time Director of Hindustan Construction Company Limited
Mr. Arun Karambelkar	President & Chief Executive Officer-E & C of Hindustan Construction Limited (ceased to be Wholtime Director w.e.f. 29 April 2014)
Mr. Praveen Sood	Group Chief Financial Officer of Hindustan Construction Company Limited
Mr. V. P. Kulkarni	Wholtime Company Secretary of Hindustan Construction Company Limited
Mr. Arun Dhawan	Relative of Key Managerial Personnel
Ms Shalaka Gulabchand	Relative of Key Managerial Personnel



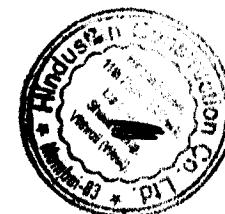
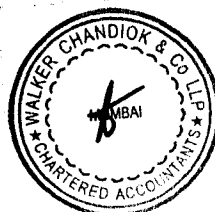
c Transactions with Related Parties:

Nature of Transactions	₹ million		
	JV's	Associate	Other Related Parties
Work bill receipts including sales			
Dhule Palesner Tollways Limited	5.1	-	-
	5.1	-	-
Sale of materials			
HCC-Samsung Joint Venture CC34	2.7	-	-
	2.7	-	-
Rendering of services /financial income			
HCC-Samsung Joint Venture CC34	0.7	-	-
Vikhroli Corporate Park Private Limited	-	99.2	-
Dhule Palesner Tollway Limited	0.2	-	-
Others	-	3.9	-
	0.9	103.1	-
Interest received on inter-corporate deposits given			
Hincon Finance Limited	-	-	7.8
Ecomotel Hotel Limited	-	6.0	-
Bona Sera Hotels Limited	-	8.3	-
Warasgaon Lake View Hotels Limited	-	0.8	-
Andromeda Hotels Limited	-	1.8	-
	-	16.9	7.8
Project and other services received during the period			
Vikhroli Corporate Park Private Limited	-	183.3	-
Ecomotel Hotel Limited	-	5.3	-
Bona Sera Hotels Limited	-	5.6	-
Dhule Palesner Tollways Limited	0.2	-	-
Others	-	8.3	-
	0.2	202.5	-
Project and other services provided during the period			
Warasgaon Lake View Hotels Limited	-	4.4	-
Ecomotel Hotel Limited	-	6.9	-
Andromeda Hotels Limited	-	5.9	-
Others	-	8.2	-
	-	25.4	-
Purchase of fixed assets			
Hincon Finance Limited	-	-	107.5
	-	-	107.5
Inter-corporate deposits given / repaid during the period			
Hincon Finance Limited	-	-	13.6
Ecomotel Hotel Limited	-	52.7	-
Knowledge Vistas Limited	-	46.8	-
Andromeda Hotels Limited	-	8.0	-
Bona Sera Hotels Limited	-	81.8	-
Others	-	11.6	-
	-	200.9	13.6



Transactions with Related Parties:

Nature of Transactions	JV's	Associate	₹ million Other Related Parties
Inter-corporate deposits taken / recovered during the period			
Hincon Finance Limited	-	-	106.4
Ecomotel Hotel Limited	-	3.0	-
	-	3.0	106.4
Expenses incurred during the period			
Vikhroli Corporate Park Private Limited	-	35.1	-
	-	35.1	-
Inter Corporate deposit received back during the period			
Ecomotel Hotel Limited	-	3.0	-
Warasgaon Lake view Hotels Limited	-	10.0	-
	-	13.0	-
Conversion of share warrant application money into equity			
Hincon Holdings Limited*	-	-	62.5
Hincon Finance Limited*	-	-	97.5
*₹ 160 million appropriated towards issue of equity share warrants	-	-	160.0
Conversion of promoters contribution into equity			
Hincon Holdings Limited	-	-	187.5
Hincon Finance Limited	-	-	292.5
	-	-	480.0
Equity share contribution during the period			
Warasgaon Lakeview Hotels Limited	-	20.0	-
	-	20.0	-
Advance received & outstanding			
Bona Sera Hotels Limited	-	0.5	-
Ecomotel Hotel Limited	-	0.3	-
	-	0.8	-
Advance given & outstanding			
Vikhroli Corporate Park Private Limited	-	7.3	-
	-	7.3	-
Security deposit outstanding			
Vikhroli Corporate Park Private Limited	-	6.0	-
	-	6.0	-
Outstanding interest receivable			
Hincon Finance Limited	-	-	17.7
Vikhroli Corporate Park Private Limited	-	210.3	-
	-	210.3	17.7
Corporate guarantees and bank guarantees given and outstanding			
Ecomotel Hotel Limited	-	145.4	-
Knowledge Vistas Limited	-	140.0	-
Warasgaon Lake View Hotels Limited	-	121.5	-
HCC-Samsung Joint Venture CC34	433.0	-	-
	433.0	406.9	-
Outstanding payables			
Ecomotel Hotel Limited	-	17.3	-
HCC-Pati JV	13.6	-	-
Hincon Holdings Limited	-	-	3.3
Alpine HCC JV	7.0	-	-
Vikhroli Corporate Park Private Limited	-	75.2	-
Bona Sera Hotels Limited	-	11.1	-
	20.6	103.6	3.3



Transactions with Related Parties:

Nature of Transactions	JV's	Associate	₹ million Other Related Parties
Outstanding receivables			
Bona Sera Hotels Limited	-	40.9	-
Ecomotel Hotel Limited	-	79.5	-
Knowledge Vistas Limited	-	26.6	-
Warasgaon Lakeview Hotel Limited	-	60.0	-
Dhule Palesner Tollways Limited	11.4	-	-
Vikhroli Corporate Park Private Limited	-	90.6	-
HCC-Samsung Joint Venture CC34	55.8	-	-
Nathpa Jhakri Joint Venture	31.4	-	-
Alpine HCC Samsung JV	23.0	-	-
Others	4.3	40.7	-
	125.9	338.3	-
Outstanding inter-corporate deposits			
Hincon Finance Limited	-	-	13.6
Ecomotel Hotel Limited	-	49.7	-
Bona Sera Hotels Limited	-	81.8	-
Andromeda Hotels Limited	-	8.0	-
Others	-	69.6	-
	-	209.1	13.6

d Details of transactions relating to persons referred to in item (b) above

Nature of Transactions	Nine month period ended 31 December 2014	Outstanding as at 31 December 2014
	₹ million	
Remuneration to key managerial persons		
Mr. Ajit Gulabchand	79.9	79.9
Mr. Rajgopal Nogia	37.3	4.2
Mr. Arun Karambelkar	21.3	2.3
Mr. Praveen Sood	19.7	1.7
Mr. V.P. Kulkarni	8.5	0.8
	166.7	88.9
Salary of Ms. Shalaka Gulabchand Dhawan (Daughter of Mr. Ajit Gulabchand)	8.8	0.9
Salary of Mr. Arjun Dhawan (Son-in-Law of Mr. Ajit Gulabchand)	23.2	3.0
	198.7	92.8

The above figure does not include provisional gratuity liability valued by Actuary, as separate figures are not available.

31 December 2014
Number

Options granted to key managerial personnel under ESOP

Mr. Praveen Sood	439,200
Mr. V.P. Kulkarni	219,520

Options granted to Key Management Personnel under ESOP of Lavasa Corporation Limited (Subsidiary Company)

Mr. Rajgopal Nogia	403,303
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- 40 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 December 2014 are as follows:

	As at 31 December 2014 ₹ million
Minimum lease rental payments	72.0
Payable not later than 1 year	143.4
Payable later than 1 year and not later than 5 years	3.2
Later than 5 years	<u>218.6</u>

The lease agreement provides for an option to the Company to renew the lease period at the end of the non cancelable period. There are no exceptional /restrictive covenants in the lease agreements.

The Group 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 above note 29 and note 32 are recognised in the Statement of Profit and Loss under the heads "Construction expense" and "Other Expenses"

41 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 for as at and for the nine month period ended 31 December 2014.

Particulars	Engineering and Construction	Infrastructure	Real estate	Comprehensive Urban Development and Management	Others	Total
Revenue:						
External Sales	74,680.6	1,634.1	-	2,628.8	281.6	79,225.1
Add: Inter Segment Sales	-	-	-	-	-	-
Total Segment Revenue	74,680.6	1,634.1	-	2,628.8	281.6	79,225.1
Less: Eliminations	-	-	-	-	-	-
Total Revenue	74,680.6	1,634.1	-	2,628.8	281.6	79,225.1
Results (profit/(loss) before tax and interest)	4,384.1	1,732.4	(44.4)	2,855.3	(132.9)	8,794.5
Less: Eliminations	-	-	-	-	-	-
Results (profit/(loss) before tax and interest)	4,384.1	1,732.4	(44.4)	2,855.3	(132.9)	8,794.5

Other Information

Particulars	Engineering and Construction	Infrastructure	Real estate	Comprehensive Urban Development and Management	Others	Total
Segment assets	80,686.6	40,573.5	4,568.1	42,500.6	545.8	168,874.6
Segment liabilities	36,343.3	3,490.6	96.5	5,166.8	116.3	45,213.5
Capital expenditure	833.2	4,003.3	-	2,809.1	30.7	7,676.3
Depreciation and amortisation	1,376.6	339.8	3.0	688.3	39.1	2,446.8
Total assets exclude: Investments	1,788.1	688.2	-	260.8	0.1	2,737.2
Advance tax (net)	1,781.7	-	65.6	983.3	9.8	2,840.4
Total liabilities exclude: Borrowings	53,835.2	26,902.8	224.9	34,776.1	1,298.3	117,037.3
Accrued interest	912.6	525.8	8.4	1,637.8	9.4	3,094.0



b Information about secondary business segments (geographical segments)

(₹ million)			
Particulars	Domestic	Overseas	Total
Segment Revenue	34,764.4	44,460.7	79,225.1
Segment Assets	152,255.0	16,619.6	168,874.6
Capital expenditure	7,244.9	431.4	7,676.3

Note: Bhutan operations are considered as part of domestic operations

42 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.

43 (a) 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 2,048 hectare (5,058 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. Accordingly construction has resumed at project site from 9 November 2011.

(b) Lavasa Corporation Limited 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.

44 Details of Employees Stock Option Scheme for Lavasa Corporation Limited (LCL), a subsidiary company

	As at 31 December 2014 (Nos.)
a. Outstanding as on 1 April 2014	1,703,317
b. Granted during the period	-
c. Forfeited during the period	-
d. Exercised during the period	-
e. Expired / cancelled / lapsed during the period	224,126
f. Outstanding at the end of the period	1,479,191
g. Exercisable at the end of the period	1,479,191

45 In case of Lavasa Corporation Limited, cost of land includes:

- ₹ 127.1 million in respect of which sale deed is yet to be executed in favour of the Company.
- Land amounting to ₹ 106.4 million in respect of which irrevocable Power of Attorney is obtained in favour of the Company.
- Land amounting to ₹ 356.7 million not covered by the Master Plan in respect of which sale deed is yet to be executed in favour of the Company.

46 In case of Pune Paud Toll Road Company Limited (PPTRCL), a subsidiary company, as per the terms of the contract, the period 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. The Company has preferred a claim for compensation aggregating to ₹ 1,038.8 million (including interest) on account of delay in granting permission to collect the toll and change in location of Toll Plaza which resulted in drastic reduction in revenue collection. The Company has also demanded refund of cost of land acquisition of Bhugaon bypass. Towards this end, Company has filed a petition in the Bombay High Court under section 11 of The Arbitration and Conciliation Act, 1996. Consequently the Bombay High Court has appointed the 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 will commence shortly. In view of this, the Management is confident of recovery of the claim and views the entity as a going concern despite the negative net-worth of PPTRCL.

47 This being the first occasion that the Company has prepared its Interim consolidated financial statements, pursuant to the exemption provided for presentation of comparative information, under the transitional provision of Accounting Standard 25 on Interim Financial Reporting, comparative information has been presented only for the interim consolidated balance sheet as at 31 December 2014.

48 '-' represents amount less than ₹ 1 million.

For Walker Chandlok & Co LLP
Chartered Accountants
Firm Registration No. 001036N / N500013

Amyr Jassani
Partner

For and on behalf of the Board constituted QIP committee
Hindustan Construction Company Limited

Rajgopal Nogia
Group Chief Operating Officer & Whole Time Director

Membership No. 46447

Sharad M. Kulkarni
Director

Praveen Sood
Group Chief Financial Officer

Place: Mumbai
Date:

6 APR 2015

Place: Mumbai
Date:

6 APR 2015

Vithal P. Kulkarni
Company Secretary

