

HCC

FAX NO. 66418125 / 66418126 / 26598237/ 26598238

HC/SEC

January 30, 2014

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

Dear Sir,

Sub: **Unaudited Financial Results of the Company for the third quarter ended 31st December, 2013**

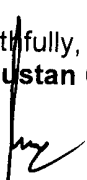
As required under Clause 41 of the Listing Agreement with you, we are faxing herewith a copy of the Unaudited Financial Results for the third quarter ended 31st December, 2013 together with a copy of the "Limited Review" Report for the third quarter ended 31st December, 2013 carried out by the Statutory Auditors of the Company.

The Unaudited Financial Results of the Company for the third quarter ended 31st December 2013 have been approved by the Board of Directors at its Meeting held on 30th January, 2014.

A copy of Press Release is faxed herewith.

Thanking you,

Yours faithfully,
For **Hindustan Construction Co. Ltd.**,


Vithal P. Kulkarni
Company Secretary

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER 2013

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER 2013							(₹ Crore)
Sr. No.	Particulars	Quarter ended 31st December (Unaudited)	Quarter ended 30th September (Unaudited)	Quarter ended 31st December (Unaudited)	Nine months ended 31st December (Unaudited)		Year ended 31st March (Audited)
		2013 (1)	2013 (2)	2012 (3)	2013 (4)	2012 (5)	2013 (6)
PART I							
1	INCOME FROM OPERATIONS						
	(a) Net sales / income from operations (Net of excise duty)	870.37	908.72	1,020.75	2,928.65	2,854.37	3,837.29
	(b) Other operating income	-	-	-	-	-	-
	Total Income from operations (a+b)	870.37	908.72	1,020.75	2,928.65	2,854.37	3,837.29
	Less: Company's share of Turnover in Integrated Joint Ventures	18.35	18.58	-	44.08	0.20	0.20
	Income from operations excluding Integrated Joint Ventures	852.02	890.14	1,020.75	2,884.57	2,854.17	3,837.09
2	Company's Share of Profit / (Loss) in Integrated JV's (Net)	0.09	(0.49)	(6.43)	0.11	(4.85)	(4.80)
3	Total (1+2)	852.11	889.65	1,014.32	2,884.68	2,849.32	3,832.29
4	Expenses						
	(a) Cost of materials consumed	262.30	215.55	316.21	753.75	910.83	1,290.73
	(b) Construction expenses	289.25	458.65	462.09	1,280.72	1,286.30	1,659.03
	(c) Employee benefits expenses	94.53	95.88	104.95	295.42	294.79	402.03
	(d) Depreciation and amortisation expenses	36.52	37.49	44.38	111.11	124.72	163.40
	(e) Other expenses	30.68	30.65	22.71	88.78	67.90	101.93
	(f) Total expenses 4 (a to e)	713.28	838.22	950.34	2,529.78	2,684.54	3,617.12
5	Profit / (Loss) from operations before other income, finance costs & exceptional items (3-4)	138.83	51.43	63.98	354.90	164.78	215.17
6	Other income	27.94	112.29	23.14	155.01	107.51	119.77
7	Profit / (Loss) from ordinary activities before finance costs & exceptional items (5+6)	166.77	163.72	87.12	509.91	272.29	334.94
8	Finance costs	156.55	152.29	143.20	457.70	408.74	544.10
9	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (7-8)	10.22	11.43	(56.08)	52.21	(136.45)	(209.16)
10	Exceptional items	-	-	3.87	-	15.58	15.58
11	Profit / (Loss) from ordinary activities before tax (9+10)	10.22	11.43	(52.21)	52.21	(120.87)	(193.58)
12	Tax expense	4.83	(20.17)	(13.70)	(4.01)	(33.50)	(55.94)
13	Net Profit / (Loss) from ordinary activities after tax (11-12)	5.39	31.60	(38.51)	56.22	(87.37)	(137.64)
14	Extraordinary items	-	-	-	-	-	-
15	Net Profit / (Loss) for the period (13+14)	5.39	31.60	(38.51)	56.22	(87.37)	(137.64)
16	Paid up equity share capital (Face value of Re. 1/- each)	60.66	60.66	60.66	60.66	60.66	60.66
17	Reserve excluding Revaluation Reserves	-	-	-	-	-	-
18	Basic EPS ₹	-	-	-	-	-	1,102
	-before and after Extraordinary items	-	-	-	-	-	-
19	Diluted EPS ₹	0.09	0.52	(0.63)	0.93	(1.44)	(2.27)
	-before and after Extraordinary items	0.09	0.52	(0.63)	0.92	(1.43)	(2.25)
PART II							
A.	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	i) Number of shares	364811026	364811026	364811026	364811026	364811026	364811026
	ii) Percentage of shareholding	60.14%	60.14%	60.14%	60.14%	60.14%	60.14%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	-- Number of shares	200703600	200703600	200703600	200703600	200703600	200703600
	-- Percentage of shares	83.00%	83.00%	83.00%	83.00%	83.00%	83.00%
	(as a % of the total shareholding of promoter and promoter group)						
	-- Percentage of shares	33.09%	33.09%	33.09%	33.09%	33.09%	33.09%
	(as a % of the total share capital of the company)						
	b) Non-encumbered						
	-- Number of shares	41095794	41095794	41095794	41095794	41095794	41095794
	-- Percentage of shares	17.00%	17.00%	17.00%	17.00%	17.00%	17.00%
	(as a % of the total shareholding of promoter and promoter group)						
	-- Percentage of shares	6.77%	6.77%	6.77%	6.77%	6.77%	6.77%
	(as a % of the total share capital of the company)						
B. INVESTOR COMPLAINTS		3 Months ended 31.12.2013					
	Pending at the beginning of the quarter	NIL					
	Received during the quarter	1					
	Disposed of during the quarter	1					
	Remaining unresolved at the end of the quarter	NIL					

Hindustan Construction Co Ltd

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

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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 three months ended 31st December, 2013 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 Company has a single Segment namely "Engineering and Construction". Therefore, the Company's business does not fall under different business segments as defined by AS-17- "Segmental Reporting" issued by ICAI.
- 3 The total balance value of work on hand as on 31st December, 2013 is ₹ 13,388crore (₹ 14,935crore as on 31st March, 2013).
- 4 Previous period/year figures have been regrouped/recast wherever necessary.
- 5 The above results have been reviewed by the Statutory Auditors as per clause 41 of the listing agreement.
- 6 The above results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 30th January, 2014.

for Hindustan Construction Co. Ltd.



Ajit Gulabchand

Chairman & Managing Director

Mumbai, Dated : 30th January, 2014.

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**The Board of Directors
Hindustan Construction Co. Ltd.
11th Floor, Hinson House,
247 Park
L. B. S. Marg, Vikhroli (West)
Mumbai – 400 083**

Dear Sir,

Re: Limited Review of the Unaudited Financial Results for the period ended 31st December, 2013.

1. Introduction

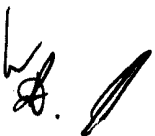
We have reviewed the accompanying statement of unaudited financial results of Hindustan Construction Company Limited for the period ended 31st December, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management but have neither been reviewed nor been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors on 30th January, 2014. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Indian Generally Accepted Accounting Principles. Our responsibility is to issue a report on these financial results based on our review.

2. Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

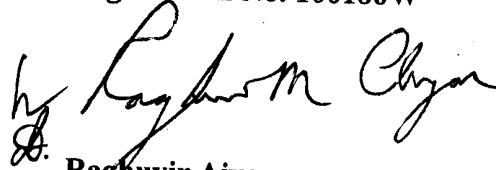


4. Emphasis of Matter

Without qualifying our review conclusion, we draw attention to:

- (a) Company's exposure in the nature of long-term investments and loans advances of ₹ 837.97 Crs and ₹ 820.03 Crs in its subsidiaries namely HCC Real Estate Ltd. and HCC Infrastructure Ltd. On the basis of the books value of these companies, there is a diminution in the value of these investments and advances, which in the opinion of the management is of temporary in nature.
- (b) Trade Receivables representing favourable arbitration awards amounting to ₹ 87.64 Crs which are more than one year old as on December 31st, 2013, that have been subsequently set-aside by Courts of Law, on appeal by client. The recoverability is dependent upon the final outcome of the appeals getting resolved in favour of the Company.
- (c) Company's claims of ₹ 326.36 Crs, ₹ 38.40 Crs and ₹ 430.72 Crs being included under "Long Term Trade Receivables", "Short Term Loans and Advances" and "Uncompleted Contracts and Value of Work Done" respectively, which have been outstanding for over 5 years. The Company has assessed the recoverability of these claims based on favourable arbitration awards, court orders and legal opinion. Considering the contractual tenability and legal advice from Company's counsel in the matter, the management is confident of recovery of the same.
- (d) The Company has received an order from the Commissioner of Service Tax, Mumbai, concerning alleged contravention of provisions of Service Tax during the period 1st April, 2007 to 31st March, 2012 and raising a demand of ₹ 741.51 Crs (plus interest thereon) on the Company. Based on the their preliminary analysis of facts and legal position, the Company is of the view that it has a reasonably strong case as most of the demand appears to be fictitious and balance can be contested since the legal outcome of the same is pending.
- (e) Company's application seeking approval from the Central Government for the excess remuneration paid to managerial personnel.

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W



Raghuvir Aiyar
Partner
Membership No.: 038128

Place: Mumbai
Date: 30th January, 2014.

HCC Q3 FY2013-14 Net Profit at Rs 5.4 Crore

Mumbai, January 30, 2014: HCC has registered a net profit of Rs 5.4 crore in Q3 FY 2013-14 compared to a loss of Rs 38.5 crore in the corresponding period last year.

HCC unaudited standalone financial results highlights:

- **For the quarter ended December 31, 2013:**
 - Turnover at Rs 870.4 crore v/s Rs 1,020.7 crore same period last year
 - Net Profit of Rs 5.4 crore v/s Net loss of Rs 38.5 crore
 - EBITDA margin at 20.57%
 - Order backlog is at Rs 13,388 crore with new orders worth Rs 2,040 crore bagged this quarter. In addition, the company has L1 contracts worth Rs 1,408 crore.

Commenting on the performance, **Mr. Praveen Sood, Group Chief Financial Officer, HCC** said, "Despite a marginal dip in turnover, the operational efficiency we have achieved clearly manifest in this quarter. The company will continue to implement measures aimed at further improvement in all financial parameters. Inflow of substantially big orders during the quarter will help to improve the turnover in the next few quarters."

Performance of HCC subsidiaries:

Steiner AG: For Q3 FY 2013-14, the company has registered a revenue of CHF 188.3 million (Rs 1,230.1 Crore) and net profit of CHF 1.6 million (Rs 10.2 Crore). Steiner AG secured fresh orders worth CHF 330 million (Rs 2,275 Crore). The order book as on 31st December 2013 stands at CHF 1.16 billion (Rs 7,980 Crore). In addition to this, the company has secured orders for more than CHF 170 million (Rs 1,172 Crore), where the contracts are yet to be signed.

Lavasa Corporation Ltd: The overall development work in Lavasa has picked up pace with over 5300 construction workers on ground. Institutional sales have gathered momentum and 165 channel partners have come on board as of December 31, 2013. Till date, 628 residential units have been completed. Steiner India, a subsidiary of Steiner AG has been awarded the contract for construction and development of residential, commercial and institutional complexes at 5 towns of Lavasa. In Mugaon, around 10 lakh sq ft development has commenced, while in Dasve around 8 lakh sq ft of residential, commercial and social development is underway. Around 1.6 lakh tourists visited Lavasa during last quarter.

HCC Infrastructure Company Ltd: Commercial operation of NH34's Baharampore-Farakka section (Package 3) in West Bengal is expected by year end while Farakka-Raiganj section (Package 4) is expected by first quarter of FY 2014-15. These packages have achieved 81% and 67% progress, respectively. With this, the bulk of the Company's BOT portfolio will be operational.

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 25% of India's Hydel Power generation and over 50% of India's Nuclear Power generation capacities, over 3,364 lane km of Expressways and Highways, more than 207 km of complex Tunneling and over 324 Bridges. HCC's landmark projects include the Bandra Worli Sea Link, Mumbai - India's first and longest open sea cable-stayed bridge; the Kolkata Metro, Farakka Barrage and India's largest nuclear power plant at Kudankulam - Tamil Nadu, to name a few. 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 8,510 crore, comprises of HCC Ltd, HCC Infrastructure Co. Ltd, HCC Real Estate Ltd, Lavasa Corporation Ltd and Steiner AG in Switzerland.

For further information:

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