



HC/SEC/RESULT/2016

April 28, 2016

National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai-400 051

Dear Sir,

Subject : Audited Financial Results of the Company (Standalone and Consolidated) for the financial year ended March 31, 2016

As per Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2016 along with the Auditor's Report and Form B (Audit Report with modified opinion) for the Standalone and Consolidated financial results duly approved by the Board of Directors of the Company at its Meeting held on April 28, 2016.

A copy of the press release is also enclosed herewith.

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

Thanking you,

Yours faithfully,
For Hindustan Construction Co Ltd

Sangameshwar Iyer
Company Secretary

Encl: as above.

Cc: BSE Limited,
The Corporate Relationship Dept,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

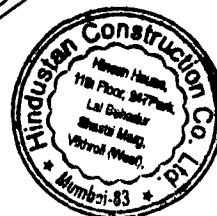
Hindustan Construction Co Ltd
Hincon House, 11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083, India
Tel : +91 22 2575 1000 Fax : +91 22 2577 7568
CIN : L45200MH1926PLC001228

www.hccindia.com

PART - I

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2016					
(₹ Crore)					
Sr. No.	Particulars	Quarter ended 31 March (Unaudited)	Quarter ended 31 December (Unaudited)	Quarter ended 31 March (Unaudited)	Year ended 31 March (Audited)
		2016	2015	2015	2016
		(1)	(2)	(3)	(4)
1	Income from Operations				
	Net sales / income from operations	1,196.00	1,058.04	1,175.12	4,190.90
	Total income from operations	1,196.00	1,058.04	1,175.12	4,190.90
	Less: Company's share of Turnover in Integrated Joint Ventures	6.97	21.48	57.41	124.82
	Income from operations excluding Integrated Joint Ventures	1,189.03	1,036.56	1,117.71	4,066.08
2	Company's Share of Profit / (Loss) in Integrated JV's (Net)	(17.15)	0.16	2.75	(13.66)
3	Total (1+2)	1,171.88	1,036.72	1,120.46	4,052.42
4	Expenses				
	(a) Cost of materials consumed	263.34	229.19	287.88	951.72
	(b) Subcontracting expenses	430.38	326.83	395.05	1,315.37
	(c) Construction expenses	120.51	130.50	121.71	489.70
	(d) Employee benefits expenses	99.41	92.18	91.64	370.35
	(e) Depreciation and amortisation expenses	31.67	33.38	38.72	135.85
	(f) Other expenses	39.85	24.51	29.21	126.54
	(g) Total expenses [4(a+b+c+d+e+f)]	985.16	836.59	964.21	3,389.53
5	Profit / (Loss) from operations before other Income, exchange gain/(loss), finance costs & exceptional items (3-4)	186.72	200.13	156.25	662.89
6	Other income	47.88	44.26	40.21	187.76
7	Exchange Gain/(Loss) (Net)	(1.75)	2.02	7.21	(1.22)
8	Profit / (Loss) from ordinary activities before finance costs & exceptional Items (5+6+7)	232.85	246.41	203.67	849.43
9	Finance costs	176.60	170.20	167.67	689.88
10	Profit / (Loss) from ordinary activities after finance costs but before exceptional Items (8-9)	56.25	76.21	36.00	159.55
11	Exceptional items (Refer note 6)	(26.21)	(45.50)	-	(26.48)
12	Profit / (Loss) from ordinary activities before tax (10+11)	30.04	30.71	36.00	133.07
13	Tax expense	10.90	11.33	15.35	48.10
14	Net Profit / (Loss) from ordinary activities after tax (12-13)	19.14	19.38	20.65	84.97
15	Extraordinary items	-	-	-	-
16	Net Profit / (Loss) for the period (14+15)	19.14	19.38	20.65	84.97
17	Paid up equity share capital (Face value of ₹ 1 each)	77.92	77.92	64.59	77.92
18	Reserve excluding revaluation reserves as per balance sheet of previous accounting year				1,784.91
19	(a) Basic EPS (not annualised) - before and after Extraordinary items (in ₹)	0.25	0.25	0.32	1.10
	(b) Diluted EPS (not annualised) - before and after Extraordinary items (in ₹)	0.25	0.25	0.32	1.10
See accompanying notes to the financial results					

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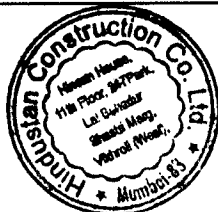
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STANDALONE STATEMENT OF ASSETS AND LIABILITIES

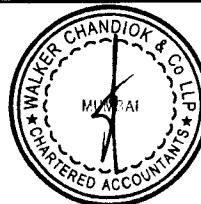
Part - II

₹ Crore

Particulars		As at 31 March 2016	As at 31 March 2015
A	EQUITY AND LIABILITIES		
1	Shareholders' funds:		
	(a) Share capital	77.92	64.59
	(b) Reserves and surplus	1,784.91	1,322.86
	Sub-total - Shareholders' funds	1,862.83	1,387.45
2	Non-current liabilities		
	(a) Long-term borrowings	2,482.26	2,627.63
	(b) Deferred tax liabilities (net)	116.17	68.07
	(c) Long-term provisions	37.97	38.62
	Sub-total - Non-current liabilities	2,636.40	2,734.32
3	Current liabilities		
	(a) Short-term borrowings	2,048.15	1,954.69
	(b) Trade payables	1,408.73	1,538.60
	(c) Other current liabilities	1,877.57	1,876.29
	(d) Short-term provisions	116.29	134.91
	Sub-total - Current liabilities	5,450.74	5,504.49
	TOTAL - EQUITY AND LIABILITIES	9,949.97	9,626.26
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	670.76	790.99
	(b) Non-current investments	514.72	597.29
	(c) Long-term loans & advances	1,869.29	1,343.00
	(d) Long-term trade receivables	2,161.35	1,494.16
	(e) Other non-current assets	179.18	324.65
	Sub-total - Non-current assets	5,395.30	4,550.09
2	Current assets		
	(a) Investments	77.72	95.60
	(b) Inventories	3,620.49	3,567.76
	(c) Trade receivables	507.36	922.74
	(d) Cash and Bank Balances	90.83	96.42
	(e) Short-term loans & advances	127.18	137.44
	(f) Other current assets	131.09	256.21
	Sub-total - Current assets	4,554.67	5,076.17
	TOTAL - ASSETS	9,949.97	9,626.26



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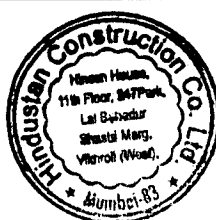
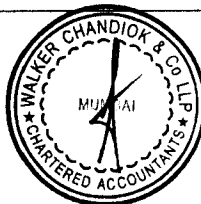
Notes :

- 1 a) The Company is engaged in Engineering & Construction activities which are substantially seasonal in character. Therefore, the financial results for the quarter ended 31 March 2016 are not necessarily indicative of annual results.
b) The Company's margins in the quarterly results vary based on the accrual of cost and recognition of income in different quarters due to nature of its business, receipt of awards/claims or events which lead to revision in Cost To Completion. Due to this reason, quarterly results may vary in different quarters and may not be indicative of annual results.
- 2 The figures for the quarter ended 31 March, 2016 are the balancing figures between the audited financial results for the year ended 31 March, 2016 and the published financial results for the nine months ended 31 December, 2015.
- 3 The Company has a single primary Segment namely "Engineering and Construction". Therefore, the Company's business does not fall under different business segments as defined by AS-17- "Segment Reporting".
- 4 The total balance value of work on hand as on 31 March 2016 is ₹ 18,123 crore (31 March 2015: ₹ 14,451 crore).
- 5 Pursuant to the approval of the Qualified Institutional Placement Committee constituted by the Board of Directors on 10 April 2015, the Company issued 133,332,800 equity shares of ₹ 1 each, at an issue price of ₹ 30 per equity share (of which ₹ 29 per share is towards securities premium) aggregating ₹ 399.99 crore to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder.
- 6 The exceptional item for the quarter ended 31 March 2016 represent write off of trade receivables amounting to ₹ 26.21 crore. Figures for the quarter ended 31 December 2015 represent provision for foreseeable loss aggregating ₹ 45.50 crore. Figures for the year ended 31 March 2016 represent profit on sale of long term investment amounting to ₹ 72.16 crore and write off of trade receivables & work-in-progress aggregating ₹ 98.64 crore.
- 7 Uncompleted Contracts and Value of Work Done('Inventory') and 'Long Term Trade Receivables' includes ₹ 978 crore & ₹ 206 crore, respectively, outstanding as at 31 March 2016 representing various claims raised and recognised 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 the Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ₹ 89 crore as at 31 March 2016 (31 March 2015: ₹ 149 crore) of arbitration awards received in favour of the Company, which have been subsequently set aside by High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of the same.
- 8 (a) The Company, as at 31 March 2016, has (i) an investment amounting to ₹ 474.36 crore (31 March 2015: ₹ 474.36 crore), long term loans and advances ₹ 443.96 crore (31 March 2015 : ₹ 404.06 crore), other non-current assets ₹ 19.43 crore (31 March 2015: ₹ 25.01 crore) and other current assets ₹ 5.07 crore (31 March 2015: ₹ 3.43 crore) in HCC Real Estate Limited (HREL) which is holding 68.70% share in Lavasa Corporation Limited (LCL) and (ii) an investment amounting to ₹ 0.01 crore (31 March 2015: ₹ 0.01 crore), long term loans and advances ₹ 110.21 crore (31 March 2015: Nil), other non-current assets ₹ 13.08 crore (31 March 2015: ₹ 14.30 crore) and other current assets ₹ 8.28 crore (31 March 2015: ₹ 77.24 crore) in LCL. While such entities have incurred losses during its initial years and consolidated net-worth of all these entities as at 31 March 2016 has been substantially/ fully eroded, the underlying projects in such entities are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values, hence net-worth of these subsidiaries does not represent its true market value. Therefore, the decline in the value of above investments is considered to be temporary in nature and the loans and advances, non-current assets and other current assets together with the interest thereon are good and recoverable.
Statutory auditors have included a qualification in their audit report in respect of this matter.
- (b) The Company, as at 31 March 2016, has an investment amounting to ₹ 0.25 crore (31 March 2015: ₹ 0.25 crore), long term loans and advances ₹ 984.82 crore (31 March 2015: ₹ 634.81 crore), other non-current assets ₹ 127.48 crore (31 March 2015: ₹ 283.80 crore) and other current assets ₹ 18.31 crore (31 March 2015: ₹ 35.84 crore) in HCC Infrastructure Company Limited (HIL) which is holding 85.45% in HCC Concession Limited having various Build, Operate and Transfer (BOT) SPVs under its fold. While this entity has incurred losses during its initial years and consolidated net-worth as at 31 March 2016 has been fully eroded, the underlying projects are in the early stages of development and are expected to achieve adequate profitability on substantial completion, hence net-worth of this subsidiary does not represent its true market value. Therefore, the decline in the value of above investment is considered to be temporary in nature and the loans and advances, non-current assets and other current assets together with the interest thereon are good and recoverable.
- 9 In respect of year ended 31 March 2014, the Company's request for managerial remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs(' the Ministry'), to reconsider their approval of ₹ 1.92 crore against the entire remuneration paid of ₹ 10.66 crore is pending with the Ministry. In respect of years ended 31 March 2015 and 31 March 2016, the Company's application for approval of remuneration paid/payable for each year ₹ 10.66 crore to the Chairman and Managing Director in excess of the limit prescribed, held in trust to the extent paid, to the Ministry of Corporate Affairs, is pending with the Ministry.
- 10 Previous period/year figures have been regrouped/recast wherever necessary.
- 11 The above results have been reviewed by the Statutory Auditors as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 12 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 April 2016.

for Hindustan Construction Company Limited


Ajit Gulabchand
Chairman & Managing Director

Mumbai, Dated : 28 April 2016.



Walker Chandiok & Co LLP

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Auditor's Report on Annual Standalone Financial Results and Year to Date Standalone Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Hindustan Construction Company Limited

1. We have audited the annual standalone financial results ("the Statement") of Hindustan Construction Company Limited ("the Company") for the year ended 31 March 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except 'Note 4 regarding total value of work on hand' which has been traced from disclosures made by the management and has not been audited by us. Attention is drawn to Note 2 in the Statement regarding the figures for the quarter ended 31 March 2016 as reported in this Statement which are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit. This Statement has been prepared on the basis of the annual standalone financial statements and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on this Statement based on our review of financial results for the nine months period ended 31 December 2015 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India; and our audit of the annual financial statements which have been prepared in accordance with the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.



Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

3. As stated in Note 8(a) to the Statement, the Company's long term investments as at 31 March 2016 include investments aggregating ₹ 474.37 crore in its subsidiaries, namely, Hindustan Real Estate Limited and Lavasa Corporation Limited; and the long term loans and advances, non-current assets and other current assets as on that date include dues from such subsidiaries aggregating ₹ 554.17 crore, ₹ 32.51 crore and ₹ 13.35 crore, respectively, being considered good and recoverable by the management. However, these subsidiaries have accumulated operational losses and their net worth is fully/ substantially eroded as at 31 March 2016. Further, such subsidiaries are facing liquidity constraints due to which they may not be able to realize projections made as per their business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these investments and recoverability of the aforesaid dues and the consequential impact, if any, on the accompanying standalone financial statements.
4. In our opinion and to the best of our information and according to the explanations given to us, this Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - (ii) gives a true and fair view of the standalone net profit and other financial information for the year ended 31 March 2016 except for the possible effects of our qualification as described in the previous paragraph.
5. We draw attention to :
 - a) Note 7 to the Statement regarding uncertainties relating to recoverability of uncompleted contracts and value of work done (inventory) and long-term trade receivables aggregating ₹ 978 crore and ₹ 206 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying Statement. Our opinion is not qualified in respect of this matter.
 - b) Note 8 (b) to the Statement regarding the Company's aggregate investments in a subsidiary company, long term loans and advances, other non-current assets and other current assets due from such subsidiary amounting to ₹ 0.25 crore, ₹ 984.82 crore, ₹ 127.48 crore and ₹ 18.31 crore, respectively, as at 31 March 2016. The consolidated net-worth of this subsidiary has been fully eroded. However, based on certain estimates and the other factors, including subsidiary's future business plans and growth prospects, as described in the said note, management considers the decline in the value of investment as temporary in nature and believes that long-term loans and advances, other non-current assets and other current assets are good and recoverable. Our opinion is not qualified in respect of this matter.



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- c) Note 9 to the Statement regarding remuneration of ₹ 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director, which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review/ an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not qualified in respect of this matter.
6. We did not audit the financial statements of six unincorporated integrated joint ventures, included in the Statement, whose financial statements reflect Company's share in net loss of ₹ 17.15 crore and ₹13.66 crore for the quarter and year ended 31 March 2016, respectively. These financial statements have been audited by other auditors whose audit reports have been furnished to us, by the management, and our opinion on the Statement of the Company for the year then ended to the extent they relate to the financial statements not audited by us, as stated in this paragraph, is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

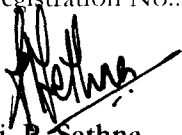
Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013


per **Adi. P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date : 28 April 2016

FORM B

Name of the Company Hindustan Construction Company Limited

Annual financial statements for the year ended 31 March 2016

Type of Audit observation **Statement of Standalone Audited Financial Results**

1 Qualified Opinion

(a) Auditor's Qualification

As stated in Note 8 (a) to the Statement, the Company's long term investments as at 31 March 2016 include investments aggregating ₹ 474.36 crore in its subsidiaries, namely, Hindustan Real Estate Limited and Lavasa Corporation Limited; and the long term loans and advances, non-current assets and other current assets as on that date include dues from such subsidiaries aggregating ₹ 554.17 crore, ₹ 32.51 crore and ₹ 13.35 crore, respectively, being considered good and recoverable by the management. However, these subsidiaries have accumulated operational losses and their net worth is fully/ substantially eroded as at 31 March 2016. Further, such subsidiaries are facing liquidity constraints due to which they may not be able to realize projections made as per their business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these investments and recoverability of the aforesaid dues and the consequential impact, if any, on the accompanying standalone financial statements.

Management Note

The Company, as at 31 March 2016, has (i) an investment amounting to ₹ 474.36 crore (31 March 2015: ₹ 474.36 crore), long term loans and advances ₹ 443.96 crore (31 March 2015: ₹ 404.06 crore), other non-current assets ₹ 19.43 crore (31 March 2015: ₹ 25.01 crore) and other current assets ₹ 5.07 crore (31 March 2015: ₹ 3.43 crore) in HCC Real Estate Limited (HREL) which is holding 68.70% share in Lavasa Corporation Limited (LCL) and (ii) an investment amounting to ₹ 0.01 crore (31 March 2015: ₹ 0.01 crore), long term loans and advances ₹ 110.21 crore (31 March 2015: Nil), other non-current assets ₹ 13.08 crore (31 March 2015: ₹ 14.30 crore) and other current assets ₹ 8.28 crore (31 March 2015: ₹ 77.24 crore) in LCL. While such entities have incurred losses during its initial years and consolidated net-worth of all these entities as at 31 March 2016 has been substantially/ fully eroded, the underlying projects in such entities are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values, hence net-worth of these subsidiaries does not represent its true market value. Therefore, the decline in the value of above investments is considered to be temporary in nature and the loans and advances, non-current assets and other current assets together with the interest thereon are good and recoverable.

Auditor's Qualification on the Internal Financial Controls relating to this matter

According to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2016:

The Company did not have appropriate internal financial controls over financial reporting in respect of its assessment of (a) 'other-than-temporary' diminution in the carrying value of the Company's long-term investments in its subsidiaries and (b) recoverability of long-term loans and advances, non-current assets and other current assets due from such subsidiaries. The inadequate supervisory and review controls over Company's process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investment in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, also impact the profit after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2016 standalone financial statements of the Company, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the financial statements.

2 Emphasis of Matter (EOM)

(a) Auditor's EOM

Note 9 to the Statement regarding remuneration of ₹ 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director (CMD), which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review / an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not qualified in respect of this matter.

Management note

In respect of year ended 31 March 2014, the Company's request for managerial remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs(' the Ministry'), to reconsider their approval of ₹ 1.92 crore against the entire remuneration paid of ₹ 10.66 crore is pending with the Ministry. In respect of years ended 31 March 2015 and 31 March 2016, the Company's application for approval of remuneration paid/payable for each year ₹ 10.66 crore to the Chairman and Managing Director in excess of the limit prescribed, held in trust to the extent paid, to the Ministry of Corporate Affairs, is pending with the Ministry.

FORM B

Name of the Company Hindustan Construction Company Limited

(b) Auditor's EOM
Note 8 (b) to the Statement regarding the Company's investments in subsidiary, long term loans and advances, other non-current assets and other current assets due from such subsidiary ₹ 0.25 crore, ₹ 984.82 crore, ₹ 127.48 crore and ₹ 18.31 crore, respectively, as at 31 March 2016. The consolidated net-worth of aforesaid subsidiary have been fully eroded; however, based on certain estimates and the other factors, including subsidiary's future business plans and growth prospects, as described in the said note, management considers the decline in the value of investment as temporary in nature and believes that long-term loans and advances, other non-current assets and other current assets are good and recoverable. Our opinion is not qualified in respect of this matter.

Management note
The Company, as at 31 March 2016, has an investment amounting to ₹ 0.25 crore (31 March 2015: ₹ 0.25 crore), long term loans and advances ₹ 984.82 crore (31 March 2015: ₹ 634.81 crore), other non-current assets ₹ 127.48 crore (31 March 2015: ₹ 283.80 crore) and other current assets ₹ 18.31 crore (31 March 2015: ₹ 35.84 crore) in HCC Infrastructure Company Limited (HIL) which is holding 85.45% in HCC Concession Limited having various Build, Operate and Transfer (BOT) SPVs under its fold. While this entity has incurred losses during its initial years and consolidated net-worth as at 31 March 2016 has been fully eroded, the underlying projects are in the early stages of development and are expected to achieve adequate profitability on substantial completion, hence net-worth of this subsidiary does not represent its true market value. Therefore, the decline in the value of above investment is considered to be temporary in nature and the loans and advances, non-current assets and other current assets together with the interest thereon are good and recoverable.

(c) Auditor's EOM
Note 7 to the Statement regarding uncertainties relating to recoverability of uncompleted contracts and value of work done (inventory) and long-term trade receivables aggregating ₹ 978 crore and ₹ 206 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying standalone financial statements. Our opinion is not qualified in respect of this matter.

Management note
Uncompleted Contracts and Value of Work Done('Inventory') and 'Long Term Trade Receivables' includes ₹ 978 crore & ₹ 206 crore, respectively, outstanding as at 31 March 2016 representing various claims raised and recognised 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 the Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ₹ 89 crore as at 31 March 2016 (31 March 2015: ₹ 149 crore) of arbitration awards received in favour of the Company, which have been subsequently set aside by High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of the same.

Frequency of observation **Qualifications/ Observations**
Qualification 1 (a) has been included for the first time during the year ended 31 March 2016.

Emphasis of Matter
Observation 2 (a) has been appearing from the year ended 31 March 2014 and 2 (b) and 2 (c) from the year ended 31 March 2013

Draw attention to relevant notes in the annual standalone audited financial results and management response to the qualification As stated above

6 Additional comments from the board/ audit Committee Chair

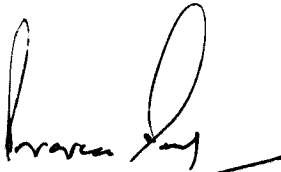
None

7 To be Signed by

Hindustan Construction Company Limited



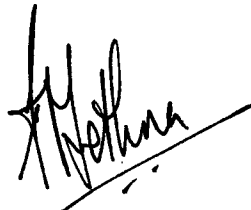
Ajit Gulabchand
Chairman & Managing Director



Praveen Sood
Group Chief Financial Officer



Shri Sharad M. Kulkarni-Chairman
Audit Committee Chairman



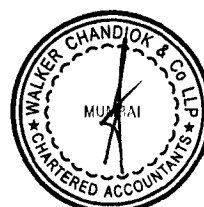
Adi P. Sethna
Partner
Membership No.: 108840
Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

PART - I

HINDUSTAN CONSTRUCTION COMPANY LIMITED			
STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2016			
(₹ Crore)			
Sr. No.	Particulars	Year ended 31 March	
		2016	2015
		(1)	(2)
1	(a) Net sales / income from operations	8,672.41	10,265.23
	(b) Other operating income	95.67	87.72
	Total income from operations (a+b)	8,768.08	10,352.95
2	Expenses		
	(a) Cost of constuction materials consumed	1,000.88	1,015.83
	(b) Subcontracting expenses	4,538.26	5,837.61
	(c) Construction expenses	616.48	735.96
	(d) Employee benefits expenses	937.82	1,005.51
	(e) Depreciation and amortisation expenses	343.21	327.45
	(f) Other expenses	456.02	510.70
	Total expenses 2 (a to f)	7,892.67	9,433.06
3	Profit / (Loss) from operations before other Income, finance costs and exceptional items (1-2)	875.41	919.89
4	Other income	78.43	62.02
5	Exchange Gain / (Loss) (Net)	6.02	(7.38)
6	Profit / (Loss) from ordinary activities before finance costs & exceptional Items (3+4+5)	959.86	974.53
7	Finance costs	1,354.74	1,279.55
8	Profit / (Loss) from ordinary activities after finance costs but before exceptional Items (6-7)	(394.88)	(305.02)
9	Exceptional items (Refer Note 2)	75.93	106.11
10	Profit / (Loss) from ordinary activities before tax (8+9)	(318.95)	(198.91)
11	Tax expense	31.12	28.56
12	Net Profit / (Loss) from ordinary activities after tax (10-11)	(350.07)	(227.47)
13	Extraordinary items	-	-
14	Net Profit / (Loss) for the period (12-13)	(350.07)	(227.47)
15	Share of profit / (loss) of associates	12.52	19.87
16	Minority interest	19.41	48.15
17	Net Profit / (Loss) after taxes, minority interest, share of loss of associates (14+15+16) from continuing operations	(318.14)	(159.45)
18	Profit / (Loss) for the period from discontinuing operations	-	-
19	Net Profit / (Loss) for the period (18+19)	(318.14)	(159.45)
20	Paid up equity share capital (Face value of ₹ 1 each)	77.91	64.58
21	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	625.10	459.34
22	(a) Basic EPS (not annualised) - before and after Extraordinary items (in ₹)	(4.10)	(2.48)
	(b) Diluted EPS (not annualised) - before and after Extraordinary items (in ₹)	(4.10)	(2.48)
See accompanying notes to the consolidated financial results			

Hindustan Construction Co Ltd

Hincon House, 11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083, India
Tel : +91 22 2575 1000 Fax : +91 22 2577 7568
CIN : L45200MH1926PLC001228



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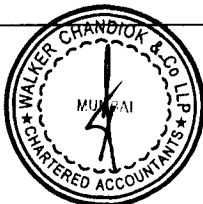
HINDUSTAN CONSTRUCTION COMPANY LIMITED
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

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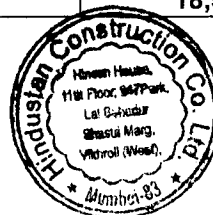
Part - II

(₹ Crore)

Particulars		As at 31 March, 2016	As at 31 March, 2015
A	EQUITY AND LIABILITIES		
1	Shareholders' funds:		
	(a) Share capital	77.91	64.58
	(b) Reserves and surplus	625.10	459.34
	Sub-total - Shareholders' funds	703.01	523.92
2	Preference share issued by subsidiary company	543.42	18.42
3	Minority Interest	202.45	219.82
4	Non-current liabilities		
	(a) Long-term borrowings	7,190.81	8,236.20
	(b) Deferred tax liabilities (net)	116.17	87.46
	(c) Other long-term liabilities	5.97	30.55
	(d) Long-term provisions	204.26	162.29
	Sub-total - Non-current liabilities	7,517.21	8,516.50
5	Current liabilities		
	(a) Short-term borrowings	2,148.79	2,095.80
	(b) Trade payables	2,862.48	3,511.76
	(c) Other current liabilities	4,450.89	3,949.51
	(d) Short-term provisions	162.02	192.96
	Sub-total - Current liabilities	9,624.18	9,750.03
	TOTAL - EQUITY AND LAIBILITIES	18,590.27	19,028.69
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	7,173.96	7,504.38
	(b) Goodwill on consolidation	126.68	124.78
	(c) Non-current investments	109.63	220.80
	(d) Deferred tax assets (net)	16.78	18.46
	(e) Long-term loans & advances	467.55	531.05
	(f) Long-term trade receivables	2,161.35	1,494.16
	(g) Other non-current assets	100.81	158.28
	Sub-total - Non-current assets	10,156.76	10,051.91
2	Current assets		
	(a) Current investments	21.05	52.08
	(b) Inventories	6,702.26	6,873.39
	(c) Trade receivables	480.02	734.06
	(d) Cash and cash equivalents	841.70	814.30
	(e) Short-term loans and advances	353.58	458.85
	(f) Other current assets	34.90	44.10
	Sub-total - Current assets	8,433.51	8,976.78
	TOTAL - ASSETS	18,590.27	19,028.69



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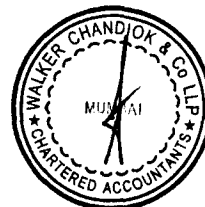
SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED 31 MARCH 2016

(₹ Crore)

Sr No.	Particulars	31 March 2016	31 March 2015
1	Segment Revenue		
	[a] Engineering and Construction	8,432.57	9,906.32
	[b] Infrastructure	226.50	230.09
	[c] Real Estate	24.01	0.17
	[d] Comprehensive Urban Development and Management	98.42	307.56
	[e] Others	37.97	46.21
	Total	8,819.47	10,490.35
	Less: Inter-segment Revenue	51.39	137.40
	Total Revenue	8,768.08	10,352.95
2	Segment Profit / (Loss) Before Tax and Interest		
	[a] Engineering and Construction	1,022.95	584.74
	[b] Infrastructure	(209.53)	195.18
	[c] Real Estate	43.53	(1.01)
	[d] Comprehensive Urban Development and Management	158.64	305.50
	[e] Others	20.20	(3.77)
	Total	1,035.79	1,080.64
	Less: Finance Cost	1,354.74	1,279.55
	Total Profit / (Loss) before Tax	(318.95)	(198.91)
3	Capital Employed		
	[a] Engineering and Construction	4,422.86	4,104.97
	[b] Infrastructure	3,505.12	3,994.32
	[c] Real Estate	214.88	436.10
	[d] Comprehensive Urban Development and Management	4,308.68	3,766.24
	[e] Others	53.65	29.96
	Total	12,505.19	12,331.59

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[Signature]



Notes :

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28 April 2016.
- 2 The exceptional item for the year ended 31 March 2016 represents profit on sale of long-term investments (net) ₹ 73.15 crore, profit on divestment of shareholding in subsidiaries ₹ 73.42 crore, trade receivables and work in progress written off ₹ 98.64 crore, interest receivable on sub-ordinate loan written off ₹ 73.03 crore and profit on sale of stake of Joint Venture ₹ 101.03 crore. Exceptional items for the year ended 31 March 2015 represents adjustment for change in useful lives of fixed assets aggregating ₹ 106.11 crore in accordance with the requirements of Schedule II to the Companies Act, 2013.
- 3 Uncompleted Contracts and Value of Work Done ('Inventory') and 'Long Term Trade Receivables' includes ₹ 978 crore and ₹ 206 crore, respectively, outstanding as at 31 March 2016 representing various claims raised and recognised 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 the Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ₹ 89 crore as at 31 March 2016 of arbitration awards received in favour of the Company, which have been subsequently set aside by High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of the same.
- 4 In respect of year ended 31 March 2014, the Company's request for managerial remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs ('the Ministry'), to reconsider their approval of ₹ 1.92 crore against the entire remuneration paid of ₹ 10.66 crore is pending with the Ministry. In respect of years ended 31 March 2015 and 31 March 2016, the Company's application for approval of remuneration paid/payable for each year ₹ 10.66 crore to the Chairman and Managing Director in excess of the limit prescribed, held in trust to the extent paid, is pending with the Ministry.
- 5 In case of Raiganj-Dalkhola Highways Limited (RDHL), a subsidiary company, National Highways Authority of India (NHAI) has not been able to make the balance land available. RDHL is in discussion with NHAI for balance land acquisition and on various approvals on design and structures with concerned departments. NHAI has assured to provide the balance land. However, concessionaire and its lenders have reiterated their concerns on the effort and time consuming process required to recommence the Project (including finalization of lender approvals and closure of new financing documents, revision of EPC costs and the signing of new contracts, etc.), but have confirmed their intent to complete the Project with adequate support from the NHAI. In view of this, Management considers delay in acquisition of land as temporary in nature, hence total cost incurred aggregating ₹ 173.40 crore (including interest of ₹ 50.33 crore) as at 31 March 2016 has been continued to be capitalised.
- 6 (a) In respect of Lavasa Corporation Limited (LCL), a subsidiary company, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9 November 2011 accorded Environment Clearance (EC) to 2,000 hectare (5,000 acres) which are subject to the compliance of terms and conditions. LCL filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said Order which is pending before the Tribunal. The group believes that the matter will be decided in its favour. Further, construction has resumed at project site from 9 November 2011.
- (b) LCL, a subsidiary company, has incurred losses and consolidated net-worth as at 31 March 2016 has been substantially eroded. The underlying projects in such entity are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values and accordingly Company's management is of the view that there is no impairment in value of the LCL net assets(capital employed) of ₹ 4,308.68 crore as at 31 March 2016. Similarly, no diminution in value of Goodwill on consolidation of LCL amounting to ₹ 95.04 crore as at 31 March 2016 is considered necessary.

Statutory auditors have included a qualification in their audit report in respect of these matters.

- 7 Previous period/year figures have been regrouped/recast wherever necessary.

for Hindustan Construction Company Limited



Ajit Gulabchand

Chairman & Managing Director

Mumbai, Dated : 28 April 2016.



Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Auditor's Report on Consolidated Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

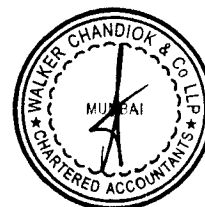
To the Board of Directors of Hindustan Construction Company Limited

1. We have audited the consolidated annual financial results ("the Statement") of Hindustan Construction Company Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the year ended 31 March 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement has been prepared from the consolidated annual financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on this Statement based on our audit of such consolidated annual financial statements, which has been prepared in accordance with the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual financial statements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

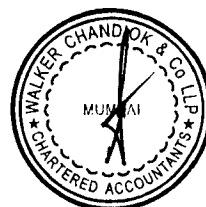
3. As stated in Note 6(a) of the Statement, the Independent Auditors of, Lavasa Corporation Limited ("LCL"), a subsidiary company, have qualified their audit report on the financial statements for the year ended 31 March 2016 in respect of matter relating to an Order dated 9 November 2011 of the Ministry of Environment and Forests according environment clearances which are subject to compliance of certain terms and conditions by LCL. LCL has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said order which is pending before tribunal, and the management believes, that the matter will be decided in their favour. In view of the nature of the terms and conditions set therein, we are unable to comment on the liability in respect of the aforesaid matter that may devolve upon LCL and the consequential impact, if any, on the Statement. Our opinion on the consolidated annual financial statements for the year ended 31 March 2015 was also qualified in respect of this matter.
4. We invite attention to Note 6(b) of the Statement, relating to the Group's carrying value of net assets (capital employed) aggregating Rs. 4,308.69 crore (including goodwill on consolidation Rs.95.04 crore) as at 31 March 2016 in LCL, being considered good and recoverable by the management. However, this subsidiary has accumulated operational losses and its net worth is substantially eroded as at 31 March 2016. Further, this subsidiary is facing liquidity constraints due to which it may not be able to realize projections made as per its business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these assets and the consequential impact, if any, on the accompanying Statement.
5. In our opinion and to the best of our information and according to the explanations given to us and upon consideration of reports of other auditors, this Statement:
 - (i) includes the financial results for the year ended 31 March 2016 of the following entities :

Subsidiary Companies:

Western Securities Limited	HCC Aviation Limited
HCC Construction Limited	Highbar Technologies Limited
Highbar Technologies FZ LLC	HCC Mauritius Enterprises Limited
HCC Mauritius Investment Limited	Steiner AG
Steiner Promotions et Participations SA	VM + ST AG
Eurohotel SA	Steiner (Deutschland) GmbH
Steiner Leman SAS	SNC Valleiry Route De Bloux
Steiner India Limited	HCC Infrastructure Company Limited
HCC Concessions Limited	HCC Energy Limited
Badarpur Faridabad Tollway Limited	Baharampore - Farakka Highways Limited
Farakka - Raiganj Highways Limited	Raiganj - Dalkhola Highways Limited
Dhule Palesner Operations & Maintenance Limited	HCC Power Limited
HCC Operations & Maintenance Limited	Narmada Bridge Tollway Limited
HCC Real Estate Limited	IIRL Township Developers Limited

[Handwritten Signature]

Chartered Accountants



Walker Chandiook & Co LLP

HRL (Thane) Real Estate Limited	Nashik Township Developers Limited
Maan Township Developers Limited	Charosa Wineries Limited
Powai Real Estate Developers Limited	HCC Realty Limited
Pune-Paud Toll Road Company Limited	Panchkutir Developers Limited
Lavasa Corporation Limited	Lavasa Hotel Limited
Lakeshore Watersports Company Limited	Dasve Convention Centre Limited
Dasve Business Hotel Limited	Dasve Hospitality Institutes Limited
Lakeview Clubs Limited	Dasve Retail Limited
Full Spectrum Adventure Limited	Spotless Laundry Services Limited
Lavasa Bamboocrafts Limited	Green Hill Residences Limited
My City Technology Limited	Reasonable Housing Limited
Future City Multiservices SEZ Limited	Rhapsody Commercial Space Limited
Valley View Entertainment Limited	Warasgaon Tourism Limited
Our Home Service Apartments Limited	Warasgaon Power Supply Limited
Sahyadri City Management Limited	Hill City Service Apartments Limited
Kart Racers Limited	Warasgaon Infrastructure Providers Limited
Nature Lovers Retail Limited	Osprey Hospitality Limited
Warasgaon Valley Hotels Limited	Rosebay Hotels Limited
Mugaon Luxury Hotels Limited	Warasgaon Assets Maintenance Limited
Hill View Parking Services Limited	Whistling Thrush Facilities Services Limited
Verzon Hospitality Limited	

Joint Ventures:

HCC- L & T Purulia Joint Venture	HCC Samsung Joint Venture
Alpine Samsung HCC Joint Venture	Alpine HCC Joint Venture
Nathpa Jhakri Joint Venture	Kumagai -Skanska-HCC Itochu Group
ARGE Prime Tower	Dhule Palesner Tollway Limited

Associate Companies:

Vikhroli Corporate Park Private Limited	Warasgaon Lake View Hotels Limited
Andromeda Hotels Limited	Knowledge Vistas Limited
Bona Sera Hotels Limited	Evostate AG
Projektentwicklungsges, Parking Kunstmuseum AG.	MCR Managing Corp. Real Estate AG
Nirmal BOT Limited	Starlit Resorts Limited

- (ii) has been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (iii) gives a true and fair view of the consolidated net loss and other financial information for the year ended 31 March 2016 except for the possible effects of qualification as described in the previous paragraph.

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6. (a) Note 3 to the Statement regarding uncertainties relating to recoverability of uncompleted contracts and value of work done (inventory) and long-term trade receivables aggregating ₹ 978 crore and ₹ 206 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying Statement. Our opinion is not qualified in respect of this matter.
- (b) Note 4 to the Statement regarding remuneration of ₹. 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director, which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review/an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not qualified in respect of this matter.
- (c) The Independent Auditors of the Company's subsidiary, HCC Infrastructure Company Limited (HICL), in their audit report on consolidated financial statements of HICL for the year ended 31 March 2016, have drawn attention to the matter stated in Note 5 to the Statement wherein in respect of Raiganj Dalkhola Highways Limited (RDHL), a subsidiary company of HICL, the said project has been suspended since 1 August 2013, due to non-availability of the balance land to be made available by National Highway Authority of India. During the period of delay in land acquisition, RDHL has continued to capitalize cost incurred till date aggregating ₹ 173.40 crore (including interest of ₹ 50.33 crore) under the head "Intangible Assets under Development". Our opinion is not qualified in respect of this matter.
7. We did not audit the financial statements of seventy subsidiaries and six jointly controlled entities, included in the Statement, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 11,355.35 crore as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹ 4,767.18 crore and net loss after tax (after eliminating intra-group transactions) of ₹ 334.65 crore for the year ended on that date. The Statement also includes the Group's share of net profit of ₹ 13.33 crore for the year ended 31 March 2016, as considered in the Statement, in respect of six associates, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose audit reports have been furnished to us, and our opinion in respect thereof is based solely on the audit reports of such other auditors. Our opinion is not qualified in respect of this matter.
8. The consolidated financial statements also include the Group's share of net loss of ₹ 0.81 crore for the year ended 31 March 2016 as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. Our opinion is not qualified in respect of this matter.



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9. In respect of investment in two associates valued at ₹ 1 in the consolidated financial statements, no adjustments have been made in the consolidated financial statements as at 31 March 2016 as the financial statements of these associates were not available. Our opinion is not qualified in respect of this matter.

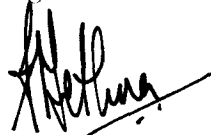
Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

(formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013



per **Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 28 April 2016

FORM B

Name of the Company Hindustan Construction Company Limited

Annual financial statements for the year ended 31 March 2016

Type of Audit observation **Statement of Consolidated Audited Financial Results**

1 Qualified Opinion

(a) Auditor's Qualification

As stated in Note 6(a) of the Statement, the Independent Auditor of, Lavasa Corporation Limited ("LCL"), a subsidiary company, have qualified their audit report on the financial statements for the year ended 31 March 2016 in respect of matter relating to an Order dated 9 November 2011 of the Ministry of Environment and Forests according environment clearances which are subject to compliance of certain terms and conditions by LCL. LCL has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said order which is pending before tribunal, and the management believes, that the matter will be decided in their favour. In view of the nature of the terms and conditions set therein, we are unable to comment on the liability in respect of the aforesaid matter that may devolve upon LCL and the consequential impact, if any, on the Statement. Our opinion on the consolidated annual financial statements for the year ended 31 March 2015 was also qualified in respect of this matter.

Management Note

In respect of Lavasa Corporation Limited (LCL), a subsidiary company, Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9 November 2011 accorded Environment Clearance (EC) to 2,000 hectare (5,000 acres) which are subject to the compliance of terms and conditions. LCL filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said Order which is pending before the Tribunal. The group believes that the matter will be decided in its favour. Further, construction has resumed at project site from 9 November 2011.

(b) Auditor's Qualification

We invite attention to Note 6(b) of the Statement, relating to the Group's carrying value of net assets (capital employed) aggregating ₹ 4,308.69 crore (including goodwill on consolidation ₹95.04 crore) as at 31 March 2016 in LCL, being considered good and recoverable by the management. However, this subsidiary has accumulated operational losses and its net worth is substantially eroded as at 31 March 2016. Further, this subsidiary is facing liquidity constraints due to which it may not be able to realize projections made as per its business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these assets and the consequential impact, if any, on the accompanying Statement.

Management Note

LCL, a subsidiary company, has incurred losses and consolidated net-worth as at 31 March 2016 has been substantially eroded. The underlying projects in such entity are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values and accordingly Company's management is of the view that there is no impairment in value of the LCL net assets(capital employed) of ₹ 4,308.68 crore as at 31 March 2016. Similarly, no diminution in value of Goodwill on consolidation of LCL amounting to ₹ 95.04 crore as at 31 March 2016 is considered necessary.

Auditor's Qualification on the Internal Financial Controls relating to this matter

According to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2016:

The Company did not have appropriate internal financial controls over financial reporting in respect of its assessment of the carrying value of subsidiaries' net assets (capital employed) including goodwill on consolidation of the Company's subsidiaries. The inadequate supervisory and review controls over Company's process in respect of its aforementioned assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of aforesaid assets and consequently, also impact the profit after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2016 consolidated financial statements of the Company, and the material weakness has affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the financial statements.

2 Emphasis of Matter (EOM)

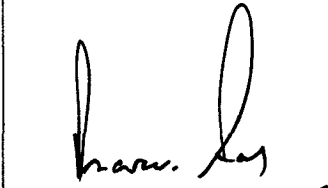
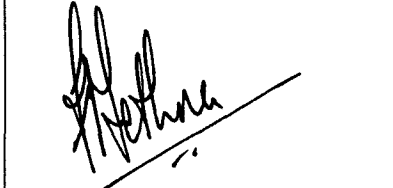
(a) Auditor's EOM

Note 3 to the Statement regarding uncertainties relating to recoverability of uncompleted contracts and value of work done (inventory) and long-term trade receivables aggregating ₹ 978 crore and ₹ 206 crore, respectively, recognised in the earlier year in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying Statement. Our opinion is not qualified in respect of this matter.

Management note

Uncompleted Contracts and Value of Work Done ('Inventory') and 'Long Term Trade Receivables' includes ₹ 978 crore and ₹ 206 crore, respectively, outstanding as at 31 March 2016 representing various claims raised and recognised 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 the Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ₹ 89 crore as at 31 March 2016 of arbitration awards received in favour of the Company, which have been subsequently set aside by High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of the same.

FORM B	
Name of the Company	Hindustan Construction Company Limited
(b) Auditor's EOM	<p>Note 4 to the Statement regarding remuneration of ₹. 10.66 crore paid for each of the financial year ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director, which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review/an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not qualified in respect of this matter.</p> <p>Management note</p> <p>In respect of year ended 31 March 2014, the Company's request for managerial remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs ('the Ministry'), to reconsider their approval of ₹ 1.92 crore against the entire remuneration paid of ₹ 10.66 crore is pending with the Ministry. In respect of year ended 31 March 2015 and 31 March 2016, the Company's application for approval of remuneration paid/payable for each year ₹ 10.66 crore to the Chairman and Managing Director in excess of the limit prescribed, held in trust to the extent paid, is pending with the Ministry.</p>
(c) Auditor's EOM	<p>The Independent Auditor of the Company's subsidiary, HCC Infrastructure Company Limited (HICL), in their audit report on consolidated financial statements of HICL for the year ended 31 March 2016, have drawn attention to the matter stated in Note 5 to the Statement wherein in respect of Raiganj Dalkhola Highways Limited (RDHL), a subsidiary company of HICL, the said project has been suspended since 1 August 2013, due to non-availability of the balance land to be made available by National Highway Authority of India. During the period of delay in land acquisition, RDHL has continued to capitalize cost incurred till date aggregating ₹ 173.40 crore (including interest of ₹ 50.33 crore) under the head "Intangible Assets under Development". Our opinion is not qualified in respect of this matter.</p> <p>Management note</p> <p>In case of Raiganj-Dalkhola Highways Limited (RDHL), a subsidiary company, National Highways Authority of India (NHAI) has not been able to make the balance land available. RDHL is in discussion with NHAI for balance land acquisition and on various approvals on design and structures with concerned departments. NHAI has assured to provide the balance land. However, concessionaire and its lender have reiterated their concerns on the effort and time consuming process required to recommence the Project (including finalization of lender approvals and closure of new financing documents, revision of EPC costs and the signing of new contracts, etc.), but have confirmed their intent to complete the Project with adequate support from the NHAI. In view of this, Management considers delay in acquisition of land as temporary in nature, hence total cost incurred aggregating ₹ 173.40 crore (including interest of ₹ 50.33 crore) as at 31 March 2016 has been continued to be capitalised.</p>
Frequency of observation	<p>Qualifications/ Observations</p> <p>Qualification 1 (a) has been appearing from the year ended 31 March 2012.</p> <p>Qualification 1 (b) has been included for the first time during the year ended 31 March 2016.</p> <p>Emphasis of Matter</p> <p>Observation 2 (a) has been appearing from the year ended 31 March 2013</p> <p>Observation 2 (b) has been appearing from the year ended 31 March 2014</p> <p>Observation 2 (c) has been appearing from the year ended 31 March 2013</p>
Draw attention to relevant notes in the annual standalone audited financial results and management response to the qualification	As stated above

6 Additional comments from the board/ audit Committee Chair	None
<p data-bbox="100 518 285 551">7 To be Signed by</p> <p data-bbox="100 572 513 604">Hindustan Construction Company Limited</p> <div data-bbox="131 841 602 975">  Ajit Gulabchand Chairman & Managing Director </div> <div data-bbox="131 1131 456 1413">  Praveen Sood Group Chief Financial Officer </div>	<div data-bbox="716 814 1138 975">  Shri Sharad M. Kulkarni-Chairman Audit Committee Chairman </div> <div data-bbox="716 1131 1105 1497">  Adi P. Sethna Partner Membership No.: 108840 Walker Chandiok & Co LLP (Formerly Walker, Chandiok & Co) Chartered Accountants Firm Registration No. 001076N / N500013 </div>

Press Release**HCC Net Profit at Rs 85 crore in FY 2015-16**

Order book at the end of FY2015-16 is 25.4% higher over previous fiscal
EBITDA margins at 19.98%

Mumbai: April 28, 2016: HCC has registered a Net Profit of Rs 84.97 crore in FY 2015-16, compared to Rs 81.65 crore last year. The Operating Profit grew by 5.1% (Rs 812.4 crore in FY 2015-16 vs Rs 773.3 crore in FY 2014-15). The turnover was at Rs 4190.9 crore compared to Rs 4,301.1 crore, in the previous year.

Financial highlights:**Audited standalone results for the year ended March 31, 2016**

- Net Profit of Rs 84.97 crore compared to Rs 81.65 crore
- Profit Before Tax of Rs 159.5 crore compared to Rs 127.3 crore
- Operating Profit up by 5.1% at Rs 812.4 crore compared to Rs 773.3 crore
- EBITDA margins at 19.98% compared to 18.74% in the fourth quarter last year
- Turnover of Rs 4,190.9 crore against Rs 4,301.1 crore last year
- The order book grew by 25.4% at Rs 18,123 crore, excluding L1 contracts worth Rs 3,701 crore

Un-audited standalone results for the quarter ended March 31, 2016

- Net Profit of Rs 19.1 crore compared to Rs 20.6 crore
- Operating Profit up by 22.5% at Rs 235.5 crore compared to Rs 192.2 crore
- EBITDA margins at 19.8% compared to 17.2% in the fourth quarter last year
- Turnover at Rs 1,196 crore compared to Rs 1,175.1 crore

During FY 2015-16, the company secured 9 new orders worth Rs 5,764 crore and is the lowest bidder in projects worth Rs 3,701 crore. The overall operational efficiency and reduction in fixed costs and award of claims have resulted in improved EBITDA margins.

In FY 2015-16, Rs 646 crore worth of arbitration awards were received in favour of the company. So, HCC now have about Rs 3,041 crore of receivables on account of these awards which are being aggressively pursued for early collection.

Commenting on the company's performance, **Ajit Gulabchand, Chairman and Managing Director** said, "HCC has significantly improved its order book, which will help raise our turnover to bring down the interest cost in coming years. Our efforts on bringing operational efficiency and cost management have yielded results with high project EBIT margins over last eight quarters. Budget for fiscal year 2016-17 has earmarked Rs 2.21 lakh crore for infrastructure sector, which will put the industry on the growth trajectory and we are well poised to leverage this opportunity."

Awards and recognitions to HCC in the FY 2015-16

- "Infrastructure Company of the Year Award" to HCC by Construction Week for its outstanding contribution in the Infrastructure sector
- 'Construction Week Award' for HCC's Dagachhu Hydroelectric Power Project in Bhutan under the category "Water Project of the Year"
- "QCI D.L. Shah Quality Award" to HCC's Bogibeel Rail-cum-Road Bridge project
- 'Indian Concrete Institute Award' for HCC's Padur Cavern Project under the category "Best Concrete Structure of the year"

- CIDC Vishwakarma Award 2016' to Dagachhu Hydroelectric Power Project under Power category **"Best Construction Project"**
- CIDC Vishwakarma Award 2016' to Padur Cavern Project under Infrastructure category **"Best Construction Project"**
- CIDC Vishwakarma Award 2016' to HCC's Water Sustainability initiatives under the category **"Achievement Award for Social Development & Impact"**
- **Best CSR practices for Water initiatives**, at the 'World CSR Day' conference by the World CSR Congress

Performance of HCC subsidiaries:

Steiner AG: After consolidating its position along with cautious order intake in past, Steiner AG has bounced back by securing orders of CHF 849 million (Rs 5,834 crore) in FY 2015-16. With this the order backlog has reached CHF 1.32 billion (Rs 9,075 crore). In addition to this, the company has secured orders for more than CHF 700 million (Rs 4,812 crore), where the contracts are yet to be signed. The consolidation strategy adopted in the initial years has impacted turnover this year as the company has registered lower revenue of CHF 636.8 million (Rs 4,255 crore) compared to CHF 853.9 million (Rs 5,605 crore) in the previous year. The closing cash balance of CHF 87 million (Rs 599 crore) reflects company's strong liquidity position.

HCC Infrastructure Co Limited: HCC Concessions, the subsidiary of HCC Infrastructure handling highway concessions, closed the sale of its stake in Dhule Palesner Tollway Ltd to the Sadbhav Group for Rs 204 crore and Nirmal BOT Ltd to the IDFC Group for Rs 64 crore. The company attained average daily toll collection of Rs.30 lakhs for its Baharampore-Farakka highway with a 7% y-o-y traffic growth in the last fiscal year and expects COD of Farakka-Raiganj (Pkg 4, NH34) by June 2016. Nearly 90% of land acquisition for Raiganj-Dalkhola (Pkg 5, NH34) has been completed after a delay of six years and the Company is working toward a restart of the project, subject to appropriate support from NHAI and Lenders. The Company has infused its entire equity in the project and is expecting a release of NHAI grant shortly.

Lavasa Corporation Limited (LCL): Lavasa city continues to be a popular tourist destination. The tourist footfall has increased by 12% in FY 2015-16 to 10.70 lakhs. The company had received a major blow when the project received a "stoppage of work" order by the then Union government in 2010 forcing it to face difficult working situation including financial challenges, impacting further development of the townships. Braving the harsh situation, the company, till date, has completed ~1200 residential units. In addition, work on 1.5 million sq ft of residential, commercial and social development is underway in Dasve and 1 million sq ft of residential development is underway in Mugaon. With government strategy of "Ease of Doing Business", we hope to clear many operational hurdles in Lavasa city development which will eventually create more than 90,000 jobs.

About HCC:

HCC is a business group of global scale developing and building responsible infrastructure through next practices. With an engineering heritage of nearly 100 years, HCC has executed a majority of India's landmark infrastructure projects, having constructed 26% of India's Hydel Power generation and over 65% of India's Nuclear Power generation capacities, over 3,600 lane km of Expressways and Highways, more than 300 km of complex Tunneling and over 350 Bridges. Today, HCC Ltd. serves the infrastructure sectors of Transportation, Power and Water. HCC is also developing Lavasa City, a planned hill city and one of India's largest urban development and management initiatives. The HCC Group, with a group turnover of Rs 8,768 crore, comprises of HCC Ltd, HCC Infrastructure Co. Ltd, Lavasa Corporation Ltd and Steiner AG in Switzerland.

For further information:

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