

HCC



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Highlights 2013-14

- Group turnover at ₹ 9,688.3 crore
- HCC E&C Order book at ₹ 14,249 crore
- HCC Standalone Turnover at ₹ 4,113.5 crore and Net Profit of ₹ 80.6 crore, after reporting losses for 2 years
- HCC's sustainability report received highest accreditation A+ by the Global Reporting Initiative (GRI) for the fourth time
- HCC Group is now 100% shareholder of Steiner AG with acquisition of remaining 34% stake. Steiner AG continues to be profitable for four consecutive years since taken over by HCC
- Lavasa construction work commenced around 5,000 workers on ground. Appx. 500 units handed over to the customers. Lavasa: witnessed 8 lakh tourists' footfalls during the year
- First leg of the 250 km, ₹ 3,200 crore, PPP highway development in West Bengal (NH34) commissioned in May 2014; significant progress achieved for second section from Farakka to Raiganj
- Dhule Palesner Highway started tolling for its second phase of development one year in advance of schedule
- Highbar Technologies adds 14 new customers during the year including 2 in Middle East region

HCC's Projects at a Glance

ANDHRA PRADESH

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

ARUNACHAL PRADESH

- 17. Pare HEP

ASSAM

18. Brahmaputra Bridge
19. Civil Works for Refinery at Guwahati
- 20. Four-laning of NH-54 (AS23)
- 21. Bogibeel Bridge

BIHAR

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

CHATTISGARH

29. Bhilai Steel Plant
30. Bailadila Project

DELHI

31. Water and Sewage Treatment Plants
32. DMRC - Vishwa Vidyalaya to ISBT
33. DMRC - Airport Metro Express Line Contract AMEL - C1

34. DMRC - Airport Metro Express Line Contract AMEL - C6
- 35. DMRC - Netaji Subhash Palace to Shalimar Bagh
- 36. DMRC - Janakpuri West to Palam Station
- ★ 37. Delhi Faridabad Elevated Expressway

GOA

38. Goa Barge Berth at Marmugoa

GUJARAT

39. Kandla Oil Jetty
40. 180 m High Chimney at Wanakbori
41. Tapi Road Bridge
42. Kakrapar Atomic Power Project
43. Two Cooling Towers at Gandhinagar
44. Gujarat State Highways Project - Mehsana to Palanpur
45. Kalol Mehsana Gas Pipeline
46. Pumped Water Supply Scheme from Kesaria to Sonari (NC-25)
- 47. Saurashtra Branch Canal Pumping Scheme
- 48. Swarnim Gujarat Kutch Water Grid, NC-31 Pipeline
- 49. Kachchh Branch Canal
- ▲ 50. Reliance J3 Jamnagar

HARYANA

51. Road Bridge at Palwai
52. Panipat Chimney
53. Hathnikund Barrage

HIMACHAL PRADESH

54. Chamera HEP, Stage I
55. Nathpa Jhakri HEP
56. Chamera HEP, Stage III
- 57. Kashang HEP
- 58. Sainj HEP

JAMMU & KASHMIR

59. Salal HEP
60. Udhampur - Srinagar - Baramulla Rail
61. Pir Panjal Tunnel (Zone-VA)
62. Pir Panjal Tunnel (Zone-VB)
63. Chutak HEP
64. Nimmo Bazgo HEP
- 65. Uri-II HEP
- 66. Mughal Road
- 67. Kishanganga HEP

- 68. T-48 tunnel on Dharam-Qazigund Section
- ▲ 69. T-49 Tunnel on Dharam-Qazigund Section

JHARKHAND

70. Chandil Dam
71. Icha Dam
72. Grand Trunk Road Improvement Project

KARNATAKA

73. Tunnel and Powerhouse at Sharavati
74. Dockwork for MPT at Mangalore
75. Kadra Dam
76. Karnataka State Highways Project
- 77. Cavern for Crude Oil Storage, Padur
- ▲ 78. Yettinahole Project - Pkg IV

KERALA

79. Tanker Terminal and Fertiliser Berth, Cochin
80. Dam across Kulamavu
81. Dam of Peppara
82. Dam across Idamalayar
83. Lower Periyar Tunnel
84. Dam across Moozhiyar and Veluthodu
85. Sebarigiri Dam
86. Wellington Bridge, Cochin
87. Lower Periyar Dam and Powerhouse
88. Brahmapuram Diesel Power Plant

MADHYA PRADESH

89. Satpura TPS
90. Tons Road Bridge
91. Tons HEP
92. Road Bridge over River Indravati

MAHARASHTRA

93. Uran Turbine and LPG Station
94. Bhandup Water Treatment Complex
95. BARC Civil Works
96. SSSF Project at Tarapur
97. Sina Aqueduct
98. Panvel Creek Bridge
99. Barvi Expansion Project
100. Railway Bridges over Vasai Creek
101. Bhorphat Tunnel

102. Factory Civil Works for Premier Automobiles Limited
103. Ambernath/Ulhasnagar STP
104. Water Treatment Plant, Pune
105. Underground Powerhouse, Koyna
106. Kolkewadi Dam
107. Bridge over River Ulhas
108. Trombay Chimney Works
109. Nhava Sheva WTP Works, Raigadh
110. Tunnel between Sewri and Futka
111. Koyna Stage IV Powerhouse Complex
112. Tunnel between E Moses Road and Ruparel College, Mumbai
113. Aerated Lagoons, Mumbai
114. Bandra Effluent and Influent Disposal, Mumbai
115. Housing Complex, Navi Mumbai
116. Ghatkopar High Level Tunnel, Mumbai
117. Mumbai-Pune Expressway
118. Vaitarna Dam
119. Satara Kolhapur Road, NH-4
120. Water Supply Tunnel from Bhandup to Charkop, Mumbai
121. Bandra-Worli Sea Link
122. Gosikhurd Spillway, Nagpur
- 123. Lavasa, Pune
- ★ 124. Pune Paud BOT Road
- 125. Ghodazari Branch Canal
- ★ 126. NH-3 MP/Maharashtra Border - Dhule
- 127. Water Supply Tunnel Maroshi Ruparel College, Mumbai
128. Middle Vaitarna Water Pipeline
- 129. DGNP Dry-Dock and Wharves, Mumbai
- 130. VAG Corridor, Mumbai
- ▲ 131. Bhama Askhed Pipeline

MANIPUR

- 132. Railway Tunnel No.1 between Jiribam and Tupul
- 133. Railway Tunnel No. 3 between Jiribam and Tupul
- 134. Railway Tunnel No. 10 between Jiribam and Tupul
- 135. Railway Tunnel No. 12 between Jiribam and Tupul

ORISSA

136. Dam at Upper Kolab
137. Road Bridge across Mahanadi
138. Syphons at Kuakhai and Khushbhadra

139. Naraj Barrage, New Cuttack
140. Paradip Port Road
- 141. Aditya Aluminium Project

PUNJAB

142. 140 m High Chimney at Ropar
143. Rail Coach Factory at Kapurthala

RAJASTHAN

144. Chambal Bridge at Dholpur
145. East-West Corridor Project,
146. Rajasthan Atomic Power Project, Units 1 & 2
147. Rajasthan Atomic Power Project, Units 3 & 4
148. Rajasthan Atomic Power Project, Units 5 & 6 Package-EW-II (RJ-7)
- 149. Rajasthan Atomic Power Project, Units 7 & 8

SIKKIM

- 150. Teesta HEP Stage VI

TAMIL NADU

151. Kadamparai Pumped Storage
152. Lower Mettur Barrages, Substructure and Powerhouse
153. Chennai Ore Berth, Jetty, Wharf
154. Sewage Treatment Plant, Chennai
155. Upper Nirar Tunnel
156. Navamalai Tunnel
157. Ennore Port-Rock Quarrying
158. Ennore Breakwater
159. Mass Rapid Transit System, Chennai
160. Kudankulam Nuclear Power Project, Units 1 & 2
161. Tirupur Water Supply Project
162. Chennai Bypass, Package CBP2
- ▲ 163. Building works for Fast Reactor Fuel Cycle Facility

UTTAR PRADESH

164. Maneri Bhali Hydel Project
165. Narora Atomic Power Project
166. Rihand Dam
167. Rihand STPP
168. Shards and Ghogra Barrages
169. Yamuna Hydel Project
170. Gomti Aqueduct
171. Sai Aqueduct
172. Varanasi Bridge
173. Malvika Steel Works
174. Naini Cable Stayed Bridge
175. Allahabad Bypass Road

176. Lucknow-Muzaffarpur National Highway Project LMNHP-EW II (WB)

UTTARAKHAND

177. Dhauliganga HEP
- 178. Tehri Pumped Storage
- ▲ 179. Vishnugad Pipalkoti HEP

WEST BENGAL

180. Farakka Barrage
181. Mahananda Barrage
182. Kolkata Metro
183. Teesta Barrage
184. Haldia Docks Project
185. Environmental Engineering Works at Kolkata
186. Kalyani Bridge
187. Earthworks for Farakka STPP
188. Dauk Barrage
189. RCC Chimney for Kolaghat TPS
190. Underwater works for KTPP
191. Golden Quadrilateral Road Project - Kolaghat to Kharagpur
192. Purulia Pumped Storage Project
- 193. Teesta Low Dam HEP Stage IV
- 194. Elevated Road from Park Circus to E.M. Bypass, Kolkata
- ★ 195. Four-laning of Bahrapore-Farakka Section of NH-34
- ★ 196. Four-laning of Farakka-Raiganj Section of NH-34
- ★ 197. Four-laning of Raiganj-Dalkhola Section of NH-34

BHUTAN

198. Kurichhu Hydroelectric Dam Project
199. Tala HEP, Package C-1
200. Tala HEP, Package C-4
- 201. Punatsangchhu HEP - Powerhouse
- 202. Dagachhu Hydro Power Plant (Civil Works), 114 MW

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

Chairman's Letter



Dear Shareholder,

This is a letter of travails and optimism. The travails and difficulties relate to the terrible state of the economy, of governance and of the infrastructure sector over the previous two years. The optimism is about what we hope the new Bharatiya Janata Party (BJP) led National Democratic Alliance (NDA) government under Prime Minister Narendra Modi will deliver for the country's economic growth and prosperity.

Let me begin with the toils of the last few years, and how your Company has dealt with the myriad problems that have plagued infrastructure.

Fiscal year 2013-14 has been the second terrible year for the economy. According to the latest forecast by the Government of India's Central Statistical Organisation (CSO), real GDP growth for 2013-14 will be 4.9%. Coming on the back of 4.5% growth in 2012-13, this will be the first time after several years that India will have languished at a sub-5% growth for two successive years. The estimated growth of construction activities in 2013-14 will be a mere 1.7%. Surely, India deserves much better.

The quarterly data are just as depressing. In April-June 2013, India grew at just 4.4%. There was a minor improvement in July-September 2013 with growth at 4.8%. Then it fell in October-December 2013 to 4.7%.

With such quarterly rates of growth, I doubt whether India will actually achieve 4.9% GDP for 2013-14. The reason is simple enough: with the poor quarterly growth rates in Q1, Q2 and Q3, India will have to achieve 5.7% growth in Q4 for the annual growth to average 4.9%. Quite honestly, I haven't seen anything in January-March 2014 that suggests 5.7% quarterly growth.

Not surprisingly, in such an economic milieu, the construction sector has been badly hit. The CSO estimates for 2013-14 suggest just 1.7% growth in construction. While this might be a tad better than the previous year, when the growth had dropped to 1.1%, it is significantly worse than the 10.8% growth that the sector enjoyed in 2011-12.

Tomorrow's growth is defined by today's real investments. The general consensus is that achieving 7.5% GDP growth

on a sustained basis requires gross fixed capital formation (GFCF) to be in the region of 37% to 38% of GDP. The negative political and governance environment of the last two years has led a pessimistic investment climate resulting in GFCF dropping to 32.5% of GDP in 2013-14, versus 33.9% in the previous year. In Q3 of 2013-14, this ratio had dropped to 31.2% — one of the lowest in a long time.

A truly damning tale of India's recent decline can be found in the World Bank's recent survey, Doing Business, 2014, which deals with the business environment across 189 countries in the world. Here are some sad facts:

- India's overall rank was 134th versus 131st in the previous year. Here are some countries ranked better than us: Turkey (69th); Sri Lanka (85th); Russia (92nd); China (96th); Nepal (105th); Philippines (108th); Pakistan (110th); Brazil (116th); Indonesia (120th); Argentina (126th); and Bangladesh (130th).
- We were 182nd out of 189 countries in the time taken to issue construction permits.
- We were 158th in the problem dealing with payment of taxes.
- And we were 186th out of 189 in the speed and efficacy of enforcing contracts.

This is the discreditable framework under which we work in India. And a sector which is affected the most is infrastructure. Let me share with you the problems that are endemic to our industry.

First, environmental clearances continue to be a major hurdle to new infrastructure projects. If anything, clearances from the Ministry of Environment and Forests (MoEF) became even more difficult to obtain under the dispensation of a minister who was brought in to replace her activist predecessor. The number of critical infrastructure projects that have been blocked simply because the MoEF have not chosen to clear the files are now legion. In my letter to you last year, I wrote, "the norms are often not defined in a clear and objective manner; there are significant differences in such norms between the level of the state and the MoEF; and there is too much centralisation which delays decision making." Nothing has improved since.

Second, there is complete paralysis in decision-making. Over the last two years, the civil service's response to reports by the Comptroller and Accountant General (CAG), observations by the Supreme Court as well as investigations and interrogation carried out by the Central Bureau of Investigations (CBI) has been that of masterly inaction. Senior-level bureaucrat close to retirement have observed that taking executive decisions, however good these may be for economic development, open up the hazards of investigation; but taking no action costs neither career nor reputational risks. The choice, then, becomes obvious: do nothing. Not surprisingly, therefore, less infrastructure projects have been awarded and closed.

Third, there is the vexatious issue of non-payment of claims by the government and public sector clients. This is faced by all infrastructure construction companies, bar none. As you will appreciate, most construction contracts involve changes of scope, variations and delays that are not attributable to the

contractors. When these occur, the contractors put in claims to recover the extra costs. Elsewhere in the world, such claims are settled based upon the recommendation of the officially appointed and bilaterally recognised 'Engineer to the Contract'. The disputed amount, if any, beyond the Engineer's decision, is referred to a commonly agreed upon Dispute Resolution Board, and beyond that to arbitration. In general, the matters are settled within six to nine months. Only the most difficult and contentious arbitrations take over a year.

Not so in India. Almost every claims dispute that involves a government or public sector client is referred to a third party for decision-making. If that decision goes in favour of the contractor, the client invariably appeals against it in court. Today, there are many thousands of crores worth of awards in court, many of which will be taken by the clients to higher and higher courts lest they be censured by the CAG or the Central Vigilance Commission and be investigated by the CBI.

What is the outcome for the contracting firm? Typically, it has already incurred these costs which have been usually met by additional borrowings from banks. Without these awards being settled, the borrowing burgeons along with the interest liability. Soon enough, contracts find the debt so large as to make it financially impossible for them to meet the interest and principal repayment dues.

In such a situation, most infrastructure contractors and service providers in India are not only highly over-leveraged but also are facing severe financial strain. Some, such as your Company, decided to opt for a formally recognised process of debt restructuring in the last fiscal year under the framework of Corporate Debt Restructuring (CDR). The CDR process is on track; and during 2013-14, HCC has successfully paid its dues as per the conditions of this package with a one month lag.

How has your Company performed in 2013-14? I would say quite well under the circumstances that I have already outlined. Here is a gist of the standalone results for the year.

- With additional order inflow of ₹3,218 crore, HCC's order backlog has increased to ₹14,249 crore by the end of 2013-14.
- Turnover increased by 7.2% to ₹4,113 crore in 2013-14.
- EBITDA (excluding other income) was ₹640.7 crore in 2013-14— an increase of 67%.
- The EBITDA margin increased from under 10% in 2012-13 to 15.7% in 2013-14.
- PAT has recovered from losses in 2012-13 to ₹80.6 crore in 2013-14.

In the process, your Company has focused on cutting down costs, with some notable success. It has also worked hard in reducing the breakeven point across almost all its projects. And it is looking forward to monetise the infrastructure assets that it owns — such as the roads and highways — and sell some others to further reduce the debt overhang and thus create greater operational flexibility.

Lavasa is finally back on track, after almost three years of delays on account of government intervention. Your Company's global subsidiary, Steiner AG of Switzerland has taken over the construction work of the project.

Consequently, Lavasa is now a pure developer tasked with conceptualisation, design, compliance, sales and marketing functions. The project will need additional funding. Given that all the constraints have been lifted, I expect your Company to get such risk capital in the course of 2014-15 to finance accelerated post-monsoon development.

Steiner AG is now doing well financially. It is a leading total and general contracting company in Switzerland, specialising in turnkey construction, including refurbishments and real estate development. It is now a 100% subsidiary of your Company. Revenues of Steiner increased by 4.8% to CHF 798 million in 2013-14; and net profit remained at last year's level of CHF 8.2 million.

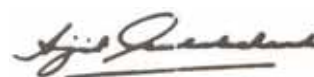
Let me now touch upon the second theme — that of optimism. The voters of India have had their say. We now have a BJP-led NDA government at the centre under Prime Minister Narendra Modi. We in business are now looking forward to a period of stable governance that brings back much needed sanity and predictability of executive action leading to greater development and higher growth. We need the shackles on infrastructure to be rapidly removed. Like any new CEO who has been given an overwhelming mandate by shareholders to restructure, reorient and energise a struggling company, Mr. Modi needs to have a 100-days plan to instil a sense of purpose and confidence, and have in place focused ministers and committed civil servants to deliver every aspect of the plan. Infrastructure badly needs to be kick-started. The issues are obvious: rapid approval of highway projects; expeditious cleaning up of the coal field mess so that thermal power plants can get going; taking a call on natural gas; and ensuring that while the MoEF plays its role in protecting the environment and forest, it does so in a manner that also allows well planned infrastructure projects to see the light of day.

It is a matter of using common sense and taking quick and right decisions for the good of the country — virtues that seem to have lost in the last two years. I am sure Mr. Modi and his team will do what ought to have been done in the last years. And more.

Even so, it will take some time before India gets back to a higher growth path. Equally, however, the chances of this happening is the highest today compared to the last two to three years. So let us hope that it happens, and that the new government delivers its promise of governance and growth for which it has been democratically elected to power.

As India's new Prime Minister has said many times during this election campaign "Achche din aane waale hain" And with the hope that good days truly lie ahead let us all look forward to higher growth; more enterprise; less red-tape; and with these, the next phase of your Company's growth.

Yours,



Ajit Gulabchand
Chairman & Managing Director

Company Information

BOARD OF DIRECTORS

Ajit Gulabchand
Chairman & Managing Director

Rajas R. Doshi

Ram P. Gandhi

Prof. Fred Moavenzadeh

D. M. Popat

Sharad M. Kulkarni

Anil C. Singhvi

Dr. Ila Patnaik
(upto April 30, 2014)

Rajgopal Nogja

Group Chief Operating Officer & Whole-time Director

Arun V. Karambelkar
(President & Whole-time Director upto April 29, 2014)

COMPANY SECRETARY

Vithal P. Kulkarni

AUDITORS

K.S. Aiyar & Co., Chartered Accountants

ADVOCATES & SOLICITORS

Mulla & Mulla & Craigie Blunt & Caroe

Amarchand & Mangaldas &

Suresh A Shroff & Co.

BANKERS/FINANCIAL INSTITUTIONS

ICICI Bank Ltd.

Punjab National Bank

State Bank of India

IDBI Bank Ltd

Indian Bank

Oriental Bank of Commerce

The Jammu & Kashmir Bank

Canara Bank

State Bank of Patiala

Union Bank of India

Bank of Baroda

Vijaya Bank

DBS Bank Ltd

The Federal Bank Ltd

Standard Chartered Bank

Exim Bank of India

Toronto Dominion (Texas) LLC

LIC of India

Central Bank of India

Axis Bank Ltd

Bank of Maharashtra

State Bank of Travancore

Syndicate Bank

State Bank of Mysore

United Bank of India

IFCI Ltd

Indian Overseas Bank

State Bank of Hyderabad

NABARD

REGISTRAR & SHARE TRANSFER AGENTS

TSR Darashaw Private Ltd.

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

REGISTERED OFFICE

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



Dagachhu Hydro Electric Power Project, Bhutan

The 126MW (2x63MW) Dagachhu Hydroelectric Project built on Dagachhu river, a tributary of the Punatsangchhu river in Bhutan, was one of the most challenging project in terms of geology. The project team successfully overcome the geological challenges faced at every component of the project including dam site, headrace tunnel surge shaft and power house. For the first time in the Asian subcontinent, the power house was built using NATM methodology with support systems of permanent anchor bars, SN rock bolts, wire mesh and lattice girders.



Bogibeel Rail-cum-Road Bridge

HCC team successfully launched the first steel girder of the Bogibeel Rail-cum-road Bridge. This is a double decked bridge having two railway tracks on the lower deck and a 3-lane road on the upper deck. It has 42 pillars with 125 m spans and a superstructure of composite welded steel truss, each weighing 1900 MT. After assembling the truss at the assembly yard, it was pulled on the pillars by using mechanical pulling system. The length of the bridge is 4.315 kms. This will be the fourth longest bridge in the country and the longest over the mighty Brahmaputra river.



Uri II Hydro Electric Power Project, Jammu & Kashmir

The 240 MW Uri-II Hydel Power Project is a run-of-the river scheme executed by HCC for the National Hydroelectric Power Corporation (NHPC) on the Jhelum River in the Uri area of Baramullah District, in Northern Kashmir. This is the second project to be constructed on the Jhelum River and is a downstream development of Uri-I. Designed to lend further stability to the Northern Grid, the project will supply power to Jammu & Kashmir, Uttarakhand, Uttar Pradesh, Haryana, Delhi, Punjab, Rajasthan and Chandigarh.



Delhi Metro Rail Corporation - Package CC30

The HCC team accomplished the break-through of Delhi Metro's CC30 package on March 13, 2014. The 1,247m long tunnel between Netaji Subhash Place and Shalimar Bagh stations is part of the 59 km long Majlis Park to Shiv Vihar Metro Corridor of Phase III. This was a very challenging job as the tunnel was built without disturbing any structure on the surface and traffic running on the Ring Road above. The tunnel crossed the elevated viaduct of the currently operational Dilshad Garden to Rithala Metro corridor, which also was a major engineering challenge.



Löwenbräu, Zurich, Switzerland

Steiner AG constructed one of Zurich's most exciting new complexes: The former Löwenbräu brewery, which now hosts offices, condominiums, museum and galleries. The industrial past is still very visible, and the historic landmark building from 1897, the chimney and the steel silo have been preserved. An elegant high-rise residential building overlooks the old brewery and further emphasizes the distinct architectural shape of the silos.



Schöenberg Ost, Berne, Switzerland

Urban development par excellence: Schöenberg Ost is Berne's new neighbourhood with upmarket flats – developed and built by Steiner AG. Around 300 people already live in the 116 condominiums that were built in the first phase of the construction. 250 more units for both letting and owner-occupancy will be finished until 2018. Once finished, Schöenberg Ost will offer residential use areas of around 70'000 m².



Living in Lavasa

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



Ecole Hoteliere Lavasa

A private autonomous institute with the academic certification of the oldest hospitality school—Ecole hôtelière de Lausanne of Switzerland, opened a 67,000-sq-ft state-of-the art campus. Ecole hôtelière de Lausanne has retained its standing as the most prestigious hospitality management school world over.



Tourism and Hospitality at Lavasa

Lavasa is fast becoming popular as a tourist destination in Maharashtra. With pleasant weather all through the year, the city features lakes, hills and waterfalls that are a sight to behold. Tourist traffic to Lavasa has grown steadily and with the addition of newer attractions, it is expected to surge exponentially in the coming years. Being developed in phases, Lavasa when fully built in 2023 will have an array of entertainment, adventure, events and hospitality avenues catering to the estimated two million tourists every year.



Four-lane Highway Development of over 250 km on NH-34 from Baharampore to Dalkhola in West Bengal

HCC Concessions is developing the 250 km, ₹ 3,200 crore, PPP highway project in West Bengal (NH-34) consisting of three contiguous sections from Baharampore to Dalkhola on a Design, Finance, Build, Operate and Transfer (DFBOT) basis. This is the largest PPP highway model in West Bengal. The development of this critical piece of road infrastructure will have a multiplier effect on the economic activity in the state, which is the seventh most populated sub-national entity in the world with 90 million people.



Uttarakhand Flood Relief

On June 18, 2013, Uttarakhand witnessed a devastating flash flood that affected thousands of locals and many pilgrims were stranded due to severe landslides. HCC's Tehri Pump Storage Plant project site served as a base camp for all the pilgrims who were rescued in the region. All rescued pilgrims were provided with food, water, sanitation, shelter, and medical facilities. The HCC team also worked closely with the army for clearing the landslides on rescue routes and enabled the army to proceed further and start their evacuation activity and save lives.



Awards

During the FY 2013-14, HCC won six industry awards including CIDC Vishwakarma Award 2014 for Best Project for its Pir Panjal tunnel project, Dun & Bradstreet Award for 'Social Impact' project of the year for its Nimoo Bazgo Hydel Power Project, Construction Week Award for 'High Impact Infrastructure Project of the Year' for Pir Panjal Tunnel Project, Global Sustainability Leadership Award for 'Best Community Action' for its community development project – Ujjivana, Special Jury Award in CSR at the Amity CSR Conclave and Civic Award for 'Social Development' from Bombay Chamber of Commerce and Industry.

Management Discussion and Analysis

Hindustan Construction Company ('HCC' or 'the Company') is one of the country's premier construction companies. It has been at the forefront of adopting world class operational practices and promoting responsible infrastructure development in India and abroad.

Infrastructure development in India has been going through a very difficult phase over the last three years. While the Government of India's planning process clearly laid down the requirement for massive development in physical infrastructure to sustain economic growth, this has not translated to on-ground implementation. The slippages have been significant with the nodal agencies and departments responsible for developing the various infrastructure projects — be these in national and state highways, thermal, hydro, gas-based or nuclear power, ports or key urban facilities — projects have gone through sustained indecision and policy paralysis. Consequently, players in the construction space, especially those in business of building large infrastructure for the state and central governments, have had to face severe financial, operational and regulatory challenges, such as very tight liquidity conditions, serious stress on cash flows, problems in land acquisition, as well as sundry issues brought up in the ambit of environment and social displacement.

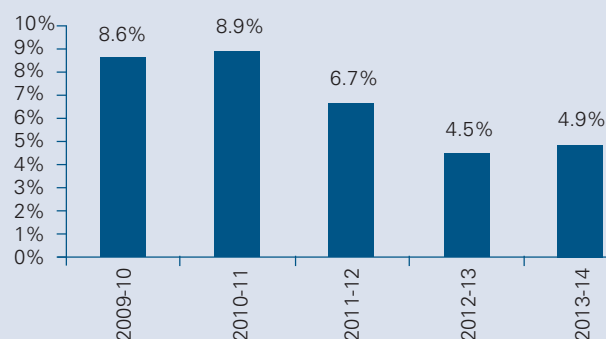
In such a difficult business environment, HCC has chosen to streamline its business strategy and operations with a focus on increasing cash generation. In doing so, the Company has chosen to concentrate on its areas of core competence and improve its operations in terms of faster project execution and lower costs.

Macro Economic Review

The Indian economy had been suffering from lower growth and various structural weaknesses as it entered 2013-14 and these continued throughout the fiscal year. Real GDP growth for 2013-14 is estimated to be 4.9% (see Chart A) with industrial growth slipping to a paltry 0.7%.

Such a significant and sustained slowdown in growth over the last ten quarters has contributed to low business confidence which, in turn, has put a dampener on private sector investment in infrastructure projects. Moreover, the economy has been under serious fiscal pressure. The Government of India (GoI) logged an average fiscal deficit of 5.6% of GDP in the last five years (2008-09 to

Chart A: Real GDP Growth, India

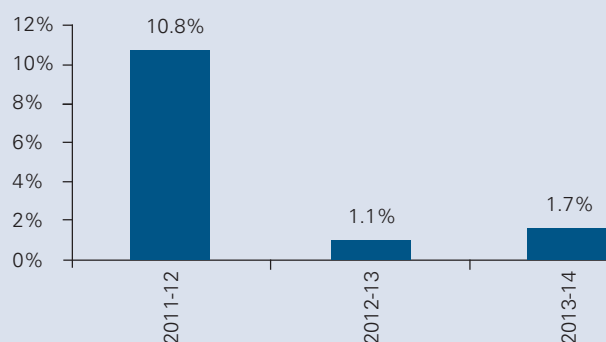


Source: Ministry of Statistics and Programme Implementation (MOSPI), Government of India

2012-13), which was significantly higher than the 3.6% during previous five years (2003-04 to 2007-08). Revised estimates suggest that the fiscal deficit for 2013-14 will be at around 4.6% of GDP. The stressed exchequer of the GoI has prevented government backed investment impetus to infrastructure.

Incremental Gross Fixed Capital Formation (GFCF) at market price, an indication of real capital investment in fixed assets that augments the future productive capacity of any economy, has also reduced to a mere 0.2% in 2013-14. In this backdrop, construction output has almost stagnated. As Chart B shows, construction growth, which had already reduced to 1.1% in 2012-13, stayed at low levels of 1.7% in 2013-14.

Chart B: Construction Growth, Real, India



Source: MOSPI, Government of India

By the end of 2013-14, there have been some positive signals, although it is probably too early to make a call as to whether the nation is definitely getting back to a higher growth path. For one, headline producer price inflation in terms of the Wholesale Price Index (WPI) moderated to 5.9% in March 2014. While consumer price index (CPI)

inflation reduced to a 25-month low, posting at 8.1% in February 2013, it still remained high by any long term yardstick. For another, driven mainly by a reduction in imports, India's trade deficit reduced by 29% to US\$180 billion in April 2013-February 2014 compared to the corresponding period in the previous year. Consequently, the current account deficit as a ratio to GDP has narrowed significantly. In addition, since September 2013 there has been a surge in foreign capital inflows into India, and India's foreign exchange reserves reached US\$ 298.6 billion by the end of March 2014, which was an accretion of US\$ 23.1 billion over end-August 2013.

However, one needs to be careful. Even if it is the case that the business cycle has bottomed out, it is equally true that the upswing will be gradual, especially in infrastructure.

India's Infrastructure Sector

While the long term requirement for rapid infrastructure development in India remains a vital necessity, the sector faces several challenges.

Apart from various structural problems that plague execution including a slow, almost paralysed government decision-making process, and practical issues with land acquisition as well as the challenges of dealing with social and environmental constraints that arise while developing infrastructure projects, the sector is fundamentally affected by a severe liquidity crunch and a financial squeeze.

Infrastructure financing in India has to work its way out of two fundamental problems before credit lines can start to improve significantly. First, the system has to gradually rid itself of numerous excesses of the past including aggressive bidding, weak and inexperienced sponsors, poor project planning, high leverage, weak financial structures and revenue over-estimation. Second, it has to deal with the constraints imposed by a harsh external environment — such as a slowing economy, rising interest costs, difficult equity markets and policy uncertainty.

Although there have been some efforts at resolving infrastructural issues, these have been far from satisfactory. By the end of January 2014, the Cabinet Committee on Investment (CCI) and the Project Monitoring Group (PMG) had together undertaken resolution of impediments for 296 projects with an estimated project cost of ₹6.6 trillion. But it is a proverbial tip of the iceberg. As at end-March 2014, 284 projects

worth ₹15.6 trillion are under the consideration of PMG for which issues are yet to be resolved. Official data indicates that there has been a slight decline in the total number of delayed central sector infra-projects. However, 15% to 20% of these projects, mostly in roads, power and petroleum, have reported additional delays, for which the dates of completion have been extended further. Also, there has been an increase in the number of projects without date of commissioning, mostly in roads reflecting the growing uncertainty about their completion. This suggests that it may take significantly more time before these clearances result in investment cycle turnaround.

More recently, there have been delays in awarding infrastructure projects on account of the run up to the general elections in April-May 2014. One expects that after the new government assumes office, there will be some clear direction and positive intent for this sector.

HCC – Key Developments

HCC's core business is **Engineering and Construction**, and it executes work on the basis of contracts. In terms of sectors, HCC has traditionally focused on transportation, power and water supplies. In the last few years, the Company has also developed a portfolio of industrial construction projects. Given the growing requirements of the market, HCC has extended the scope of its business to include complete engineering, procurement and construction (EPC) services and is constantly working on upgrading its capabilities.

Over the last couple of years, HCC has been focusing on streamlining the internal organisation and processes as core elements of its business strategy. This focus has continued and elements of implementation further strengthened in 2013-14. As an example, there has been single minded attention to improving efficiencies in project operations and thus emerge as one of the most cost efficient players in the market. Hence, each project has specific targets to:

- Maintain indirect costs below a certain proportion of turnover;
- Generate a certain turnover per employee; and
- Deliver an EBITDA margin within a specific range.

Overall, on all three fronts, the Company has been able to meet its targets. This is now a continuous process of improvement within the organisation and is backed by rigorous monitoring and follow-up.

At each project level, there has been renewed importance on inventory management. Processes have been strengthened to monitor and effectively manage material storage and usage, with special emphasis on reducing wastage and minimising non-moving inventories. These have resulted in the inventory turnover reducing from 349 days in 2012-13 to 292 days in 2013-14.

At the organisational level, there has been a restructuring that focuses on positioning the right people for the right job with a strong emphasis on successful execution. This has been done to create greater accountability and develop better proficiency in delivering the requirements of a specific function or role.

In order to expedite liquidation of receivables, the Company continued with its efforts in settling rightful claims with customers. While there are several hindrances on this front given that the system allows the decision of a mutually agreed upon arbitration process with clients to be taken to court, HCC has continued with its efforts at pushing for these claims. In 2013-14 the Company secured around ₹500 crore of additional claims. Value of claims in the court which have favourable arbitration award is over ₹1,000 crore by the end of 2013-14.

The Company has re-evaluated its project portfolio and has consciously made efforts to expedite and close out various slow moving and financially challenging projects. Going forward, the Company expects to have a project portfolio under execution that comprises financially better off projects.

Regarding business development side, HCC has recalibrated its strategy according to market needs. Given the country-wide sluggishness in infrastructure, the Company realised the need to focus on securing a higher project win rate by rationalising the number of bids as well as the internal processes that accompany bidding. It has strengthened the team in terms of processes and structures to take up more bids and do so at efficient levels. This also involves high effort plays in hitherto new sectors. Indeed, it is worth noting that the Company has won projects in the industrial sector — an area where it had consciously entered with a defined strategy in 2012-13.

Performance Highlights : Stand Alone

In an extremely adverse economic, financial, regulatory and political environment, the Company has successfully executed projects to maintain its top-line at par with 2012-13. The thrust on cost control has yielded results in terms of improved operating margins and HCC has turned around the losses of 2012-13 to profits in 2013-14. Highlights of the Company's performance on a stand-alone basis are:

- The order book as on March 31, 2014 is ₹ 14,249 crore
- Revenue from operations increased by 7.2% to ₹ 4,113 crore in 2013-14
- EBITDA margin has increased from 10.0% in 2012-13 to 15.7% in 2013-14
- EBITDA is ₹ 641 crore in 2013-14 – an increase of 67.4%
- PAT is at ₹ 80.6 crore in 2013-14.

As was reported in last year's Annual Report, HCC had availed a Corporate Debt Restructuring (CDR) package with a consortium of its bankers. During 2013-14, the Company has successfully paid its dues as per the conditions of this package.

Investee Companies

In order to participate across diverse elements of the infrastructure development value chain, HCC has invested and grown its portfolio of businesses through subsidiaries. These enterprises address different markets, require diversified skill sets and operate under varied risk return profiles. These include:

- **Infrastructure:** This is the infrastructure development arm of HCC, where the value creation steps include design, financing, constructing and operations. This business focuses on investment and asset creation through Public-Private Partnership, largely in National Highways. During 2013-14, the business focused on executing existing projects and raising capital.
- **Real Estate:** The real estate business develops commercial property and is also involved in some slum rehabilitation programmes. Given the depressed real estate market, the focus was on monetising existing assets.
- **Integrated Township and Urban Development:** The focus area of this business has been the development of complete integrated townships. Today, it is actively pursuing the creation of India's first hill station in the private sector called **Lavasa**.
- **Total Services Contractor:** As an extension of the engineering and construction division, the Company had acquired a Swiss Company called Karl Steiner AG (renamed 'Steiner AG'), in 2010-2011, which is a leading player in Development and Construction services in Switzerland operating in Europe and India on all facets of real estate development and construction. In 2013-14, the HCC Group became 100% shareholder of Steiner AG ('Steiner') with

acquisition of the remaining 34% stake. Steiner continues to be profitable for four consecutive years since being taken over by HCC. Also in 2013-14, the business has been strategically restructured and strengthened to add greater exposure and scope for business development in the Indian market in addition to its European customers.

- **Information Technology:** In addition to the above businesses, the Company has also extended its information technology (IT) function to form a separate company - Highbar Technologies - that is involved in assisting in improving IT utilisation in the construction industry.

Engineering and Construction Division

The Company's order backlog as on March 31, 2014 was ₹14,249 crore.

This order backlog is distributed across various sectors including power, transport, water and industrial. The developments on the projects front across different sectors in 2013-14 are given below.

Transportation

The Company secured two major contracts in the transportation sector during 2013-14.

- First, it won a contract for construction of a tunnel T49 and bridges in the Dharam Qazigund section of Udhampur-Srinagar-Baramulla new broad gauge railway line project. HCC has been a contributor to the success of the J&K Rail Link Project having completed the 12 km long Pir Panjal tunnel in 2013-14, for which the Company was a joint winner of the Vishwakarma award instituted by the Construction Industry Development Council. A contract for a 10.2 km long tunnel on the same railway line is under execution.
- Second, the Company secured the contract for construction of 2.9 km long RCC bridge over River Sone in Bihar from Bihar Rajya Pul Nirman Nigam Limited. This is to be completed in 36 months.

In addition, the two earlier awarded projects for tunnels and station buildings of the Delhi Metro are progressing well. In Package CC30, tunneling with tunnel boring machine (TBM) of 1.25 km long up line from Netaji Subhash Place to Shalimar Bagh is complete. Substantial tunneling in both the contracts is expected to be completed in 2014-15.

Power

HCC is a leader in the construction of hydro and nuclear power projects and has a minor presence in thermal projects. While the sector has been affected in terms of opportunities in new undertakings, the Company's projects under execution continued to perform well during 2013-14.

Hydro Power

In 2013-14, HCC secured a contract for civil and hydro mechanical works of Vishnugad Pipalkoti Hydro-Electric Project for THDC Limited (formerly the Tehri Hydro Development Corporation). The project is to be completed in four and half years.

The Company's largest hydro power project under execution — the 3x110 MW Kishanganga Hydro Electrical Project — continued to make excellent progress especially on tunnel excavation - thanks to the use of a TBM. The tunnel boring part of the project is nearing completion.

The projects in Bhutan — 114 MW Dagachhu Hydro Power Plant and the 1,200 MW Punatsangchhu I HEP — are progressing satisfactorily .

Nuclear Power

The Company is proud to be associated with the construction of all nuclear reactor buildings for the Rajasthan Atomic Power Project (RAPP). The contract for civil works of Units 7 and 8 is progressing satisfactorily.

Water Supply and Irrigation

The Company completed construction of the EPC contract under the Swarnim Gujarat Saurashtra-Kutch Water Grid Programme, Package NC 31, for Gujarat Water Infrastructure Ltd. (GWIL).

A 12 km long water supply tunnel in Mumbai is commissioned.

HCC secured a water supply contract for the Yettinahole Project in Karnataka. It has a 50% share in a joint venture with GVPR Engineers Limited, which will execute the project.

HCC also won a water supply pipeline contract from the Pune Municipal Corporation.

Industrial

The Company is carrying out civil and fabrication works for Hindalco Industries Limited's Aditya Aluminium Plant at Sambalpur, Orissa.

In 2013-14, it commenced work at the Reliance Industries' Jamnagar refinery. In addition, work on two

underground crude oil storage caverns for Indian Strategic Petroleum Reserves Limited at Vishakhapatnam (Andhra Pradesh) and Padur (Karnataka) are nearing completion.

Marine Works

Work on a contract for reconstruction of the dry dock and wharves in Mumbai for Director General Naval Project is progressing satisfactorily.

Infrastructure Division

HCC's infrastructure concessions business is executed through its subsidiary, HCC Infrastructure Company Limited (or 'HCC Infra'). These projects are developed through Public Private Partnership (PPP) or DFBOT (Design-Finance-Build-Operate-Transfer) mode. The focus of the business has been on developing roads and the Company's entire portfolio comprises NHAI (National Highways Authority of India) road concessions.

In a short span of under six years, HCC Infra has grown its asset base to ₹5,500 crore and generated substantial equity value in excess of its initial investment, despite the recent economic slowdown. Today, the company's entire portfolio comprises NHAI highways with concession periods ranging from 18 years to 30 years. Much of HCC Infra's asset base has reached a high level of maturity. Half the portfolio is operational and its 256 Km NH-34 development will be commissioned later this year.

During the course of developing these assets, the business has also generated large EPC contracts for the parent Company, HCC.

Given the slowdown in the Indian economy, lack of decision-making across government institutions and liquidity crunch in the infrastructure sector, there were very few, if any, new business opportunities in the market that matched HCC Infra's risk-return criteria. Consequently, the business focussed on execution and completion of work on its existing projects.

HCC Infra's mature portfolio is to its advantage as there is still a healthy market for operational assets, which the Company plans to monetise to raise capital. While a portion of this capital will be retained for future growth of the portfolio, HCC Infra expects to return the lion's share to its parent Company, HCC.

In the last six years, the Company has gained significant experience and has a strong management team, whose skills extend from concept innovation and evaluation of risk and return, to construction management and operations. It plans to utilise the strong construction edge of the parent Company, HCC, to expand its portfolio to hydropower and water projects.

Portfolio Details

The three operational projects, Nirmal Annuity, Delhi-Faridabad Elevated Expressway and Dhule-Palesner Highway, have been operating smoothly.

The three under construction highway projects in West Bengal (NH34) have achieved significant progress and two of the larger projects among these are expected to be operational later in 2014-15. The Baharampore-Farakka Highway (of 101 km) is expected to be operational soon, having completed 76 km of the project length at the time of writing this chapter. The Farakka-Raiganj Highway (102 km) is expected to be operational by the end of first half of 2014. The project has achieved 76% physical progress till March 2014.

As per the request of the NHAI, which preferred to develop the Narmada Bridge Project (NH8) through EPC rather than the PPP route, HCC Concessions mutually foreclosed the Concession Agreement with NHAI.

The infrastructure division continued with more focused business development activities during 2013-14. HCC Concessions submitted six Request for Qualification (RFQs). It partnered with other infrastructure players for some large bids to diversify risk and increase competitiveness.

Even so, the fact is that 2013-14 witnessed a major slowdown in the award of new projects. The NHAI awarded only about 370 km in the PPP mode, which is even lower compared to 1,116 km awarded in 2012-13. The execution of a significant portion of awarded NHAI projects was also delayed due to reasons that included slow clearances and aggressive bidding that prevented financial close. Given the uncertain environment, the Company will continue to adopt a cautious approach in bidding for NHAI projects during 2014-15, and retain as its primary goal a return of capital to its parent Company.

Real Estate Division

There are two different businesses within HCC's real estate division: Lavasa and commercial real estate.

Lavasa

With the environment clearances firmly in place, much of 2013-14 was involved in gradually taking the development of the hill station to the next phase. Organisationally, there has been a restructuring where all employees who were part of construction activities have been transferred to Steiner India and the construction work is now with Steiner. Consequently, Lavasa is now a pure developer with conceptualisation, design, compliance, sales and marketing functions.

With a focus on execution, Lavasa increased the pace of delivery of earlier sold products during 2013-14, and the Company gave possession to over 250 villas and apartments in Dasve. New apartments were launched in Dasve with amenities such as clubhouse with outdoor sports facilities and retail on the ground floor. Construction is in full speed at Dasve and in the second town of Mugaon. Focus on collection and sales for Mugaon and Dasve have yielded good results.

In institutional sales, the prime effort was on collections and activation of sites. The Doon Public School has acquired a 10 acre plot in Mugaon to start its brand of school. Symbiosis Institute has already been granted a building plan approval and will commence construction of its large campus post monsoon. A proposal has also been submitted to The Times Group to start a premier management training institute.

The Company is on course to reach an overall land target of 18,000 acres. It has completed the purchase of 10,477 acres of land and is processing completion of another 2,133 acres, for which agreements were signed in the past.

The state government had initiated an enquiry in 84 Class II land cases covering an area of 878 acres for breach of condition under the Maharashtra Land Ceiling Act, 1961. Out of this land, area owned by the Company is 565 acres and land under agreement to sale is 313 acres. The Sub-Divisional Officer at Maval, who was conducting the enquiry, has passed judgment in 72 cases covering an area of 768 acres and has regularised the breach by asking the Company to pay dues via nazrana. Such nazrana has been paid for 304 acres of Company-owned land and 225 acres of land under agreement. For rest of the cases, the nazrana amount is yet to be finalised.

The Environment Management Plan is being implemented regularly. Continuous monitoring of environmental aspects such as air quality, water quality, noise quality and soil quality are being carried out as per MoEF guidelines — and these have been observed to be within stipulated limits. As per the Environment Clearance requirement, the Environmental Compliance Report is being submitted to MoEF once in six months;. Accordingly, June 2013 and December 2013 reports have been submitted. It is worth noting that 125,000 new saplings have been planted in the season.

Regular maintenance of developed landscape and plantations is being done. For slope protection and enhancing greenery within the region, soil bio-engineering

and plantation of stumps have been carried out. Hydro-seeding and manual seeding was also carried out for slope protection and to re-establish vegetation over an area covering around 70 acres in this season, and the total area that has been so treated is more than 700 acres up to date.

Development Status: Dasve

Dasve is ready with all basic infrastructure, such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services is operational.

As on date, more than 120 contractors with a work force of about 4,500 workers have been mobilised at the site for different works.

Till date more than 600 residential units have been handed over to CMS department and over 500 residential units have been handed over to customers. Out of these 600 units, 319 villas were given to the CMS department for handing over to customers. Of these 319 villas, 212 have been already handed over to customers. Work on another 284 villas of different types, with built-up area ranging from 2,000 sq. ft. to 4,000 sq. ft. is in progress.

Work on Portofino E to I buildings having 289 apartments ranging from studio apartments to 3BHK apartments is in progress. Out of these, 266 apartments are ready and handed over to the CMS department; and the balance will be completed shortly. Construction work of the Lakeview Apartments (3.8 lakh sq. ft.) and the Club View Apartments (1.5 lakh sq. ft.) is in progress and will be ready for handover in the next 12 months.

Construction of staff housing of approximately 399 residential units and eight shops is in progress. Around 80% of the staff housing is operational and is currently being occupied by the staff of Lavasa and different SPVs. The remaining will be ready for occupancy by end of the year.

Work of the Commercial Business Park is in progress and will be completed by October 2015. Construction of the retail and hostel building is in progress and will be completed in parts by June 2015. Construction of the Novotel Hotel is in progress and is likely to be ready for occupancy by end of 2014-15.

The construction of the Ecole Hoteliere Lavasa (LEH) campus is completed and the building is operational.

Construction of Phase II of the Christel House Lavasa is 90% completed. The work on Christ University is in progress and the campus is slated to open in 2014-15.

The Park Plaza, Thicket Park, Games Arcade, Nature Trail, Kids Play area, neighbourhood parks and other scenic points are complete and open for tourists. Facilities like rappelling and rock climbing are operational at XThrill – The Adventure Sports & Academy. Oase Fountain, the multimedia fountain which incorporates a sound and laser show is also completed and operational. Work on Sahyadri Park and the Adventure and Amateur Trail are scheduled to be completed in the next six months.

Development Status: Mugaon

Work on infrastructure for the second town of Mugaon has been accelerated and utilities development is in progress. Improvement to the existing Mugaon-Tamhini Zilla Parishad road is complete. A portion of this road will form a part of the approach road for the proposed tunnel between Tamhini and Mugaon. Work on the inter-village road from Mugaon to Gadle (6 km) is completed.

To facilitate provision of water required during construction at Mugaon, the construction of Gadle Dam and a reservoir at Mugaon (with a capacity of 100,000 cubic metres) is 90% complete. A bridge over the dam intake well and allied works are scheduled to be completed in 2014-15.

Rehabilitation work on new gaothans has commenced and by the end of the year, 50 units will be ready to accommodate villagers, along with other infrastructure like school and community centre. This rehabilitation will also help augment the construction of the first phase of the apartments in Mugaon. Work on 29 buildings comprising 0.9 million sq. ft. of saleable area at Mugaon is on. It is expected to be completed in next 18 months.

Commercial Real Estate

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

247 Business Square and 247 Business Avenue:

HREL has signed an agreement with Lavasa Corporation Limited for developing these two commercial complexes at Lavasa. The construction of 247 Business square has already commenced and is expected to be completed in two years.

Vikhroli Corporate Park Phase II:

HREL has initiated the development of a commercial office building with approximately 800,000 sq. ft. total construction area of which 400,000 sq. ft. is saleable. The project is based on the Public-Parking Policy finalised by Municipal Corporation of Greater Mumbai (MCGM). It has

received preliminary approvals from Joint Commissioner (Traffic) for 520 car parks on the basis of extensive surveys conducted by traffic consultants. Subsequently the architects, structural engineers and traffic consultants have prepared the reports for submission to the Parking Committee constituted by MCGM which has approved location and detailed building drawings of the scheme. The Commissioner of MCGM and the state government have also approved the scheme. The project team has conducted pre-qualification exercise for civil and other contractors for the construction. HREL envisages to complete construction of the project by 2014-15.

Panchkutir Developers Limited:

This is a subsidiary of HCC, and has planned to develop a residential project in Vikhroli (East) as well as in Powai. HREL has taken up this project as the PMC contractor.

Out of the total land holding of around 32 acres by the Panchkutir Developers Limited in Vikhroli (East), the survey of tenements on Phase-I of 14.5 acres of land to ascertain the development potential of the free sale component is complete. Out of the 1,960 slum residents of the area, consent of about 1,400 residents representing more than 70% has already been obtained and the process for forming a society is in progress. The proposal has been submitted to the Slum Rehabilitation Agency (SRA). It needs to be noted, however, that the process is currently under litigation.

For development of the Powai land, MOU-cum-Development Agreement and Power of Attorney were executed for 12 acres of land by the land owner in favour of Panchkutir Developers Limited. However, due to the land owner's non-performance of various obligations under the MOU-cum-Development Agreement despite repeated reminders, the developer has been legally advised to invoke the arbitration clause forming part of the agreement. Accordingly, arbitration proceedings have been initiated and the developer has obtained interim orders granting injunction against the respondent till end of proceedings.

Township Projects:

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

- **HRL (Thane) Real Estate Limited:** Acquisition of 183 acres of land at Ghodbunder Road, Thane for integrated township development. Till date, the Development Agreement and Power of Attorney for 32 acres have been executed in favour of this Company.

- **Maan Township Developers Limited:** The Company has acquired around 28 acres of land and the Development Agreement and Power of Attorney have been executed in its favour.

New Real Estate Projects under bidding:

HREL has procured the bidding documents for re-development of the Parleshwar CHS at Vile Parle (East), Mumbai.

Charosa Wineries Limited:

HREL had signed a PMC agreement with a subsidiary called Charosa Wineries Limited for providing project management for land acquisition and related approvals, construction of various buildings, health-safety and environment management.

Steiner AG (formerly Karl Steiner AG)

Steiner AG ('Steiner') is a leading total and general contracting Company in Switzerland, specialising in turnkey construction, including refurbishments and real estate development. It offers services across all facets of real estate development and construction. HCC acquired the remaining 34% stake in Steiner through one of its wholly owned subsidiaries in Mauritius — which now makes it a 100% subsidiary of the Company.

Revenues of Steiner increased by 4.8% from CHF 764 million in 2012-13 to CHF 798 million in 2013-14. Net Profit remained at last year level of CHF 8.2 million (2012-13: CHF 8.3 million).

Steiner handed over part of the project, 'House of Peace', in Geneva to the client in 2013-14. It forms the heart of the Campus de la Paix at the headquarters of the University Institute of International and Development Studies. Steiner has been working on this significant architectural project as a general contractor since September 2013. The extraordinary building form made up of four petals and the twin-sided glazed facade makes the House of Peace a real architectural highlight and an attraction for international visitors.

Steiner is also working on two buildings in the EPFL campus in Lausanne. Both buildings bear the signature of the architect Dominique Perrault who, among other things, is the creator of the National Library of France. Both buildings are built in accordance with the Minergie Standard. The façades fulfil a consciously pursued dual function: these are not only conducive to the optimisation of energy but also provide each building with an unmistakable exterior.

Löwenbräu, a total contracting project of the Company, received the Leed Gold certification for its office building by the Green Building Council Environment Design in May 2013. This adds to the portfolio of environmentally sensitive buildings constructed by the Company.

Steiner signed many important contracts in 2013-14, and the order backlog at the end of the year was CHF 1,181 million. This is marginally lower than the CHF 1,210 million order backlog as of March 31, 2013. The Company has also secured projects worth more than CHF 250 million, which are yet to be formally contracted and therefore have not yet been included in the order book.

Steiner launched its new corporate identity and design in September 2013. The brand essence 'Taking the lead together' is now being implemented on all internal and external communication channels. The logo was given a contemporary makeover, and yet retains its original powerful form. A one-brand strategy has been implemented with the new corporate design. The competences of refurbishment and renovation, until September 2013 presented under the Unirenova brand, are now being marketed under the Steiner brand.

Highbar Technologies

On April 1, 2010, to leverage the expertise developed in providing in-house information technology (IT) services and cater to the IT needs of the infrastructure industry, HCC hived off its IT department into a separate Company called Highbar Technologies ('Highbar'). The core team comprises IT and infrastructure professionals who have amalgamated the legacy of domain knowledge in the infrastructure business with IT.

Highbar focuses on IT implementation initiatives from a business transformation perspective rather than that of pure technology implementation. Gartner, the world's leading IT research and advisory Company, has published a case study on managing successful IT spin-off with Highbar as an example.

In 2013-14, which is only the fourth year of operations, Highbar was able to service 14 new customers taking the total tally of clients to 78. This has been achieved at a time when the primary customer segment, the construction industry, is dealing with multiple challenges. In a short span of time, Highbar has started dominating the 'IT for Infrastructure' market. This is reflected through the industry recognition where Highbar has been awarded as 'Outstanding Company for IT in Infrastructure and Construction' during the 4th EPC World Awards 2013 in New Delhi.

Highbar has now extended its scope to servicing telecom, PEB (Pre-engineered Buildings), manufacturing, retail, agro-chemicals, iron and steel, media and other sectors. It has also started pursuing opportunities in the government sector and secured the first order. Its Dubai subsidiary, Highbar Technologies FZ-LLC, is now fully operational and has started increasing its presence counting six major customers in the Middle-East in short span.

Highbar has grown its IT capabilities and the expertise in various areas including ERP (Enterprise Resource Planning), Business Intelligence, cloud offerings through Highbar CloudConnect, Employee Portals, CRM (Customer Relationship Management) and others. Solutions like Highbar RapidStart and Highbar RapidStart Analytics are based on the templatised approach for ERP and Business Intelligence respectively and are intellectual properties (IP) assets of Highbar. It has maintained a strategic alliance with SAP at the level of a 'Gold Partnership' and is its preferred partner for the infrastructure industry. Highbar has now ten SAP endorsed case studies — which is the highest for infrastructure industry in India.

Highbar continues to support HCC group companies including HCC, HCC Infrastructure, HCC Real Estate, Lavasa and Steiner India across the IT value chain.

Operations Support

The operations of the different divisions are supported by Management Systems, Intellectual Property Rights, Branding and Human Resources.

Management Systems

HCC has adopted an Integrated Management System (IMS) towards Quality, Environment, Health and Safety in its business practices. The objective of IMS is to inculcate a culture of continuous improvement that will enhance quality of the product and maintain the highest standards of environment protection, the safety of the project team and maximise customer satisfaction.

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

Aluminium Project, Orissa is the most notable of them having crossed 17 million safe manhours.

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

M/s. TUV NORD, the certifying agency, conducted a re-certification audit for ISO 9001: 2008, ISO 14001:2004 and BS OHSAS 18001:2007 to verify the status of compliance to the requirement of these standards — and continued the validity of certificates under all three heads up to March 2017.

Intellectual Property Rights

During the year under review, HCC continued to pursue its initiative on creation and protection of Intellectual Property Rights (IPR).

Trade Marks

The Company filed suit for trade mark infringement/obtained registration in respect of the trademarks as per details below:

- For infringement of its trade mark, the Company filed the suit under the Trade Marks Act, 1999 before the Bombay High Court against 'HCC Logistics Pvt. Ltd.' Indore in December, 2010 claiming for suitable reliefs. Honourable High Court, vide its final Judgment dated 6th May, 2013 was pleased to grant a perpetual injunction, restraining the defendant from using the mark 'HCC' in any manner whatsoever. Considering the nature of infringement and with a view to dissuade others from indulging into such activities, the Honourable High Court awarded punitive damages to HCC amounting to ₹ 1,00,000/- against the defendant.
- In August, 2013, in respect of its subsidiary, HCC Concessions Limited, obtained registration for the trade mark "HCC Concessions Limited" from the Registrar of Trade Marks, Mumbai.

Branding

Branding is not merely about communicating brand promise across multiple platforms; it is the art of doing so efficiently and consistently. HCC continued its brand value enhancement initiatives through a structured programme by various internal and external communications initiatives.

Branding initiatives continued at HCC's project sites with standardisation of brand practices. Brand audits introduced two years earlier has led to uniformity across project sites and awareness as well as compliance of the corporate branding guidelines. Brand induction sessions were carried out to orient and refresh project brand champions towards the nuances of the HCC brand and its implementation. In addition, key organisational milestones and the HCC Group highlights were communicated through the periodic in-house news magazine and e-newsletters to keep our employees informed, engaged and oriented towards the Company's accomplishments.

More than all else, HCC enhanced its brand value by delivering some of the biggest and complex infrastructure projects during this financial year, such as the 11 km Pir Panjal Railway Tunnel - India's longest transportation tunnel, the URI Stage II Hydro Power Project, Godavari Lift Irrigation Project - Phase I and Swarnim Gujarat Kutch Water Grid (NC 31) pipeline project. A structured communication programme created a connect between HCC and the nation's critical infrastructure projects — centered on the core philosophy of 'Responsible Infrastructure'.

Awards won by HCC:

During the year, the Company won the following awards:

a) CIDC Vishwakarma Award 2014 for Best Project:

Awarded for construction of India's longest transportation tunnel, the 11 km Pir Panjal tunnel on the basis of its timely completion despite various geological and technical challenges.

b) Dun & Bradstreet Award for 'Social Impact' project of the year 2013:

For construction of Nimoo Bazgo Hydel Power Project at height of 11,000 ft. above the sea level which will provide electricity to the remote region of Leh-Ladakh. Currently the local population and military set-up in this border district depends on diesel generators for their electricity needs.

c) Construction Week Award:

HCC received 'High Impact Infrastructure Project of the Year 2013' award by the global editorial team of

Construction Week India. This is a special jury award for the best project of the year.

Human Resources (HR)

During 2013-14, the Company's focus continued to be on further strengthening its processes and internal monitoring and review system. For making substantial improvement in operations, priority actions were defined, implemented and monitored. These included annual turnover per employee, upper ceiling on indirect / preliminary expenses at the sites and Head Office cost being limited to a percentage of turnover. Most of the targets were met at the project level.

The organisation structure, work and people allocation was re-calibrated to further improve efficiency and focus on various business areas requiring specialised expertise for execution. With most of the contracts now moving more towards EPC, in order to make the Company EPC ready, the structure has been designed with special focus on EPC projects at the bidding and execution stage involving key functions like engineering, execution and contracts. Similarly, the new initiatives of PMC and Industrial Projects have been given special focus at the execution level, including managing and meeting expectations of both private and government clients.

With most projects being awarded in the later part of 2013-14, the emphasis was on quick mobilisation of manpower for new projects. Manpower allocation and re-deployment with matching skill requirement from existing or closing projects was another priority area which HR focused on to ensure availability of right talent in various work areas. Manpower optimisation, redeployment, cost control will continue to be key areas of work for HR.

The Company has been working towards institutionalising a performance-oriented culture. The entire HR system including recruitment, performance management system, reward and recognition has been aligned with the business objectives. Key management personnel at the project sites are being evaluated on uniform parameters linked to organisational priorities. Similarly, key personnel at the corporate office have been given organisation target in addition to their functional objectives.

Financial Review

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

Table 1: Abridged Profit and Loss account of HCC

(₹ crore)

	2013-14	2012-13
Revenue		
Income from operations	4,113.5	3,837.3
Less: Income from JVs	74.0	0.2
Net income from operations (a)	4,039.5	3,837.1
Profit/Loss on integrated JVs (b)	3.0	(4.8)
Total (a) + (b)	4,042.5	3,832.3
Expenditure		
Construction expenses	2,891.4	2,949.8
Staff costs	388.5	402.0
Other expenditure	118.9	101.9
Interest	607.9	544.1
Depreciation	144.6	163.4
Total	4,151.3	4,161.2
PBDIT (including profit/loss on integrated JV)	643.8	378.6
PBT (including profit/loss on integrated JV)	(108.8)	(328.9)
Other income	213.6	134.3
Exchange Gain / (Loss)	(13.9)	(14.5)
Exceptional items	-	15.6
PBT (including other income and profit/loss on integrated JVs)	90.9	(193.5)
Tax Expense	10.3	(55.9)
PAT	80.6	(137.6)

Table 2: Key Financial Ratios

	2013-14	2012-13
PBDIT / Net Income	15.6%	9.5%
PBT / Net Income	2.2%	-5.1%
PBT / Gross Total Income	2.1%	-4.9%
PAT / Gross Total Income	1.9%	-3.5%
RONW	6.4%	-11.8%
ROCE	11.5%	6.1%
Basic EPS (₹)	1.33	(2.27)

Internal controls and their adequacy

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

Cautionary Statement

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

Corporate Social Responsibility (CSR): Responsible Infrastructure

At HCC, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy. These activities focus on the following domains: sustainability reporting, HIV/AIDS, water, disaster management and various types of community development.

Sustainability Reporting

HCC has received GRI grade A+ for the last four consecutive sustainability reports including the Fourth Sustainability Report, 2012-13. The partnership with E&Y continues, who works as the third party data assurer and advisor for HCC's report. Each site has one or two designated Sustainability Champions, who are trained on GRI guidelines to facilitate data collection at site level. High level meetings with the management representatives and respective heads of department are also conducted to gather their perspective, best practices and insights to further enhance the report. Based on the assurance process, which involves scrutiny on accuracy, transparency, clarity, comparability and reliability of data, E&Y issues the independent Assurance Statement, which is a criterion to achieve GRI A+ rating.

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

HIV/AIDS

Recognising the serious impact of HIV/AIDS on migrant workers who form the core site labour in the construction industry, HCC has formulated its HIV/AIDS Workplace Policy and adopted a Workplace Intervention Programme (WPI) that focuses on creating awareness and education about HIV/AIDS. To implement this, HCC has collaborated with International Labour Organization (ILO). The WPI model is based on a three tier system including Training of Trainers, Creating Peer Educators and Sensitization of all employees including workers.

Every year HCC observes World AIDS Day on 1st December. The theme for this year is 'Getting to Zero: Zero new HIV infection. Zero discrimination. Zero AIDS related deaths'.

Water

Fresh water is increasingly becoming a scarce commodity across the globe. HCC recognises that business survival depends on ensured water availability. There is a compelling business case to pursue water stewardship and become a water conscious Company. The Company is committed to monitor and conserve the amount of water used across its construction project sites.

HCC, the first Indian Company to endorse United Nations Global Compact's 'The CEO Water Mandate' and an Industry partner of the World Economic Forum (WEF), makes it a point to embed the principles of water resources management in all its activities. As a responsible corporate steward, it has always focused on sharing best practices of water stewardship. The Company's water conservation initiatives were featured in the souvenir published by CII-ITC Centre of excellence for sustainable development during the event 'Business Forum on Climate Change'.

The World Business Council for Sustainable Development (WBCSD) launched the India Water Tool on July 23, 2013 to help companies better assess their water risks and manage their water use more efficiently in India. Fourteen companies from different industrial sectors, including HCC, have collaborated under the umbrella of the WBCSD to develop the India Water Tool (IWT). HCC became one of the few leading companies in India to disclose its water programme in line with CDP Water. As resource partner to the FICCI Water Mission and Industry Partner to Water Resources Group 2030, HCC actively participated in various policy dialogue at local and national Levels for collective actions for achieving water stewardship.

To effectively implement the CEO Water Mandate, a team of water experts and practitioners based at HCC's Head Office in Mumbai, communicate with the project sites through a nodal officer ('Water Champion') stationed at each site.

The UN Water Mandate team continued to visit HCC construction sites and implemented different water initiatives for reduction, recycle, reuse, and recharge of

water. HCC installed two Wastewater Treatment Plants of 1MLD and 5.5 MLD capacities at Kishanganga Hydel Power Project site. In June 2013, HCC commissioned a decentralised waste-water treatment system at Bogibeel Road cum Bridge Project site to treat and reuse the sewage water from toilet blocks, which has helped to conserve fresh water of about 2.8ML. The water recycling plant at Padur Cavern Project continues to contribute in saving fresh water to the tune of 125 ML.

As a step towards becoming water positive, HCC has engaged with an NGO – Yuva Mitra – based in Sinnar Taluka of Nasik district to work on community based water intervention. It has funded the work of de-silting of a check dam at Ashapur village and rejuvenation of associated canal system — which was built in pre-independence era and had subsequently deteriorated over the years. Once an ever-green plateau where the farmers use to grow sugarcane had become a water distress area.

All it required was to rejuvenate the canal system to reduce the farmers' dependency on ground water extraction across all seasons. After rejuvenation, the flow of water in canal would help conserve ground water through percolation and increased the water table. The canal system would also help to irrigate 102 hectares of land by use of surface water flow and lift irrigation. Thus, apart from water conservation; this intervention would help to boost agricultural output and, hence, socioeconomic condition of the village.

Disaster Management

HCC is the founding member of 'Disaster Resource Network' (DRN), an initiative led by the World Economic Forum, Geneva. DRN India focuses on: capacity building training to respond to emergency situations and support to disaster relief operations. HCC, through this network has provided timely interventions in a number of rescue and relief operations at national and international levels over the past decade.

HCC is active member of UNISDR's Disaster Risk Reduction Private Sector Partnership (DRR-PSP) that engages the private sector in future disaster risk reduction initiatives. Mr. Ajit Gulabchand is a member of Private Sector Advisory Board of UNISDR. He has endorsed UNISDR's Statement of commitment by private sector for disaster prevention, resilience and risk reduction.

Highlights of Year 2013-2014:

Uttarakhand Cloudburst & Flash Floods 2013- Relief Operation:

HCC was executing work on the Tehri Pump Storage Plant in Garhwal, Uttarakhand when the flash floods occurred. After the disaster struck, no damages were reported at the project, and all personnel of HCC were safe. The HCC team closely worked with the Army for clearing debris accumulated on the roads due to landslides. Three landslides took place between 18th & 19th June and the team continuously worked to clear severe accumulation of rock and debris. Tehri served as a base camp for all the pilgrims who were rescued by the Government and the army's relief operations in the region. All pilgrims were provided with food, water, sanitation, shelter and medical facilities at HCC's relief camp at Tehri. Over 23,000 people availed the free food facility set up by the Company. Over 3,000 pilgrims were treated at the 24 hour medical facility which included an ambulance and site medical officers. The project team arranged shelter for women and children at the project office complex. The District Magistrate, the Superintendent of Police, Ministers from West Bengal used the HCC Project office as their camp to monitor the complete relief work.

Shift from Response to Disaster Risk Reduction (DRR) and Building Resilience:

Today, worldwide, the focus towards disaster management is transitioning from relief and rehabilitation to awareness towards DRR. Industries need to think beyond reacting to emergencies and demonstrate its commitment in risk reduction, which would result in reducing the vulnerability of communities, better risk assessment and the overall reduction of the potential impact of disaster on their own businesses. Keeping this view, HCC has increased its engagement with UNISDR to support disaster risk reduction.

HCC led Private Sector Workshop for Disaster Risk Resilience in India:

In support of UNISDR, HCC in collaboration with UNGC organised the India workshop on disaster risk resilience on February 27, 2014 in Mumbai. There was a mix of participants from the corporate sector, Government and NGO's. The workshop aimed at strengthening the disaster risk reduction by showcasing the paradigm shift in disaster management from relief centric approach to the holistic approach and how corporate sector can play

a vital role. The India workshop was the first meeting in Asia. The team looks forward to incorporating some of the recommendations from the workshop in the forthcoming Asia Ministerial Conference for DRR in Thailand (June 2014) and subsequently at the UN World Conference on DRR in March 2015 at Sendai, Japan.

HCC invited by National Disaster Management Authority (NDMA), India to represent private sector in National Consultation while drafting the policies for disaster management:

As HCC has been taking up many interventions in disaster management, National Disaster Management Authority (NDMA), India's apex government body for disaster management invited HCC to share the corporate perspective while formulation of government policies on two policy guidelines in March 2014. These two draft policies were 'Policy Guidelines Community Based Disaster Management' and 'Policy Guidelines on Role of NGO Sector in Disaster Management'. HCC's recommendations on behalf of private sector were highly appreciated and the government representatives have assured that the inputs will be considered while finalising both the policies.

CSR Awards in 2013-2014:

- Special Jury Award in CSR, December 2013: HCC was conferred special jury award at the Amity CSR Conclave' 2013, organised by the Amity Global Business School, Indore in December 2013.
- Global Sustainability Leadership Award for the 'Best Community Action' by the World CSR Congress in February 2014: HCC won this award for its community development project, 'Ujjivana'.

Community Development Initiatives

HCC has a long tradition of contributing to and investing in communities in and around its project sites. HCC has undertaken several initiatives that have made a lasting impact on the economic, environmental and social conditions of local people.

Some case examples of site specific CSR initiatives:

- 1) Dagachhu 114 MW Hydro Electric Power project, Bhutan:
 - Drinking Water supply to the Local community and School: The drinking water supply provided to local villages viz. Dala, Khebisa and Baleygang supporting around 220 people.

- Health and Sanitation: The health support like ambulance facility, medical assistance was provided to the local from Dala, Khebisa, Baleygang and Guithang covering 210 people. Financial assistance provided to Road safety and Transport authority to facilitate sanitation campaign to raise awareness about waste management and cleanness. Total 200 people participated in the program.

- Support for communal peace and Harmony: The financial support was given to Dharma Session to maintain communal peace and prosperity at Dagapela.
- Provision of Infrastructure facility and disaster relief: Free electricity was provided to the locals from Dala, Khebisa Gewog. Financial support was given to Royal Bhutan Police for renovation and maintenance of police station and school. 50 HCC employees were deployed for two days to support in stopping the wild fire.

2) Punatsangchhu-1: 1200 MW Hydro Electric Project:

- Skill development: HCC supported 50 Bhutanese youth to participate in Training programs in Mechanic Trade & Lab Technician.
- Medical Facility: Provided free medical checkup, medicines and free Ambulance facility to the locals. HCC along with Punatsangchhu Hydroelectric Project Authority (PHPA-I) Administration Wing/ Ministry of Health, Royal Government of Bhutan (RGoB) supported various tests like Hepatitis B, STD, Diabetes, HIV test benefitting around 450 people.
- Drinking Water Facility: Drinking water provided to the local communities through tankers.
- 500 People were provided with agro shed net roll to the Langlytsawa settlement (local public) with collaboration of PHPA-I
- HCC provided Sponsorship for the 17th National Yangphel Archery Tournament- 2013
- Participated in Move For Health Walk -2013 with collaboration with Ministry of Health and local Administration RGoB. Honorable Lyonchen Thering Tobgay, Prime Minister of Bhutan, Lyonchen Tandin Wangchuk, Health minister and other high ranking dignitaries together with PHPA-I Management team participated in the said walk.

- Sponsored prizes for the India House Golf Club, Embassy of India Thimphu –Around 150 participants include Royalty , Ministers, Senior Civil Service Officers, Officers of the armed forces of RGoB, Luminaries from the corporate world and Business Personalities.
- HCC supported an Indo-Bhutan joint initiative “6th Hydro Vision Conclave 2013” as an associate partner along with Enertia Foundation.

Some of the other community development activities beyond fence taken up during the financial year 2013-14 are listed below.

Project Tatisal

HCC is constructing a rail-cum-road bridge on the river Brahmaputra near Bogibeel in Dibrugarh district of Assam. As part of a community development initiative, HCC took up Project Tatisal to help revive the traditional art of hand-made weaving in the neighbouring communities of the project area in November 2013. The traditional looms used by the locals are called Tatisal in Assamese, hence the name of the project. It is being done in collaboration with an NGO, the Aurobindo Choudhuri Memorial Great

India Dream Foundation. Training was organised for the local women to access the credit linkages through banks, accounting and operation of self help groups to help them take up employment-cum-income generation programmes by enhanced production skills and improved access to market.

Solid Waste Management system for Navagaon

HCC has successfully implemented a Solid Waste Management System in partnership with Kihim Gram panchayat for Kihim village about two years ago. Inspired by the initiatives taken at Kihim, the neighbouring village Navagaon approached HCC to support them to set up a similar system at their village. HCC carried out a feasibility study at Navagaon and facilitated them to get financial assistance from Rashtriya Chemicals and Fertilizers (RCF) Ltd., who are operating in the vicinity of Navagaon. HCC donated 30 dustbins and also helped the gram panchayat to hold meetings with different stakeholders like community leaders, and government officials to garner support from RCF in procuring the garbage-disposal van for Navagaon village.

Report on Corporate Governance

HCC's business strategy focuses on creating sustainable long term value for all its stakeholders including members, customers, partners, employees and the society at large. The Company's governance structure including systems, processes and principles enable HCC to realise its long term goals.

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

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

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

This Chapter reports the Company's compliance with the Clause 49 of the Listing Agreement with the Stock Exchange and also highlights some of the better practices, which are non-mandatory.

I) Board of Directors

(a) Composition of the Board

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that at least 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on March 31, 2014, the Board comprised of ten Directors. Out of these, three are Executive Directors, including the Chairman & Managing Director who is a Promoter Director.

Of the seven Non-Executive Directors, five are Independent Directors. All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

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

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director;
- Are not related to Promoters or persons occupying management positions at the Board level or at one level below the Board;
- Have not been executive(s) of the Company in the immediately preceding three financial years;
- Are not partner(s) or executive(s) or were not partner(s) or executive(s) during the preceding three years, of any of the following:
 - i. Statutory audit firm or the internal audit firm that is associated with the Company
 - ii. Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material supplier(s), service provider(s) or customer(s) or lessor(s) or lessee(s) of the Company, which may affect independence of the Director;
- Are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares;
- Are not less than 21 years of age.

None of the Directors of the Company are related to each other.

(b) Number of Board Meetings

The Board of Directors met 5 times during 2013-14. The meetings were held on May 3, 2013, June 21, 2013, August 2, 2013, October 31, 2013 and January 30, 2014. The maximum time gap between any two consecutive meetings did not exceed four months.

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

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

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

Table 1: Details of the Board of Directors as on March 31, 2014

Name of the Director	Category	Number of Board meetings held	Number of Board meetings attended	Whether attended last AGM	Number of Directorships of other public companies*	Committee Positions *#		Whether having any pecuniary or business relation with the Company.
						Chairman	Member	
Ajit Gulabchand	Promoter, Chairman and Managing Director	5	5	Yes	13	2	3	None
Y. H. Malegam\$	Independent Director	5	2	Yes	-	-	-	None
K. G. Tendulkar**	Non Executive director	5	1	No	-	-	-	None
Rajas R. Doshi	Independent Director	5	5	Yes	3	1	4	None
Ram P. Gandhi	Independent Director	5	5	Yes	6	1	-	None
Prof. Fred Moavenzadeh	Non-executive Director	5	2	Yes	Nil	Nil	Nil	Technical Consultant
D. M. Popat	Independent Director	5	4	No	2	Nil	1	Partner of Mulla & Mulla & Craigie Blunt & Caroe, Solicitors to the Company
Sharad M. Kulkarni	Independent Director	5	5	Yes	9	5	5	None
Nirmal P Bhogilal***	Independent Director	5	2	Yes	-	-	-	None
Anil C. Singhvi	Independent Director	5	4	Yes	6	2	3	None
Dr. Ila Patnaik@	Non-executive Director	5	4	Yes	-	-	-	Renders Professional Services
Rajgopal Nogja	Group Chief Operating Officer & Whole-time Director	5	4	Yes	10	1	3	None
Arun V. Karambelkar^	President & Whole-time Director	5	5	Yes	9	-	1	None

* Excludes private limited companies, foreign companies and companies registered under section 25 of the Companies Act, 1956 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

Chairmanship/Membership of Audit Committee and Shareholders'/ Investors' Grievance Committee in public companies (including that of Hindustan Construction Company Limited) have been considered.

\$ Mr. Y. H. Malegam had retired as a Director at the last AGM held on June 21, 2013.

** Mr. K.G. Tendulkar had resigned as a Director, w.e.f August 2, 2013.

*** Mr. Nirmal P Bhogilal had resigned as a Director w.e.f. October 23, 2013.

@ Dr. Ila Patnaik had resigned as a Director w.e.f April 30, 2014.

^ Mr. Arun V. Karambelkar had resigned as a Whole-time Director & appointed as "President & CEO-E&C w.e.f April 29, 2014 at the Board Meeting held on May 2, 2014.

(d) Information to the Board

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

- Annual operating plans and budgets and any updates
- Capital budget-purchase and disposal of plant, machinery and equipment.
- Quarterly, Half yearly and Annual results of the Company.
- Minutes of the Meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payments by clients.
- Any issue, which involves possible public or product liability/claims of substantial nature, including any judgments or orders which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture agreement or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources or on the industrial relations front such as signing of wage agreement, etc.
- Sale of material nature, of investments, subsidiaries, assets, which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by the Management to limit the risk of adverse exchange rate movement, if material.

- Non-compliance of any regulatory, statutory or listing requirements and members' service such as non-payment of dividend, delay in share transfer, etc.

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

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

The Chairman & Managing Director and the Whole time Directors receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees. In addition, Prof. Fred Moavenzadeh, Non-Executive Director, is paid Technical Fees and Dr. Ila Patnaik, Non Executive Director is paid Professional Fees, details of which are given in **Table 2**.

(f) Remuneration to Directors:

The below **Table 2** gives the details of remuneration paid to Directors for the year ended March 31, 2014 along with the details of outstanding Stock Options granted to them.

The Company did not advance any loans to any of its Directors during 2013-14.

Ms. Shalaka Gulabchand Dhawan, Vice President – Business Development of the Company is the daughter of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company. The gross remuneration paid to her, for the year ended March 31, 2014, was ₹1.06 crore which is within the limits approved by the members and Central Government in accordance with erstwhile Section 314(1B) of the Companies Act, 1956.

Mr. Arjun Dhawan, President – HCC Infrastructure, is the son-in-law of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company. The gross remuneration, paid to him, for the year ended March 31, 2014, was ₹2.55 crore. The remuneration so paid is well within the limits approved by the members and Central Government in accordance with erstwhile Section 314(1B) of the Companies Act, 1956.

Table 2: Remuneration paid to Directors

Name of the Director	Salaries, perquisites & Allowances ⁺	Commission	Sitting fees [*]	Technical / Professional fees [#]	Total (₹)	No. of outstanding stock options ^{\$}
Ajit Gulabchand** (Chairman & Managing Director)	10,65,60,000	-	-	-	10,65,60,000	Nil
Y. H. Malegam@	-	-	40,000	-	40,000	Nil
K. G. Tendulkar@	-	-	20,000	-	20,000	Nil
Rajas R. Doshi	-	-	2,40,000	-	2,40,000	54,880
Ram P. Gandhi	-	-	3,00,000	-	3,00,000	54,880
Prof. Fred Moavenzadeh	-	-	40,000	30,60,000	31,00,000	54,880
D. M. Papat	-	-	1,20,000	-	1,20,000	54,880
Sharad M. Kulkarni	-	-	2,20,000	-	2,20,000	48,600
Nirmal P. Bhogilal@	-	-	60,000	-	60,000	Nil
Anil C. Singhvi	-	-	4,40,000	-	4,40,000	54,880
Dr. Ila Patnaik	-	-	80,000	5,50,000	6,30,000	Nil
Rajgopal Nogja (Group Chief Operating Officer & Whole-time Director)	4,17,29,807	-	-	-	4,17,29,807	2,74,560
Arun V. Karambelkar (President & Whole-time Director)	3,05,28,000	-	-	-	3,05,28,000	4,39,200
Total	17,88,17,807	-	15,60,000	36,10,000	18,39,87,807	10,36,760

** Remuneration paid to Chairman & Managing Director is in excess of the limits specified in Schedule XIII of the Companies Act, 1956. The Company has made an application seeking approval from Central Government for payment of managerial remuneration in excess of the limits specified under the Companies Act, 1956, for the financial year ended March 31, 2014. Approval is awaited.

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

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

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

\$ As on March 31, 2014, 10,36,760 Stock Options (comprising vested after adjustment for lapsed and exercised options), in aggregate are outstanding to the account of the Directors, which can be exercised at an exercise price of ₹ 52.03 per Stock Option as per the exercise schedule.

@ Remuneration paid for the period upto the time of retirement /resignation of Directors respectively.

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

While the details of outstanding stock options held by Non-Executive Directors have been disclosed in **Table 2**, the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2014 is given in **Table 3**.

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2014

Name of the Director	Number of Shares
Rajas R. Doshi	32000
Ram P. Gandhi	48000
Prof. Fred Moavenzadeh	Nil
D.M. Papat	Nil
Sharad M. Kulkarni	20000
Anil C. Singhvi	33720
Dr. Ila Patnaik	Nil

(h) Code of Conduct

The Board of Directors has laid down two separate Codes of Conduct ('Code(s)'), one for the Non-Executive Directors and the other for Executive Directors and designated employees in the Senior Management. These Codes have been posted on the Company's website – www.hccindia.com. All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2014. A declaration to this effect signed by Mr. Ajit Gulabchand, Chairman & Managing Director is annexed to this Report.

II) Board Committees

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

(a) Audit Committee

As on March 31, 2014, the Audit Committee comprises of four Independent Directors. viz Mr. Sharad M. Kulkarni - (Chairman), Mr. Rajas R. Doshi, Mr. Anil C. Singhvi and Mr. D. M. Popat. Mr. D. M. Popat was appointed as a member in place of Mr. Ram Gandhi who resigned w.e.f. October 31, 2013. All Members of the Audit Committee possess accounting and financial management knowledge.

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

The Audit Committee met five times during the year on April 22, 2013, May 1, 2013, August 1, 2013, October 31, 2013 and January 30, 2014. The maximum time gap between any two consecutive meetings did not exceed four months. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in **Table 4.**

Table 4: Details of the Audit Committee

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Sharad M. Kulkarni	Independent Director	Chairman	5	5	1,00,000
Ram P. Gandhi@	Independent Director	Member	5	3	60,000
Rajas R. Doshi	Independent Director	Member	5	4	80,000
Anil C. Singhvi	Independent Director	Member	5	5	1,00,000
D. M. Popat@	Independent Director	Member	5	1	20,000

@ Mr. D. M. Popat was appointed as a member in place of Mr. Ram Gandhi who resigned w.e.f. October 31, 2013.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on June 21, 2013 to answer member queries.

In accordance with Section 177(1) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 2, 2014, have approved new terms of reference for the Audit Committee and thereupon the revised terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 (III)(D) of the revised Listing Agreement and Section 177(1) of the Companies Act, 2013. Further the Audit Committee has been granted powers as prescribed under Clause 49 (III)(C) of the Listing Agreement.

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

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

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

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

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

Review of Information by Audit Committee :

The Audit Committee shall mandatorily review the following information:

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

(b) Nomination and Remuneration Committee (formerly termed as Remuneration Committee)

This Committee comprises of three Independent Directors. They are Mr. Anil Singhvi – (Chairman), Mr. Ram P. Gandhi and Mr. D. M. Popat. Mr. Nirmal P. Bhogilal resigned as Chairman and Mr. D. M. Popat was appointed as a member w.e.f. October 31, 2013 in his place.

This Committee met twice during the financial year i.e. on May 3, 2013 and October 31, 2013. The Minutes of the Remuneration Committee Meetings are noted by the Board.

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

Table 5: Details of the Remuneration Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting fees paid (₹)
Anil C. Singhvi ^s	Independent Director	Chairman	2	2	40,000
Nirmal P. Bhogilal*	Independent Director	Member	2	1	20,000
Ram P. Gandhi	Independent Director	Member	2	2	40,000
D. M. Popat*	Independent Director	Member	2	1	20,000

*Mr. Nirmal P Bhogilal resigned as Chairman and Mr. D. M. Popat was appointed as a member in his place, w.e.f. October 31, 2013.

^sMr. Anil C. Singhvi was appointed as the Chairman w.e.f. October 31, 2013.

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 2, 2014, have approved the change in nomenclature of the Remuneration Committee to Nomination and Remuneration Committee and have revised their role as under:

The revised role of the Nomination and Remuneration Committee, inter-alia, includes the following:

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

Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits prescribed by the Central Government. The Company pays a sitting fee of ₹ 20,000 to each NED for every Board meeting or Board constituted Committee Meeting attended by such Director.

Remuneration was paid to Mr. Ajit Gulabchand, Chairman & Managing Director, Mr. Rajgopal Nogja, Group Chief Operating Officer & Whole-time Director and Mr. Arun V. Karambelkar, President & Whole-time Director pursuant to the approval of the Members, Board of Directors and Remuneration Committee of the Board. In view of the inadequacy of profits incurred by the Company for the year ended March 31, 2014, the remuneration paid to Chairman & Managing Director is subject to the approval of the Central Government under the provisions of the Companies Act, 1956.

(c) Stakeholders Relationship Committee (formerly termed as Shareholders'/ Investors' Grievance Committee)

This Committee comprises four Directors viz. Mr. Ram P. Gandhi – (Chairman), Mr. Rajas R. Doshi, Mr. Ajit Gulabchand, Chairman & Managing Director and Mr. Rajgopal Nogja, Group Chief Operating Officer & Whole-time Director. Mr. K. G. Tendulkar had resigned on June 21, 2013 and Mr. Rajgopal Nogja was appointed on the same date, as a member of the Committee. The Company Secretary, Mr. Vithal P. Kulkarni is the Compliance Officer of the Company.

During 2013-14, the Committee met four times on May 1, 2013, August 1, 2013, October 31, 2013 and January 30, 2014. The Minutes of the Shareholders'/ Investors' Grievance Committee are reviewed and noted by the Board.

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

Table 6: Details of the Shareholders'/Investors' Grievance Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting fees paid (in ₹)
Ram P. Gandhi	Independent Director	Chairman	4	4	80,000
Rajas R. Doshi	Independent Director	Member	4	3	60,000
Ajit Gulabchand	Chairman & Managing Director	Member	4	4	-
Rajgopal Nogja [#]	Group COO & Whole-time Director	Member	4	3	-

[#]Mr. Rajgopal Nogja was appointed in place of Mr. K. G. Tendulkar who resigned as a member w.e.f June 21, 2013

During 2013-14, 806 queries/complaints were received by the Company from members/investors/authorities, all of which have been redressed / resolved to date, satisfactorily as shown in **Table 7**. As on date, there are no pending share transfers/complaints/queries pertaining to the year under review.

Table 7: Details of investor queries/complaints received and attended during 2013-14

Nature of Queries/ Complaints	Pending as on April 1, 2013	Received during the year	Redressed during the year	Pending as on March 31, 2014
1. Transfer/Transmission/Issue of Duplicate Share Certificates	-	53	53	-
2. Non-receipt of Dividend	-	597	597	-
3. Dematerialisation/ Rematerialisation of Shares	-	2	2	-
4. Complaints received from :				
a. Securities and Exchange Board of India	-	6	6	-
b. Stock Exchange(s) / NSDL / CDSL	-	-	-	-
c. Registrar of Companies / Ministry of Corporate Affairs / Others	-	-	-	-
d. Advocates	-	-	-	-
e. Consumer Forum/Court Case	-	-	-	-
5. Others	-	148	148	-
Grand Total	-	806	806	-

The Committee deals with the following matters:

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

In accordance with Section 178(5) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated April 17, 2014 for amendment to Equity Listing Agreement (which is effective from October 1, 2014), the Board of Directors of the Company at their meeting held on May 2, 2014, have approved the change in nomenclature of the Shareholders Grievances Committee to Stakeholders Relationship Committee and enhanced their role. Therefore the said Committee shall in addition to the above role, also consider and resolve the grievances of debenture holders, deposit holders and other security holders of the Company.

(d) ESOP Compensation Committee

The ESOP Compensation Committee comprises three Directors. viz. Mr. Sharad M. Kulkarni (Chairman), Mr. Ram P. Gandhi and Mr. Rajgopal Nogja who was appointed as member of the committee w.e.f. June 21, 2013 in place of Mr. K. G. Tendulkar.

The ESOP Compensation Committee deals with various matters relating to:

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

No meetings of the ESOP Compensation Committee were held during 2013-14.

(e) Corporate Social Responsibility (CSR) Committee :

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

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit.

III) Management

Management Discussion and Analysis Report

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

Disclosures

(a) Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented under Note No. 50 of the Balance Sheet. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During 2013-14, there were no related party transaction of material nature that may have a potential conflict with the interests of the Company.

(b) Accounting treatment in preparation of financial statements

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

(c) Risk Management

The Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. Once identified, these risks are systematically categorised

as strategic risks, business risks or reporting risks. The former looks at all risks associated with the longer term interests of the Company. The latter look at risks associated with the regular functioning of each of the processes and the risks associated with incorrect or untimely financial and non-financial reporting.

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

(d) Subsidiary Companies

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

Mr. Sharad M. Kulkarni, Independent Director of the Company is a Director on the Board of HREL and Lavasa and Mr. Ram P. Gandhi, Independent Director of the Company is a Director on the Board of Lavasa. Mr. Anil Singhvi, Independent Director of the Company is also a Director on the Board of Lavasa.

Mr. Rajas R Doshi , Independent Director of the Company has been appointed as a Director on the Board of HCC Concessions Limited .

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

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

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

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

(e) Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive Code for prevention of Insider Trading, for its Directors and designated employees, in compliance with Securities

and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.

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

(f) CEO/CFO Certification

As required under Clause 49 (V) of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and the Group Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended March 31, 2014 which is annexed to this Report.

(g) Pledge of Equity Shares

During the year 2012-13, Hincan Holdings Ltd., promoter Company of HCC, had pledged its 20,07,03,600 equity shares of ₹ 1 each of HCC in favour of 3i Infotech Trusteeship Services Ltd., the Security Trustees for the CDR Lenders in accordance with the requirement of CDR package approved for the Company by the Corporate Debt Restructuring (CDR) Cell under the regulatory framework of RBI.

No other pledge has been created over the equity shares held by the other Promoters and/or Promoter Group Shareholders as on March 31, 2014.

The aggregate shareholding of the Promoters and Members of the Promoter Group as on March 31, 2014, was 24,17,99,394 Equity Shares of ₹ 1 each representing 39.86% of the paid-up Equity Share Capital of the Company.

IV) Shareholder Information

(a) Disclosures regarding the Board of Directors:

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

There are five Independent Directors on the Board

of the Company as per the Listing Agreement requirements viz., Mr. Rajas R. Doshi, Mr. Ram P. Gandhi, Mr. D. M. Popat, Mr. Sharad M. Kulkarni and Mr. Anil C. Singhvi. All these Independent Directors had been appointed vide member's resolution in terms of the provisions of the Companies Act, 1956 as Directors' whose period of office is liable to determination by retirement by rotation.

The Company has received declarations from all the above Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of the Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being the Independent Directors on the Board of the Company and are also independent of the management.

Of the above Independent Directors, Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni retire by rotation at the ensuing Annual General Meeting and being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors of the Company under the Companies Act, 2013 to hold office for 3 (three) consecutive years for a term upto the conclusion of 91st Annual General Meeting of the Company in the calendar year 2017.

The proposal for appointment for the other Independent Directors under the Companies Act, 2013 shall be taken up for approval of the Members of the Company as and when the tenure of their respective Directorships would expire at the Annual General Meetings following the forthcoming AGM of the Company.

Detailed profile of the Directors who are seeking appointment as Independent Directors under the Companies Act, 2013 is as below. The same has also been covered under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company:

Mr. Ram P. Gandhi

Mr. Ram P. Gandhi is an Independent Director of the Company. He joined the Board of Directors of the Company in August 1999.

Mr. Ram P. Gandhi, holds a Bachelors Degree in

Commerce and is a Diploma Holder in Financial Management. He is a leading businessman and ex-president of the Indian Merchants' Chamber. Mr. Gandhi is a Director on the Board of various other Companies viz., Youngbuzz India Ltd., Hincon Finance Ltd., Western Securities Ltd., Hincon Holdings Ltd., HCC Construction Ltd., Lavasa Corporation Ltd., Beacons Pvt. Ltd., Pravinchandra Pvt. Ltd. and The States' People Private Ltd.

He is also the Chairman of the Shareholders'/ Investors' Grievances Committee and member of Remuneration Committee, ESOP Committee and Selection Committee of the Board of the Company and member of ESOP Committee of Lavasa Corporation Ltd.

Mr. Sharad Kulkarni

Mr. Sharad M. Kulkarni is an Independent Director of the Company. He joined the Board of Directors of the Company in August 2001.

Mr. Sharad Kulkarni, holds a Bachelor's Degree in Engineering (B. E.) from University of Pune and is a Fellow of the Institute of Engineers, India. He has been a Fellow of Institution of management, UK and Fellow of Institute of Directors, UK.

He is a Business Advisor and Management Consultant. His area of expertise covers Business development, International Alliance management, Strategic Planning, Management and Technology Institutions of learning, Venture funding and Corporate Governance.

He is also on the board of other companies Bayer Crop Science Ltd., Camlin Fine Chemicals Ltd., Styrolution ABS (India) Ltd., KEC International Ltd., Navin Fluorine International Ltd., HCC Real Estate Ltd., J M Financial Trustee Company Pvt. Ltd., Raychem RPG Ltd., RPG Enterprises Ltd., Styrolution India Pvt. Ltd. and Lavasa Corporation Ltd.

He is associated with several NGO's and Educational Trusts. He has held senior positions of CEO & President with major International and Indian Corporate entities during his 40 years career span.

He is Chairman of the Audit Committee and ESOP Committee of the Company and member. He is also the Chairman of the Audit Committee of Lavasa Corporation Ltd. and a member of the Audit Committee of HCC Real Estate Limited.

Besides, he is also the Chairman of the Audit Committee and member of Shareholders Grievance Committee and Remuneration Committee of Bayer Crop Science Limited. Further, he is also the Chairman

of Audit Committee and member of Remuneration Committee of Styrolution ABS (India) Ltd. and Chairman of Audit Committee and member of Remuneration Committee of Camlin Fine Sciences Ltd. Also, he is a member of Audit Committee and Remuneration Committee of KEC International Ltd. and Navin Fluorine International Limited. He is the Chairman of Audit Committee of Styrolution India Pvt. Ltd. and member of Audit Committee of J M Financial Trustee Co. Pvt. Ltd.

(b) Means of Communication:

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

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

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

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

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

(c) General Body Meetings:

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

Postal Ballot

No resolutions were passed by postal ballot in the year under review.

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

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

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2010-11 (AGM)	Friday June 10, 2011 11.00 A.M.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ₹ 1500 crore
2011-12 (AGM)	Friday June 15, 2012 11.00 A.M.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	<ol style="list-style-type: none"> 1. Approval of shareholders for payment of remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director during his remainder tenure i.e. for the financial years 2011-12 & 2012-13 respectively. 2. Approval for payment of remuneration to Mr. Arun Karambelkar President & Whole-time Director for a period of 3 years i.e. from April 29, 2011 upto April 28, 2014. 3. Approval for Ms. Shalaka Gulabchand Dhawan to hold and continue to hold an office or place of profit under the Company, as Vice President (Business Development) of the Company at a revised remuneration w.e.f July 1, 2012. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ₹ 1500 crore
2012-13 (AGM)	Friday, June 21, 2013 11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	<ol style="list-style-type: none"> 1. Approval of shareholders for reappointment of Mr. Ajit Gulabchand as the Managing Director designated as Chairman & Managing Director of the Company for a period of 5 years and payment of remuneration for the period of 3 years w.e.f. April 1, 2013. 2. Approval for appointment of Mr. Rajgopal Nogja as the Whole-time Director of the Company designated as Group Chief Operating officer and Whole-time Director of the Company for a period of 5 years and payment of remuneration for a period of 3 years w.e.f. May 3, 2013. 3. Approval for issue on preferential basis upto 4,50,00,000 Warrants to the promoters in one or more tranches, for a value not exceeding ₹64 crore on such terms and conditions, as may be determined by the Board of the Company. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ₹ 1000 crore

(d) General Shareholder Information :

• **Forthcoming Annual General Meeting**

Date : June 20, 2014
 Day : Friday
 Time : 11.00 a.m.
 Venue : Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020.

• **Last date for Receipt of Proxies**

Wednesday, June 18, 2014 (before 11:00 a.m. at the Registered Office of the Company)

• **Financial Year**

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

During the financial year under review, the Board

Meetings for approval of quarterly and annual financial results were held on the following dates:

1st Quarter Results	: August 2, 2013
2nd Quarter Results	: October 31, 2013
3rd Quarter Results	: January 30, 2014
4th Quarter & Annual Results	: May 2, 2014

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2015 are as follows:

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

- Dates of Book Closure**

Tuesday, June 17, 2014 to Friday, June 20, 2014 (both days inclusive)

- Listing**

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

The Company has paid the annual listing fees for the year 2014-15 to BSE and NSE. The Company has also paid annual maintenance fees to Luxembourg Stock Exchange.

The Company has paid custodial fees for the year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on the basis of number of beneficial accounts maintained by them as on March 31, 2014.

- Stock Codes :**

ISIN (Equity Shares) in NSDL & CDSL	INE549A01026
BSE Code	500185
NSE Code	HCC

Luxembourg Stock Exchange Code :	
GDSs (ISIN)	US4332191026

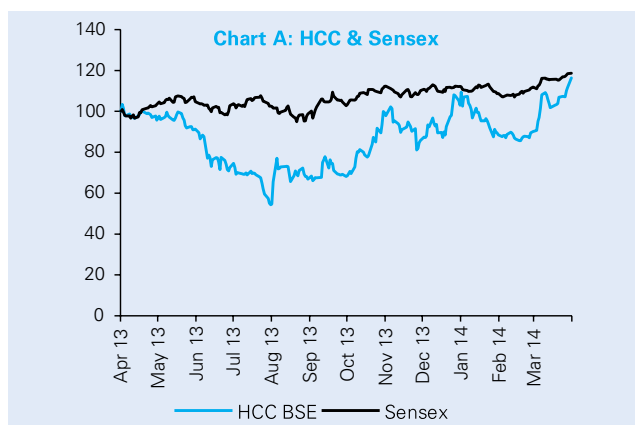
- Corporate Identification Number :**

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

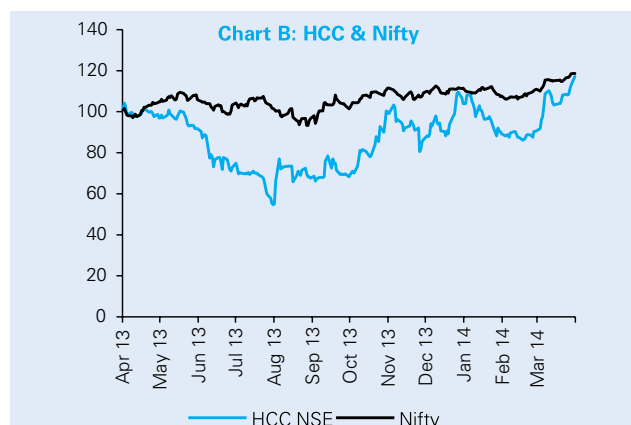
Share Price Data : High/Low and Volume during each month of 2013-2014 at BSE and NSE

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2013	15.60	13.26	4531097	15.60	13.70	14041465
May 2013	14.85	12.79	6954965	14.85	12.75	21181386
June 2013	13.64	10.10	7626218	13.65	10.05	22910597
July 2013	11.10	7.76	7885892	11.10	7.70	21897305
August 2013	11.40	7.75	9623559	11.45	7.75	30686078
September 2013	11.75	9.57	7803358	11.75	9.55	26504789
October 2013	15.50	9.66	20297340	15.50	9.70	64047157
November 2013	15.42	11.45	12533319	15.45	11.25	40609366
December 2013	16.37	12.55	17918732	16.35	12.55	61128406
January 2014	16.20	12.60	11291268	16.15	12.55	40978639
February 2014	13.74	12.35	3974402	13.60	12.35	13453039
March 2014	17.12	12.88	18062153	17.15	12.90	59157965

Chart A and Chart B compare HCC share prices with the BSE Sensex and the NSE Nifty respectively



Note: HCC share prices and the Sensex is indexed to 100 as on April 1, 2013



Note: HCC share prices and the Nifty is indexed to 100 as on April 1, 2013

• Distribution of Shareholding

Distribution of shareholding as on March 31, 2014

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
1 to 500	28,757,226	4.74	152,482	71.05
501 to 1000	23,654,920	3.90	28,114	13.10
1001 to 2000	28,553,407	4.71	17,267	8.05
2001 to 3000	17,232,182	2.84	6,377	2.97
3001 to 4000	10,415,126	1.72	2,802	1.31
4001 to 5000	9,544,443	1.57	1,993	0.93
5001 to 10000	23,322,700	3.84	3,119	1.45
Greater than 10000	465,130,416	76.68	2,442	1.14
Total	606,610,420	100.00	214,596	100.00

Shareholding Pattern

Categories	As on March 31, 2014		As on March 31, 2013	
	No. of Shares	Percentage of Shareholding	No. of Shares	Percentage of Shareholding
Promoter and Promoter Group and Directors and Relatives	24,22,39,714	39.93	24,27,60,514	40.02
Foreign Institutional Investors	8,36,99,073	13.80	10,84,94,025	17.89
Public Financial Institutions/State Financial Corporation/Insurance Companies	83,82,144	1.38	84,61,712	1.39
Mutual Funds (Indian) and UTI	1,29,22,811	2.13	1,84,09,217	3.04
Nationalised and other Banks	14,55,761	0.24	17,61,633	0.29
NRI/OCBs	70,03,424	1.16	64,97,799	1.07
GDSs	1,20,720	0.02	1,20,720	0.02
Public	25,07,86,773	41.34	22,01,04,800	36.28
Total	60,66,10,420	100.00	60,66,10,420	100.00

List of Top 20 Shareholders of the Company as on March 31, 2014

Sr. No.	Name of the Shareholder	Category	No. of Shares	% of shareholding
1	Hincon Holdings Ltd.	Promoter	200,703,600	33.09
2	Hincon Finance Limited	Promoter	38,365,500	6.32
3	SIWA Holdings Limited	FII	36,082,151	5.95
4	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	FII	19,287,142	3.18
5	Sundaram Mutual Fund A/C Sundaram Select MIDCAP	Mutual Fund	12,907,415	2.13
6	Dimensional Emerging Markets Value Fund	FII	7,005,199	1.15
7	Jai-Vijay Resources Pvt. Ltd.	Bodies Corporate	6,395,547	1.05
8	Life Insurance Corporation of India	Insurance Co	5,940,480	0.98
9	Copthall Mauritius Investment Limited	FII	4,736,422	0.78
10	Pragmatic Traders Pvt. Ltd.	Bodies Corporate	3,673,522	0.61
11	MV SCIF Mauritius	FII	3,552,392	0.59
12	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc (DFAIDG)	FII	2,773,413	0.46
13	Kotak Mahindra Investments Ltd	Bodies Corporate	2,326,237	0.38
14	Ajit Gulabchand	Promoter	2,117,294	0.35
15	Bhadra Jayantilal Shah	Resident Individual	2,000,000	0.33
16	Vanguard Total International Stock Index Fund	FII	1,625,559	0.27
17	The Emerging Markets Small Cap Series of The DFA Investment Trust Company	FII	1,572,759	0.26
18	BNP Paribas Arbitrage	FII	1,405,000	0.23
19	Sudha Commercial Company Limited	Bodies Corporate	1,350,000	0.22
20	California Public Employees Retirement Systemself Managed 3	FII	1,291,031	0.21
Total			355,110,663	58.54

- Dematerialization of Shares and Liquidity**

As on March 31, 2014, 59,81,55,129 equity shares representing 98.61% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2014, is given below:

Particulars	No. of shares	Percentage
Physical Segment	8455291	1.39
Demat Segment :-		
NSDL	525477974	86.63
CDSL	72677155	11.98
Total	60,66,10,420	100.00

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

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

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

(a) Global Depository Shares (GDSs)

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

As on March 31, 2014, 1,20,720 GDSs were outstanding and represented an equal number of underlying equity shares. Since the underlying Equity Shares represented by GDSs have been allotted in full, the outstanding GDSs have no impact on the Equity Share Capital of the Company.

(b) Employees Stock Options (ESOPs)

As on March 31, 2014, 4694800 stock options are outstanding (comprising vested after adjustment for lapsed and exercised options), in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ₹ 52.03 per stock option.

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

During the year under review, 120180 options got vested to the employees of the Company.

No options were exercised by the optionees during the year.

(c) Warrants issued to Promoters

During the year under review, in accordance with the approval of the Members, the Company had issued and allotted 3,92,15,686 Warrants convertible into 3,92,15,686 Equity Shares of ₹ 1/- each at a conversion price of ₹ 16.32/- per equity share (including premium of ₹ 15.32/- per equity share), on a preferential basis, convertible within a period of 18 months from the date of allotment of Warrants, aggregating ₹ 64 crore to the Promoter Companies (Hincon Holdings Limited and Hincon Finance Limited). The said warrants were issued and allotted to these companies at the price as determined through SEBI prescribed formula.

The last date for conversion of the said warrants is December 26, 2014. Should the 3,92,15,686 warrants be entirely converted into equity shares on or before the aforesaid conversion date, by the above warrant holders, the paid up equity share capital of the Company would go up by 3,92,15,686 equity shares.

- **Details regarding Listing and redemption of Debt Securities**

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

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

The existing Non Convertible Debentures (NCDs) of ₹120 crore held by Axis Bank and ₹100 crore held by LIC stands restructured under approved CDR package as per CDR Letter of Approval dated June 29, 2012.

Accordingly there is a 2 years moratorium and 8 years for repayment of the aforementioned principal amount to the Lenders.

- **Share Transfer system**

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

- **Address for members' correspondence :**

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

- **Registrars and Share Transfer Agents :**

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

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

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

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

- **Compliance Officer:**

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

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

V) Compliance:

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

(i) Details of non-compliance, if any

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

(ii) Compliance with mandatory requirements

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

(iii) Adoption of non-mandatory requirements

Audit Qualifications:

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

(iv) Auditors' Certificate on Corporate Governance

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

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

In accordance with the requirement of Clause 5A (II) of the Listing Agreement, in respect of the Bonus

Equity Share certificate(s) dispatched by the Company in August 2010, which were "returned undelivered", M/s TSR Darashaw Private Limited, Registrar and Share Transfer Agents of the Company have sent two reminders to all such member(s) at their address as per Register of Members.

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

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

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

Pursuant to the requirement of Clause 53 of the Listing Agreement, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates.

VI) Investor safeguards and other information:

• Dematerialisation of Shares

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

• Revalidation of Dividend Warrants

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

dividends beyond seven years to Investor Education and Protection Fund.

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

Under the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education &

Protection Fund (IEPF) administered by the Central Government.

Dates of declaration of dividends since 2006-07 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below.

Financial year ended	Date of declaration of dividend	Amount remaining unclaimed / unpaid as on 31.03.2014 (₹)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
31.03.2007	08.06.2007	1425411.00	14.07.2014	13.08.2014
31.03.2008	13.06.2008	1303213.60	19.07.2015	18.08.2015
31.03.2009	12.06.2009	1885732.80	18.07.2016	17.08.2016
31.03.2010	11.06.2010	1682960.00	17.07.2017	16.08.2017
31.03.2011	10.06.2011	2480542.40	16.07.2018	15.08.2018

Separate letters have already been sent on December 7, 2013 to the Members who are yet to encash the dividend for the financial year 2006-07 indicating that the unclaimed amount will be transferred to IEPF, if not claimed by the members before the due date of transfer to the said Fund. Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents M/s. TSR Darashaw Private Limited at their communication address for encashing the unclaimed dividends standing to the credit of their account.

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

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

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

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

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

Accordingly, in respect of Members / Members who

have registered their email addresses, the Company have been dispatching all documents vide electronic form since May 2011.

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

Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members / members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards Members / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members,

whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents.

To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, M/s TSR Darashaw Private Limited at their specified address, so as to update their registered email address from time to time.

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

- **E-Voting Facility to members**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 88th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

- **Consolidate multiple folios (in respect of physical shareholding)**

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

- **Register Nomination(s)**

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

- **Dealings of Securities with Registered Intermediaries**

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

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

The Board of Directors,
Hindustan Construction Co. Ltd.

We have reviewed the financial statements and the cash flow statement of Hindustan Construction Co. Ltd. for the year ended March 31, 2014 and to the best of our knowledge and belief:

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

Praveen Sood

Group Chief Financial Officer

Ajit Gulabchand

Chairman & Managing Director

Mumbai, May 2, 2014

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

To,
The Members
Hindustan Construction Co. Ltd.

I hereby declare that all the Directors and the designated employees in the Senior management of the Company have affirmed compliance with their respective codes for the Financial Year ended March 31, 2014.

For Hindustan Construction Co. Ltd.

Ajit Gulabchand
Chairman & Managing Director

Mumbai, May 2, 2014

AUDITORS CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
Hindustan Construction Co. Ltd.

We have examined the compliance of conditions of Corporate Governance by Hindustan Construction Co. Ltd. for the financial years ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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

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

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

For K.S. AIYAR & CO.

Chartered Accountants
(Registration No. 100186W)

Raghuvir Aiyar

Partner
Membership No. 38128
Mumbai, May 2, 2014

Notice

NOTICE is hereby given that the Eighty- Eighth Annual General Meeting of the Members of Hindustan Construction Company Limited will be held on Friday, June 20, 2014 at 11.00 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400020, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

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

"RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Walker Chandio & Co., LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 001076N, be and are hereby appointed as the Auditors of the Company, including all its Branch Offices/Project Sites, to hold office from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting held thereafter (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration as may be fixed by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized in consultation with the Company's Auditors to appoint Branch Auditor(s) of the Company, to audit the accounts of the Company's Project Sites within and outside India, present and future, on such terms and conditions including remuneration as the Board of Directors may deem fit."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Ram P. Gandhi (holding DIN 00050625), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Sharad M. Kulkarni (holding DIN 00003640), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 or any amendments or substitution thereof (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under, the consent of the Company be and is hereby accorded to revision in remuneration payable to Mr. Arjun Dhawan, President & CEO – Infrastructure Business of the Company, who is a relative (son-in-law) of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company, as per the details given herein below, with effect from November 1, 2014:

Remuneration

- I. Basic Salary: ₹ 7,50,000 per month
- II. Housing:
Fifty percent of Basic Salary as House Rent Allowance or rent free furnished accommodation to be provided by the Company.
- III. Adhoc: ₹ 6,10,000 per month
- IV. AC Allowance: ₹ 2,500 per month
- V. Medical Reimbursement: One month's Basic Salary per annum
- VI. L.T.A.: One and half month's Basic Salary per annum
- VII. Performance Linked Pay (PLP) : As per the Rules of the Company
He shall be entitled to Provident Fund, Superannuation Fund, Gratuity, Retirement benefits and any other benefit & facilities, as per the Rules of the Company.
In addition Mr. Arjun Dhawan shall also be provided with Company maintained car with driver, Medical Insurance and Club Membership.

RESOLVED FURTHER THAT the Board of Directors of the Company / Nomination and Remuneration Committee of the Company be and is hereby authorized to decide the annual increments payable to him on yearly basis not exceeding 25% of the aforementioned remuneration and also authorised as

and when it may determine and deem fit and proper to revise the aforesaid remuneration.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution approved at the Extra Ordinary General Meeting held on October 19, 2006 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the **“Board”**, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 10,000 crore.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 (the “Act”) (including any amendments, statutory modification(s) or re-enactment thereof for the time being in force) and rules made there under, the following Articles of the existing Articles of

Association of the Company be and is hereby altered in the following manner:

- (i) By substituting the existing Article 132A with the Article as under:

132A (i) Notwithstanding anything to the contrary contained in these Articles, if the Company has availed any loans from any Bank(s), Financial institutions, Non-Banking Finance Company or any other Body Corporate ("Lender(s)") and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) holds equity shares in the Company as a result of conversion of such loans / debentures, such Lender(s) shall have the right to appoint from time to time, any person or persons as a Director or Directors, (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any other person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Subject to any stipulations by the Lender(s), such Nominee Director(s) shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

- (ii) By making consequential changes in Article 128, Article 141(1) (a) and Article 159 by substituting the wording "Corporation Director/s" with "Nominee Director(s)" wherever appearing therein.
- (iii) By adding sub-article (e) to the existing Article 186A as under:

186A (e) The Board may decide that the Managing Director shall also hold the office of Chairman of the Company under Article 165 (1).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the

Company be and is hereby authorised to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any questions that may arise in this regard.

- 9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, including the rules made there under and any amendments, statutory modifications and/ or re-enactment thereof for the time being in force (the "Act"), all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 including any statutory modifications or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable, as amended from time to time, issued by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), Stock Exchanges, the Securities and Exchange Board of India ("SEBI") including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations") and any other appropriate authorities, as may be applicable and in accordance with the enabling provisions in the Memorandum and Articles of Association of the Company and /or stipulated in the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, SEBI, RBI, Stock Exchanges and any other relevant statutory /governmental authorities (the "concerned Authorities") as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, consents, permissions and sanctions as may be necessary, which

the Board of Directors of the Company (hereinafter referred to as the "Board"; which term shall include any Committee (s) constituted /to be constituted by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and /or Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and /or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and /or other securities convertible into Equity Shares at a later date, at the option of the Company and /or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (collectively referred as "Securities"), as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings in domestic and / or one or more international market(s), with or without a green shoe option, or issued /allotted through Qualified Institutions Placement in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible investors, including residents and/or non-residents and/or qualified institutional buyers and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, whether or not such Investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 1000 crore (Rupees One Thousand Crore Only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including

the timing of the issue(s)/ offering(s), the Investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio/number of Equity Shares to be allotted on redemption/conversion, period of conversion, fixing of record date or book closure dates, etc., as the case may be applicable, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and /or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and /or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue").

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the Equity Shares to be allotted in terms of this resolution shall rank *pari passu* in all respects with the existing Equity Shares of the Company.

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

price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI Regulations and the Specified Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized Stock Exchange, or as may be permitted from time to time under the SEBI Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

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

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

RESOLVED FURTHER THAT in the event of issue of Other Specified Securities, the number of Equity Shares and /or conversion price in relation to Equity Shares that may be issued and allotted on conversion shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split and

consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring exercise.

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

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any issue, offer and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds, things and matters connected therewith, as it may, in its absolute discretion deem necessary, desirable or incidental thereto including without limitation the determination of terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, the entering into and executing arrangements/agreements for managing, underwriting, marketing, listing of Securities, trading, appointment of Merchant Banker(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals, intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions

whether in India or abroad, for the issue and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to prospectus and/or letter of offer and/or circular, documents and agreements including conducting all requisite filings with GOI, RBI, SEBI, Stock Exchanges, if required and any other concerned authority in India or outside, and to give such directions that may be necessary in regard to or in connection with any such issue, offer and allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit, without being required to seek any further consent or approval of the members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution, and accordingly any such action, decision or direction of the Board shall be binding on all the Members of the Company.

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

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

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

VITHAL P. KULKARNI
Company Secretary

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

Place: Mumbai
Date: May 2, 2014

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.

2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, June 17, 2014 to Friday, June 20, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.

6. The Members are requested to:
 - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, M/s. TSR Darashaw Private Limited at

6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011 in respect of their holdings in physical form.

- (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (c) Non-Resident Indian Members are requested to inform M/s. TSR Darashaw Private Limited immediately of the change in residential status on return to India for permanent settlement.
 - (d) Register their email address and changes therein from time to time with M/s. TSR Darashaw Private Ltd. for shares held in physical form and with their respective Depository Participants for shares held in demat form.
7. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.
 8. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. TSR Darashaw Private Limited and have it duly filled and sent back to them.
 9. Electronic copy of the Annual Report for 2013-14 is being sent to all Members whose email Ids are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
 10. Electronic copy of the Notice of the 88th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the

Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Notice of 88th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

11. Appointment of Directors :

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

There are five Independent Directors on the Board of the Company as per the Listing Agreement requirements viz., Mr. Rajas R. Doshi, Mr. Ram P. Gandhi, Mr. D.M. Popat, Mr. Sharad M. Kulkarni and Mr. Anil C. Singhvi. All these Independent Directors had been appointed vide member's resolution in terms of the provisions of the Companies Act, 1956 as Directors' whose period of office is liable to determination by retirement by rotation.

The Company has received declarations from all the above Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being the Independent Directors on the Board of the Company and are also independent of the management.

Of the above Independent Directors, Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni retire by rotation at the ensuing Annual General Meeting and being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors of the Company under the Companies Act, 2013 to hold office

for 3 (three) consecutive years for a term upto the conclusion of the 91st Annual General meeting of the Company in the calendar year 2017.

The proposal for appointment for the other Independent Directors under the Companies Act, 2013 shall be taken up for approval of the Members of the Company as and when the tenure of their respective Directorships would expire at the Annual General Meetings following the forthcoming AGM of the Company.

Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment at the Annual General Meeting are provided in the Corporate Governance Report and in the Explanatory Statement to the Notice. The Directors seeking appointment have furnished the requisite declarations.

12. Members may also note that the Notice of the 88th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.hccindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.
13. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company's investor email id: secretarial@hccindia.com.
14. Members wishing to claim dividends, which remain unclaimed are requested to correspond with TSR Darashaw Private Limited, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education Protection Fund.
15. Voting through electronic means
 - I. In compliance with provisions of Section 108

of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 88th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Depository Participants(s)]:

- (i) Open email and open PDF file viz; The said PDF file contains your user ID and password/PIN for e-voting.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” (E-voting Event Number) of Hindustan Construction Company Limited
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting.hcc@gmail.com with a copy marked to evoting@nsdl.co.in

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

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

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN

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

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. **The e-voting period commences on June 11, 2014 (9:00 am) and ends on June 13, 2014 (6:00 pm).** During this period members' of the Company, holding shares either in physical form

or in dematerialized form, as on the cut-off date of May 20, 2014, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of May 20, 2014.

VII. Mr. B. Narasimhan, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

16. In case of those Members, who do not have access to e-voting facility, they can use the assent/dissent form sent herewith or can be downloaded from our website www.hccindia.com and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and **send the form to reach Mr. B. Narasimhan, Scrutinizer appointed by the Company at the registered office of the Company on or before June 13, 2014 (6.00 pm).**

17. Members can choose only one of the two options, namely e-voting or voting through physical assent/dissent form. In case the votes are casted through

both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.

18. The Results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hccindia.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

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

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

VITHAL P. KULKARNI
Company Secretary

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

Place: Mumbai
Date: May 2, 2014

Annexure to the Notice

Item No. 2

Prof. Fred Moavenzadeh retires by rotation at this Annual General Meeting and is eligible for re-appointment. However, Prof. Fred Moavenzadeh has expressed his unwillingness to seek re-election as a Director of the Company. The Company does not propose to fill up the vacancy at this Meeting or any adjournment thereof. Hence as required under Section 152(7)(a) of the Companies Act, 1956, the resolution as contained at Item No. 2 of the Notice has been proposed seeking that the vacancy caused by the retirement of Prof. Fred Moavenzadeh be not filled up at this meeting or any adjournment thereof.

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

Item No. 4

Mr. Ram P. Gandhi is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company in August 1999.

Mr. Ram P. Gandhi, holds a Bachelors Degree in Commerce and is a Diploma Holder in Financial Management. He is a leading businessman and ex-president of the Indian Merchants' Chamber. Mr. Gandhi is a Director on the Board of various other Companies viz., Youngbuzz India Ltd., Hicon Finance Ltd., Western Securities Ltd., Hicon Holdings Ltd., HCC Construction Ltd., Lavasa Corporation Ltd., Beacons Pvt. Ltd., Pravinchandra Pvt. Ltd. and The States' People Private Ltd.

He is also the Chairman of the Shareholders'/Investors' Grievances Committee and member of Remuneration Committee, ESOP Committee and Selection Committee of the Board of the Company and member of ESOP Committee of Lavasa Corporation Ltd.

Mr. Ram P. Gandhi holds 48,000 equity shares of ₹1/- each.

Mr. Ram P. Gandhi retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956.

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

The Board of Directors of your Company after reviewing the declaration submitted by Mr. Ram P. Gandhi, are of the opinion that Mr. Ram P. Gandhi meets the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for his appointment as an Independent Director of the Company and is independent of the management.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ram P. Gandhi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of your Company for 3 (three) consecutive years for a term upto the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing Mr. Ram P. Gandhi as a candidate for the office of Director of the Company.

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

The Board considers that his continued association would be of immense benefit to the Company and it is necessary to continue to avail services of Mr. Ram P. Gandhi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ram P. Gandhi as an Independent Director, for the approval by the members of the Company.

Except Mr. Ram P. Gandhi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 5

Mr. Sharad M. Kulkarni is an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of your Company in August

2001. Mr. Sharad Kulkarni, holds a Bachelor's Degree in Engineering (B. E.) from University of Pune and is a Fellow of the Institute of Engineers, India. He has been a Fellow of Institution of Management, UK and Fellow of Institute of Directors, UK.

He is a Business Advisor and Management Consultant. His areas of expertise covers Business development, International Alliance management, Strategic Planning, Management and Technology Institutions of learning, Venture funding and Corporate Governance.

He is also on the board of other companies, viz. Bayer Crop Science Ltd., Camlin Fine Chemicals Ltd., Styrolution ABS (India) Ltd., KEC International Ltd., Navin Fluorine International Ltd., HCC Real Estate Ltd., J M Financial Trustee Company Pvt. Ltd., Raychem RPG Ltd., RPG Enterprises Ltd., Styrolution India Pvt. Ltd. and Lavasa Corporation Ltd.

He is associated with several NGO's and Educational Trusts. He has held senior positions of CEO & President with major International and Indian Corporate entities during his 40 years career span.

He is Chairman of the Audit Committee and member of the ESOP Committee of the Company. He is also the Chairman of the Audit Committee of Lavasa Corporation Ltd. and a member of the Audit Committee of HCC Real Estate Limited.

Besides, he is also the Chairman of the Audit Committee and member of Shareholders Grievance Committee and Remuneration Committee of Bayer Crop Science Limited. Further, he is also Chairman of Audit Committee and member of Remuneration Committee of Styrolution ABS (India) Ltd. and Chairman of Audit Committee and member of Remuneration Committee of Camlin Fine Sciences Ltd. Also, he is a member of Audit Committee and Remuneration Committee of KEC International Ltd. and Navin Fluorine International Limited. He is Chairman of Audit Committee of Styrolution India Pvt. Ltd. and member of Audit Committee of J M Financial Trustee Co. Pvt. Ltd.

Mr. Sharad M. Kulkarni holds 20,000 equity shares of ₹1/- each.

Mr. Sharad M. Kulkarni retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956.

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

The Board of Directors of your Company after reviewing the declaration submitted by Mr. Sharad M. Kulkarni, are of the opinion that Mr. Sharad M. Kulkarni meets the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meets with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for his appointment as an Independent Director of the Company and is independent of the management.

Hence, in terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Sharad M. Kulkarni being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company for 3 (three) consecutive years for a term up to the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act 2013, proposing Mr. Sharad M. Kulkarni as a candidate for the office of Director of the Company.

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

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sharad M. Kulkarni as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sharad M. Kulkarni as an Independent Director, for the approval by the members of the Company.

Except Mr. Sharad M. Kulkarni, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

At the General Meeting (Special Resolution passed through Postal Ballot) of the Company held in December 2009, the members had approved Mr. Arjun Dhawan's holding and continuing to hold office in the Company as President – HCC Infrastructure and the terms of remuneration w.e.f. November 1, 2009 pursuant to the provisions of erstwhile Section 314 (1B) of the Companies Act, 1956.

Mr. Arjun Dhawan joined in 2009 to build out a new business within the HCC group that develops and operates a premium portfolio of public private partnership (PPP) assets in the areas of roads, hydropower and water. Mr. Dhawan has grown the portfolio to ₹5,500 crore, which has combined a disciplined investment philosophy with a single minded focus on execution. Over the past 5 years, the equity value (being the real measure of member value creation) of the companies under his command has nearly doubled, despite the weak economic environment.

Mr. Dhawan currently leads a team of over 1,100 personnel, including 131 officers in project development, finance and construction management and a 990 person strong operations & maintenance site (O&M) team that manages the ₹ 5,500 crore portfolio, which largely encompasses six National Highway concessions. He is responsible for building and refining group expertise in asset management that extends from concept innovation and evaluation of risk & return, to execution and delivering the brand's promise through top class O&M.

In 2011, Mr. Dhawan led the divestment of 14.5% stake in HCC Concessions to The Xander Group at an equity valuation of ₹1,650 crore. Besides incorporating a highly respected investor partner in the Roads development arm, Mr. Dhawan substantiated the near doubling of equity value in his infrastructure subsidiary through an established market transaction, thereby boosting HCC shareholder value considerably. Currently, Mr. Dhawan is engaged in the realisation of a significant portion of the now mature HCC Concessions' road portfolio, which when complete, will raise significant capital for the Group.

Mr. Dhawan has been proactively involved in refining the Indian PPP model with central and state government bodies by pioneering first time developments and collaborating through the National Highways Building Federation (NHBF) and the Confederation of Indian Industry (CII).

As a member of the World Economic Forum's Steering & Advisory Committee of Strategic Infrastructure Initiative, he is responsible for helping develop and disseminate actionable frameworks and best practices to resolve global infrastructure gaps and provide a sustained dialogue between governments, multilateral development banks, financiers, investors, engineering & construction companies and users. The goal here is to ultimately increase the supply of well-structured bankable infrastructure projects and boost infrastructure globally.

Mr. Dhawan led the incorporation of HCC Operations & Maintenance to provide world class O&M services to end users; HCC Power was incorporated to evaluate hydel power opportunities in the PPP space. Mr. Dhawan also created a strategic partnership with global leader, Vinci Concessions, to evaluate both PPP and O&M opportunities in India.

Mr. Dhawan's contributions to HCC have extended to most group companies as well.

Mr. Dhawan holds a BA double major in Mathematics and Economics from Middlebury College (USA) and an MBA from Harvard Business School.

Mr. Arjun Dhawan is the relative (son-in-law) of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company.

The Audit Committee, the Remuneration Committee and the Board of Directors of the Company at its Meeting held on May 2, 2014 have approved the revision in remuneration payable to Mr. Arjun Dhawan effective November 1, 2014.

Considering his experience and expertise, the Audit Committee, the Remuneration Committee, and the Board of Directors of the Company felt that the remuneration package offered to him is fair, reasonable and also in line with the remuneration package prevailing in the industry.

In terms of the provisions of Section 188 of the Companies Act, 2013, the proposed Special Resolution seeks approval of the Members of the Company for revision in remuneration payable to Mr. Arjun Dhawan w.e.f. November 1, 2014, as is a related party to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company.

The Board of Directors of the Company recommends the resolution for approval of the Members.

Except Mr. Ajit Gulabchand and Ms. Shalaka Gulabchand Dhawan, being relatives of Mr. Arjun Dhawan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6

Item No. 7

The members of the Company at their Extraordinary General Meeting held on October 19, 2006 approved, by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 10,000 crores (Rupees Ten Thousand Crore).

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow monies in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to enable the Board of Directors to borrow monies not exceeding ₹ 10,000 crore.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7

Item No. 8

Amendment of Article 132A

The Company has availed various credit facilities from Banks / Financial Institutions / others Lenders ('Lenders') and shall continue to do so in the course of its business.

The Banks / Financial Institutions / other Lenders may nominate their representatives on the Board of Directors of your Company who shall act as the Nominee Directors of the Lenders.

The Articles of Association of the Company are required to be amended to include the appointment of Nominee Directors of the Banks / Financial Institutions / other Lenders on the Board of the Company, if any.

Article 132A as contained under Resolution No. 8 contains the proposed amendment which grants necessary rights to the Company for appointment of Nominee Directors.

Consequential amendments in Article 128, 141 (1) (a) and 159 are proposed accordingly.

Amendment of Article 186A(e)

Under the first proviso to Section 203 (1) of the Companies Act, 2013, it is stated that "an individual shall not be appointed or reappointed as the Chairperson of the Company, in pursuance of the articles of the Company, as well as the managing director or Chief Executive Officer of the Company at the same time after the date of commencement of this Act unless,—

- (a) the articles of such a Company provide otherwise; or
- (b) the Company does not carry multiple businesses:

Accordingly an enabling provision is sought to be introduced in the Articles of Association of the Company to permit the Company to appoint the same individual as Chairperson and Managing Director.

Article No. 186A(e) as contained under Resolution No. 8 contains the proposed amendment which grants necessary right to the Board to appoint the same person as Chairman and Managing Director.

Pursuant to provisions of Section 14 of the Companies Act, 2013, any amendment(s) to the provisions of Articles of Association of the Company requires the approval of the members by way of Special Resolution.

The Board recommends the special resolution as set out in Resolution No. 8 of the Notice for members' approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said resolution.

The draft of the amendments to the Articles of Association of the Company will remain open for the inspection of the Members at the Registered Office of the Company on all working days except Public Holidays and Saturday and Sundays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting of the Company.

Item No. 9

The Special Resolution contained in the Notice under Item No. 9 relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares, GDRs,

ADRs, Foreign Currency Convertible Bonds, Convertible Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with Merchant Bankers, Advisors, Underwriters, etc, inclusive of such premium, as may be determined by the Board in one or more tranche(s), subject to SEBI (ICDR) Regulations and other applicable laws, rules and regulations.

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

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

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

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Merchant Bankers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevalent market conditions from time to time and in accordance with the applicable provisions of law, rules and regulations and other relevant factors.

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

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

The Special Resolution as set out at Resolution No. 9, if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing members of the Company in the manner as set out in resolution No. 9.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

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

VITHAL P. KULKARNI
Company Secretary

Registered Office:
Hincon House,
11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083
Place: Mumbai
Date: May 2, 2014

Directors' Report

To,
The Members of
Hindustan Construction Co. Ltd.

1. Report

Your Directors are pleased to present the 88th Annual Report together with the Audited Financial Statements for the year ended March 31, 2014.

2. Financial Highlights

Particulars	Year ended March 31, 2014 ₹ crore	Year ended March 31, 2013 ₹ crore
Turnover	4,113.49	3,837.29
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax	643.76	378.57
Less: Interest	607.94	544.10
Depreciation	144.61	163.40
Exceptional Items	-	(15.58)
Add: Other Income	213.59	134.34
Add/Less: Exchange Gain/(Loss)	(13.85)	(14.57)
Profit/(Loss) before Tax	90.95	(193.58)
Less: Deferred Tax Charge/(Credit)	10.31	(55.94)
Profit/(Loss) after Tax	80.64	(137.64)
Add: Balance brought forward from previous year	(11.64)	126.00
Balance carried to Balance Sheet	69.00	(11.64)

3. Dividend

As the Company is under Corporate Debt Restructuring (CDR), your Directors have not recommended any dividend for the financial year ended March 31, 2014, although the Company has earned profits in the year under review.

4. Operations

The turnover of the Company at ₹ 4,113 crore has shown an increase of 7.2% as compared to ₹ 3,837 crore for the corresponding period in the previous year. The profit before tax is ₹ 90.9 crore (including exceptional item) as compared to loss of ₹ 193.6 crore for the previous year.

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

- Vishnugad-Pipalkoti Hydroelectric Project, Uttarakhand
Contract Value: ₹ 1597 crore
- Railway Link Tunnel T49 A, Jammu and Kashmir
Contract Value: ₹ 442 crore

- Bridge across River Sone, Bihar
Contract Value: ₹ 432 crore
- Yettinahole Project, Package IV
Contract Value: ₹ 904 crore, HCC share 50%

The total balance value of works on hand as on March 31, 2014 is ₹ 14,249 crore.

Decisions are awaited from various clients for tenders submitted by the Company for 13 packages amounting to about ₹ 7,038 crore (HCC share ₹ 6,054 crore). Tenders for various packages for 29 projects worth over ₹ 18,972 crore (HCC share ₹ 13,696 crore) are expected to be submitted in the near future. The Company has also submitted prequalification bids for 26 projects worth over ₹ 20,439 crore (HCC share ₹ 17,747 crore) which are under evaluation.

Operations of Subsidiaries

- Lavasa Corporation Ltd. ('Lavasa') has kept its rationale of developing an inclusive city for all and is tailoring partnerships and tie ups with global leaders in their respective sectors. Tie-ups continued strongly at

Lavasa through 2013-14. Partnerships are well in place and many of these projects are fast moving towards completion.

In the hospitality space, the Accor group is successfully running its operation with the two brands - Mercure Lavasa and the 1500 plenary capacity Lavasa International Convention Centre (LICC). Another brand of the Accor group - Novotel is scheduled for completion by 2015. Projects with renowned hospitality players like Pullman, Hyatt, Formule One, Holiday Inn, Holiday Inn Express, Langham Place and Eaton amongst others are slated to follow in quick succession.

As for the existing hospitality projects, Ekaant - The Retreat and Waterfront Shaw Apartment Hotel continue to flourish. Fortune Select Dasve is in its fifth year of successful operations. Dasvino Town & Country Club, which had a grand launch in early 2010 is growing steadily with growing number of membership. In the tourism space, Lakeshore Watersports, Neo Spark Games Arcade and Xthrill Adventure Sports & Academy are also functioning successfully. Agreements have also been signed to set up training facilities with Hockey Australia, Sir Nick Faldo for Golf and Sir Steve Redgrave Rowing Academy.

On the retail front, a significant area has already been leased.

In addition to F&B outlets, many other tie-ups have been finalized in the retail segment which include Bata Showroom, Charosa Wine Boutique, Fun Square Digital Cinema, Venkys Express and Keppys.

There were other tie-ups in the tourism space. Lavasa is in advance stage of discussion with Paramount & Redbull to create Edutainment theme park in Dasve & Mugaon. Along with this stimulator Golf & Robotic park for edutainment is started in Family Entertainment Center (FEC).

A significant progress was also made in the education space. Christel House Lavasa is into its fourth year of operations with 329 students. 2013-14 also saw launch of Phase 2 of Christel House till grade 5th.

Ecole Hoteliere Lavasa started its fifth batch in 2013-14. The second batch will receive academic certification from Ecole hôtelière de Lausanne this year.

Doon Public School has signed a MOU to operate K12 school in Knowledge Vistas Limited (KVL) from FY 2014-15. KVL is already running Roots to wings, pre primary school at Lavasa for last three years. PACE

academy will also start IIT training program from KVL this year. GREAT (INDIA) in collaboration with Australian Retail College, which is a leader in retail training in Australia is planning to open a retail college at Lavasa. Other educational partners like Symbiosis Institute (Pune) and Christ University (Bangalore) are also in the process of launching their programs. Discussions are on to establish North Hampton University at Lavasa by 2014-15 as well as preparation course school under Ideal classes from 5th to 12th standard.

Lavasa continued to enjoy healthy sales in residential and commercial space. Positive sales trend continued throughout the year, with the Company giving possession to 250 plus residential units in Dasve. Construction activity on various properties at Dasve and the second town of Mugaon is progressing at a fast pace.

In institutional sales, L&T Infra Finance has entered into an understanding to buy 40 acres of land in Dasve and Mugaon. This heralds the entry of big time corporations into Lavasa and would surely prove as an impetus for others. Similarly, Hindustan Times, the premier media establishment is in advanced negotiations to acquire over 6 acres of land. The media house proposes to establish a state-of-art training centre for its executive staff. A proposal has also been submitted to The Times Group to start a premier management training institute on land it has acquired in Mugaon a few years ago. The Doon Public School has acquired a 10 acre plot in Mugaon to start its brand of school. Till the project is completed the school would operate out of an incubation space in Dasve.

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

Lavasa continued its focus on branding and communication activities in 2013-14. Emphasis through the year was on communicating that development work at Lavasa has commenced with right earnest, raise awareness about the planned city and its advantages.

The focus of the exercise was on building preference and restoring customer confidence in the project. To enable this, a number of site visits were organized for media, the primary influencers and other key influencers of public opinion.

A new advertisement campaign was launched in September 2013 to promote the second town Mugaon as a residential and edutainment hub. The print

campaign positioning Mugaon as the entertainment hub was ably supported by outdoor, on-site media, digital and social media. The comprehensive campaign helped generate awareness for the launch and resulted in a good number of customer enquiries.

A new format of Brand Induction was implemented where all new employees were exposed to an interactive workshop on KNOW YOUR CITY. To promote tourism and drive footfalls, attractive day and stay packages and activities were offered to visitors through the Lavasa Holidays Summer Special (April to June 2013), Mesmerizing Monsoon (July to September 2013) and Lavasa Holidays Festive Fiesta (October to December 2013) packages. The focused campaign resulted in tourist traffic surging to all time high. At the onset of monsoon in June, Lavasa witnessed the highest footfall with nearly 1 lakh tourists enjoying the serene landscape. Total footfalls in the calendar year were 7,74,300.

Lavasa won the 'Most promising new Destination' and the 'Best Print Promotional Material' awards at the premiere industry event, Travel and Tourism Fair held in Mumbai and Pune.

Strategic and design support to Special Purpose Vehicles ("SPVs") was provided on a need basis.

The sixth edition of the signature brand event Lavasa Women's Drive set a Guinness World Records™ for - Most Female Participants in a Motor Sport Event. To achieve this global recognition 934 participants in 467 cars drove from Mumbai and Pune to picturesque Lavasa on February 22, 2014.

Other events that were held during the year include Lavasa Hill Run (Positioned as first health run of the year, January 2014), Pune Bicycle championship (October 2013), Diwali Dhamaka (November 2013) and Vintage Car Show (December 2013).

Digital and social media channels were leveraged primarily for engagement and for information dissemination. The channels were extensively used to promote events, respond to queries and initiate conversations on platforms like travel, tourism and discussion forums on urbanization. Innovative approaches like road block on www.economictimes.com made sure the visitors to the website had to mandatorily view the Lavasa banner, introduction of pinterest – a virtual pinboard to share pictures and an instagram application which allowed users to upload pictures through instagram using #capturinglavasa were activated during the course of the year.

In 2013-14, the Public Relations campaign focused on building preference and restoring customer confidence in the project. Meetings with senior editors in Mumbai and Pune and the constant engagement with beat reporters in Mumbai and Pune led to better appreciation of Company's stand on issues. This resulted in them presenting a balanced perspective on most issues.

Promotional initiatives of various SPVs were publicized through news stories, editorial feature stories and photo features.

The city of Lavasa now has a new post office, a new school, a hospital and more than a dozen food and beverage establishments open for business. It also has four operating hotels with three more under construction, a Petrol Pump, two bank branches along with ATMs, a convention centre, a public safety centre with Fire engine, Police outpost, Tourist information center, Multilevel Car parking facilities, Nature trails, Citizen contact centre, State of the art Hospital with pharmacy, rental housing for low income groups, games arcades, water sports facility, adventure sports facility, a modern club with gym, sports and Spa facilities, public transport system for citizens, Schools for local population etc.

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

Around the clock Lavasa Citizen Contact Centre that has been set up this year, envisions to make the lives of the citizens and visitors easy and convenient. The Lavasa Citizen Contact Centre will be a one-stop information source for non emergency and emergency related services. It will provide a single window resolution for all customer needs and visitor requests, be involved in proactive information distribution, data collection and management services, Customer

Satisfaction Surveys and Customer handover and possession.

The City Management Services (CMS) Department is equally dynamic in seeking to coordinate services in this rapidly changing setting.

CMS is currently divided into seven specialist divisions including Customer Services, Public Safety & Security, Enterprise Utilities, Public Works, Administration & Finance, Community Development and Geographic Information Systems & Management Information Systems.

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

Lavasa has completed purchase of 10477 acres of land and is processing completion of another 2133 acres, for which agreements were signed in the past. Steps to reach an overall land purchase target of 18000 acres are in progress.

Lavasa continues to regularly monitor environmental aspects such as air quality, water quality and soil quality are being carried out as per MoEF guidelines. The Environmental Compliance Report is being submitted to MoEF once in six months and the June 2013 and December 2013 reports have already been submitted.

The work of Biodiversity conservation and enhancement continues at the required pace. In the case of flora, around 130 trees have been transplanted with a survival rate of 70%. The maintenance of around 45,000 trees which were planted in Mugaon in the year 2012 has been rigorously carried out with full survival. In case of aquatic fauna, the resultant growth of 28,000 fish seeds which were released in Dasve Lake in year 2012 has been found to be satisfactory and this has been verified in the presence of Fisheries officer, Govt. of Maharashtra.

For slope protection and enhancing the greenery within the region, soil bioengineering (biodegradable coir mats have been applied over the slopes) and plantation of stumps has been done. Hydro-seeding & manual seeding was also carried out for slope protection and to

re-establish vegetation over an area covering around 70 acres in this season and the total area that has been so treated is more than 700 acres till date. Tree plantation of around 1,25,000 tree saplings was carried out in Mugaon and Bhoini. New Plantation in the nursery at Bhoini continues and there is adequate plant stock as it is a feeder for mass plantation and other internal landscaping requirements. Both the nursery and mass plantation have been organically certified.

Techno-commercial evaluation of renewable sources of energy feasible at Lavasa has been completed by TERI (Tata Energy Resources Institute). Lavasa is also exploring possibilities for green certification of its total city development.

First Town Dasve is ready with all basic infrastructure, such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services is operational. As on date more than 120 contractors with a work force of about 4500 workers have been mobilized at site for different works.

Till date more than 600 residential units have been handed over to CMS department and over 500 residential units have been handed over to customers. Out of these 600 units. 319 Villas were given to the CMS department for hand over to customers. Of these 319 villas, 212 Villas have already been handed over to the customers. Work on another 284 villas of different types, with built- up area ranging from 2000 sq. ft. to 4000 sq. ft. is in progress.

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

To facilitate the provision of water required during construction at Mugaon, the construction of Gadle Dam and a reservoir in Mugaon (Capacity – 1.00 Lakh cubic metre) is 90% complete. A bridge over the dam intake well and allied works are scheduled to be completed in 2014-15.

Rehabilitation work on new gaothans has commenced and by the end of the year, 50 units will be ready to accommodate villagers, along with other city

infrastructure like school and community centre. This rehabilitation will also help augment the construction of the first phase of the apartments in Mugaon.

Work on 29 buildings comprising of 0.9 million square feet of salable area at Mugaon is on. It is expected to be completed in next 18 months

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

Status update on Environment Clearance from Ministry of Environment and Forests (MoEF)

As you are aware that Lavasa was issued Show Cause Notice by Ministry of Environment & Forest (MoEF), Government of India (GOI) regarding violations of the Environmental Impact Assessment notifications of 1994 as amended in 2004 and superseded in 2006 ("EIA Notifications"). Lavasa made various representations as per the directions given by the authorities and after complying with the conditions stipulated, MoEF, GOI was pleased to accord the Environmental Clearance to Lavasa,

Hereinbelow given are the updates in the matter during the Financial Year 2013 – 2014 :-

1. On April 23, 2013, Appeals filed by Lavasa and Shedge before National Green Tribunal (NGT) were listed on board. The Hon'ble NGT (despite stay of further proceedings by Hon'ble Supreme Court) fixed the matter on May 14, 2013 for hearing of the application for interim reliefs and interim orders.
2. On May 1, 2013, Lavasa filed Civil Appeal bearing No. 4280 of 2013 before Hon'ble Supreme Court against the order dated April 23, 2013 of NGT. The said matter was listed on May 10, 2013. Upon hearing the Counsel for Lavasa, the Hon'ble Supreme Court was pleased to issue Notice in the matter. Thereafter, on November 27, 2013, the

said matter was listed before the Ld. Registrar, Supreme Court and the Ld. Registrar ordered for original records in NGT Appeal No. 9 of 2012. On the basis of the order, the records are transferred to Supreme court Registry.

3. On May 2, 2013, Lavasa filed Contempt Petition being No. 203 of 2013 before Hon'ble Supreme Court against Dyaneshwar Shedge. The said matter was listed before Hon'ble Supreme Court on July 2, 2013, and upon hearing the Counsel for Lavasa, the Hon'ble Supreme Court was pleased to list the said matter with main matter i.e. Transfer Petition.
4. On October 10, 2013, Lavasa's Writ Petitions filed against MoEF & Ors. and other PILs filed against State of Maharashtra (wherein Lavasa is one of the Respondent party) were listed before Hon'ble Bombay High Court for transfer of the same to NGT. After hearing the parties, the Hon'ble Bombay High Court said that they would peruse each petition and accordingly decide the issue of transfer to NGT.
5. Lavasa's NGT Appeal No. 36 of 2011 was listed on board before NGT from time to time and the next date of hearing is May 5, 2014.

Further, Lavasa is regularly filing six monthly compliance report as per the EC order.

ii) HCC Real Estate Ltd.

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

• New Real Estate Projects under bidding

HREL has procured the bidding documents for re development of Parleshwar CHS at Vile Parle (East), Mumbai.

HREL is also exploring on outright purchase of various independent plots on L.B.S. Marg at Vikhroli (W) as well as at Bhandup (W) for re-development.

• Other Projects

Other projects of HCC Real Estate Ltd. and its subsidiaries are progressing well as explained in Management Discussion and Analysis Report.

iii) HCC Infrastructure

HCC Infrastructure Company Ltd., a wholly owned subsidiary of your Company, has six National Highways Authority of India (NHAI) road concessions in its portfolio totalling about ₹ 5,500 crore.

The Company, through its subsidiaries HCC Concessions, HCC Power and HCC Operations & Maintenance, has an infrastructure development focus through Public Private Partnership, largely in the roads, hydro power and water sectors. Your Company has a strong focus on value creation through a stringent investment discipline. The expertise of the management team extends from concept innovation and evaluation of risk & return, to construction management and operations. Along with a focus on quality and timely execution, the Company is committed to provide reliable, safe and world class operations and maintenance services to the country's end users.

Current Road Portfolio:

The three operational projects Nirmal Annuity, Delhi Faridabad Elevated Expressway and Dhule Palesner Highway have been operational for more than four, three and two years respectively and are running smoothly. The three under construction highway projects in West Bengal (NH34) have achieved significant progress and one of the larger projects is on the anvil of achieving the provisional completion date, while the other is expected to be operational in the first half of this year.

During the year, HCC Concessions submitted 6 Request for Qualification (RFQs). HCC Concessions partnered with other infrastructure players for certain bids to diversify risk, efficiently manage equity and increase competitiveness. The slowdown witnessed in FY13 continued in FY14 with only about 370 km road projects being awarded by NHAI on BOT mode in the current year. The Company will continue to bid for NHAI projects in the next financial year, albeit conservatively, while also evaluating state road opportunities.

Status of Operational Assets:

Dhule Palesner Highway Project (NH3)

The project road is section of National Highway No. 3 commonly known as Agra - Bombay road which starts at Agra, and ends at Bombay (now Mumbai). The NH 3 forms an important part in Indian National Highway network and passes through rich belts of Madhya Pradesh and Maharashtra. This road caters to the traffic of various parts of India as it connects financial capital (Mumbai) of India to the National Capital (Delhi) of India. In FY09, NHAI awarded the development of four lane highway of project road starting from Maharashtra/ Madhya Pradesh Border at Km 168.500 and ending

at Dhule at Km 265.000 to an HCC led consortium on a BOT (toll) basis. The concession period is 18 years, including a construction period of 30 months. The HCC led consortium completed the project 4 months ahead of schedule and the project road was operational on February 11, 2012.

The operation of project road is running smoothly. Due to persistent efforts by Company we have received the tolling rights for part of Phase II work including Nardana bypass section two years ahead of schedule resulting in improved revenue in spite of a stagnant economy. Considering the significance of the project road in the Indian road network, it is expected to yield high returns for the remaining concession period of about 14 years. The highway has been developed in partnership with Sadbhav Engineering Ltd. and John Laing Investments Ltd. (UK) with an investment of ₹ 1,420 crore.

Delhi Faridabad Elevated Expressway (NH2) (dfskeyway™)

The Delhi Faridabad Elevated Expressway or dfskeyway™ is a six lane 4.4 km elevated highway connecting Delhi and Haryana at Badarpur. It connects National Capital of India, Delhi and fastest growing city of India, Faridabad. The dfskeyway™ has been designed to provide uninterrupted travel past the four major crossings of MB Road, Jethpur, Sarai Bypass and Sector 37. HCC Concessions Ltd. developed this engineering marvel with an investment of nearly ₹ 600 crore. The expressway has 20 exits, 10 underpasses and is the first of its kind spaghetti structure in India. HCC Concessions was awarded a 20 year concession in 2008 to develop, construct and operate this asset by the National Highways Authority of India (NHAI). The dfskeyway™ contributes significantly to Delhi's rapidly expanding infrastructure by reducing travel time by over 40 minutes through an extremely congested corridor, that benefits residents and inter-state traffic alike. It is one of Delhi's major radial roads and caters to very high traffic volume of over 100,000 PCUs per day. HCC Concessions' parent, Hindustan Construction Company (HCC), has designed, engineered and constructed the dfskeyway™.

The Delhi Faridabad Elevated Expressway was formally inaugurated on November 29, 2010 significantly ahead of its scheduled completion date, by the Chief Ministers of both Delhi and Haryana, along with the Minister of Road Transport & Highways. The asset has been awarded the Best Project Award by Construction Industry Development Council 2011 and the Infrastructure Excellence Award 2011 by CNBC TV18.

Nirmal Annuity (NH7)

The project stretch is from Kadthal (Km 175.000) to Armur (Km 308.000) on the Hyderabad - Nagpur section of NH7. In FY07, NHAI awarded the development of four-laning of this 30 km long stretch on a BOT basis under the Annuity scheme to HCC. The concession period for the project is 20 years, including a construction period of 24 months. The project was developed with an investment by HCC of ₹ 315 crore. This project became operational in July 2009, 100 days ahead of the scheduled completion date. The debt at Nirmal has since been refinanced through a structured bond at 9.38% fixed rate of interest for 17 year tenure.

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

Status of Assets under Development:

West Bengal (NH34) Highway Project

This project being developed by HCC Concessions Ltd. on a Design, Finance, Build, Operate and Transfer (DFBOT) basis, is the largest and among the most ambitious PPP highway projects being executed in West Bengal (WB). The National Highway No.34 commonly referred to as NH34 is an important connector to north eastern states with Kolkata in West Bengal. NH34 originates from Dum Dum in north Kolkata and ends at Dalkhola in West Bengal. It is about 443.5 km long road along international border and is a primary conduit for transportation of passenger as well as freight traffic from the South Bengal, South-East states and Central states of India to major towns and districts in the North Bengal and to all Eastern and North East states of India. The development of this stretch will improve connectivity to the East-West Corridor, which has already been four-laned. West Bengal is strategically located to play a pivotal and catalytic role in promoting economic cooperation in the sub region (Bangladesh, Bhutan, North Eastern states and West Bengal).

The project road development is divided into three contiguous sections Baharampore - Farakka (101 km), Farakka - Raiganj (102 km) & Raiganj - Dalkhola (55 km). The concession period for the different segments totalling about 256 km range from 25 to 30 years, including a construction period of 30 months and an investment of over ₹ 3,200 crore. The Company has achieved significant progress in the two larger sections and is expecting to start operations for one project very soon and the other one in first half of this financial year.

NH34 provides nearest access to Kolkata and Haldia ports for the north eastern states of India and neighbouring Bangladesh, Bhutan and Nepal. The traffic on NH34 comprises of 85~90% commercial traffic, carrying a diversified mix of manufacturing goods, building materials, steel, jute, food grains and tea. The four-laning of two projects between Kolkata and Baharampore is progressing in significant pace in spite of clearance issues of state. This will further increase the throughput and improve traffic on this stretch.

Baharampore Farakka Highway

The project road starts from north of Kolkata at Km 191.420 near Baharampore and ends at Farakka (before Farakka barrage) at Km 294.680. The Baharampore Farakka section is about 101 km in length and traverses through Baharampore, Raghunathganj and Farakka towns in Murshidabad and Malda districts of West Bengal. It also passes through various small villages like Shibpur, Palsanda, Morgram, Chandernore, Basudebpur and Dhulian. The concession period is 25 years, including a construction period of 30 months. The project is being implemented with an investment of ₹ 1,169 crore.

The construction work has progressed significantly in the last year inspite of execution challenges due to delays in handover of land and 75.45 km of project length has been completed by the end of the year. The Company has completed all requisite parameters for Provisional COD and is awaiting approval from NHAI, HO. The Company expects to start operation very soon.

Farakka Raiganj Highway

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

The Company has completed substantial stretch of roads and structures of 102 km in the last year. The building and tunnel work for both toll plazas has also been completed. The Company expects to start operation by end of Q2 of this financial year.

Raiganj Dalkhola Highway

The project road starts from Raiganj at Km 398.000 and ends at Dalkhola at Km 452.730. The Raiganj Dalkhola section is about 55 km in length and traverses through Raiganj and Dalkhola towns in North Dinajpur district of West Bengal. It also passes through various small villages like Soharai, Karandighi, Maheshbathna and ends at the intersection of NH31. The concession period is 30 years and includes a construction period of 30 months. The project is being implemented with an investment of ₹ 684 crore. The project progress has been very slow due to the non-availability of land for over 2 years. The Company expects a major portion of the land for this section to be handed over by Q1 of this financial year.

iv) Steiner AG, Switzerland

Your Company holds through its wholly owned subsidiaries HCC Mauritius Enterprises Ltd. and HCC Mauritius Investment Ltd. 100% stake in Steiner AG, with the acquisition of remaining 34% of shares, as pre-agreed, during this year. Steiner AG is a leading total and general contracting Company in Switzerland, specialized in turnkey building construction including refurbishments and real estate development.

Steiner AG had a consolidated revenue of ₹ 5380.9 crore and a consolidated profit of ₹ 55.0 crore in the financial year 2013-14.

Steiner AG handed over part of the project "House of Peace in Geneva" to the client in the financial year 2013-14. It forms the heart of the Campus de la Paix at the headquarters of the University Institute of International and Development Studies (IHEID). Steiner has been working on this significant architectural project as a general contractor since September 2013. The extraordinary building form made up of four petals and the twin-sided glazed facade make the House of Peace a real architectural highlight and an attraction for international visitors.

Löwenbräu, a total contracting project of the Company, received the Leed Gold certification for its office building by the Green Building Council Environment Design in May 2013. This adds to the portfolio of environmentally sensitive buildings constructed by the Company.

Steiner AG signed many important contracts in 2013-14. At year end, the order backlog was CHF 1,181 million. This is lower than the CHF 1,210 million order backlog as of March 31, 2013. The Company has also secured

projects worth more than CHF 250 million, which are yet to be formally contracted and therefore have not yet been included in the order book.

The Board of Directors of Steiner AG comprises six members: Mr. Ajit Gulabchand, who also acts as Chairman, Mr. Rajgopal Nogja, who also acts as Managing Director / Delegate of the Board of Directors, Mr. Anil Singhvi, Mr. Peter Steiner, Mr. Andreas Schmid and Dr. Peter Huggler.

v) Highbar Technologies Ltd.

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

In the financial year 2013-14, Highbar was able to serve 14 new customers taking the total tally of customers to 78. This is achieved while the key customer segment i.e. Infrastructure industry is passing through challenging times. Highbar Technologies is dominating 'IT for Infrastructure' market in short span. Your Company's group legacy has enabled Highbar to understand & service these industries effectively. Highbar is now also servicing Telecom, PEB (Pre-engineered Buildings), Manufacturing, Retail, Agro-chemicals, Iron & Steel, Media etc. Industries.

Highbar has grown its IT capabilities and the expertise in various areas including ERP (Enterprise Resource Planning), Business Intelligence, cloud offerings through Highbar CloudConnect, Employee portal, CRM (Customer Relationship Management) from SAP & Microsoft, Line of business solutions, etc. Highbar RapidStart and Highbar RapidStart Analytics solutions are based on the templatised approach for ERP and Business Intelligence respectively and are intellectual properties (IP) assets of Highbar Technologies. Highbar has maintained the strategic alliance with SAP at 'Gold partnership level' and is preferred partner of SAP for infrastructure industry.

Highbar's Dubai subsidiary, Highbar Technologies FZ-LLC is now fully operational and has started increasing its presence counting six major customers in Middle-East. Highbar has also started pursuing opportunities in government sector & secured the first government order. When the macroeconomic scenario in the country improves, Highbar will be in a better position to leverage the situation to its advantage.

Highbar, the spin-off from your Company's internal IT function, has succeeded, when the success rate

of such experiments is just 5% globally & in India. Highbar Technologies has established a proper scalable organization structure with all the functions in place to facilitate and sustain future growth. It is on the course towards accomplishing its vision of being 'the most preferred end-to-end IT solution provider' for infrastructure industry.

In accordance with the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956, approved by the Honourable High Court of Judicature at Bombay vide Order dated April 4, 2014, Hicon Technoconsult Ltd, wholly owned subsidiary of HCC, has been amalgamated with Highbar.

5. Subsidiary Companies

At the beginning of the year, the Company had 74 Subsidiary Companies.

During the year under review, the following changes have taken place.

- i) Your Company has incorporated a Wholly Owned Subsidiary in Mauritius i.e. HCC Mauritius Investment Limited w.e.f. October 4, 2013
- ii) Hicon Technoconsult Limited, Wholly Owned Subsidiary of your Company has been amalgamated into Highbar Technologies Limited, Wholly Owned Subsidiary of your Company vide Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956. The said Scheme of Amalgamation has been duly approved by the Hon'ble High Court of judicature at Bombay vide Order dated April 4, 2014.
- iii) Klemanor Investments Limited has ceased to be your subsidiary company w.e.f. March 12, 2014.

In terms of the General Circular No. 2/2011 dated February 8, 2011 read together with General Circular No. 3/2011 dated February 21, 2011, issued by the Government of India - Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching financial statements of subsidiaries, subject to fulfilment of conditions stated in the circular, copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors Report of the subsidiary companies for the year/period ended December 31, 2013/March 31, 2014 are not attached to the Balance Sheet of the Company as the Company has fulfilled/shall fulfill the following conditions:

- (i) The Board of Directors of the Company has vide resolution dated May 2, 2014 consented for not

attaching the balance sheet(s) of the concerned subsidiary(ies);

- (ii) The Company has presented in its Annual Report, the consolidated financial statements of holding Company and all of its subsidiaries duly audited by its statutory auditors;
- (iii) The Consolidated financial statement has been prepared in strict compliance with applicable Accounting Standards and where applicable, Listing Agreement as prescribed by the Securities and Exchange Board of India;
- (iv) The Company has disclosed in the consolidated balance sheet the following formation in aggregate for each subsidiary including subsidiaries of subsidiaries:- (a) Capital (b)reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend, as applicable;
- (v) The financial statements and other related detailed information of the following subsidiaries shall be made available to members of the holding Company and subsidiary companies seeking such information at any point of time:
 1. Western Securities Ltd.
 2. HCC Aviation Ltd.
 3. HCC Construction Ltd.
 4. Highbar Technologies Ltd.
 5. Highbar Technologies FZ LLC
 6. HCC Mauritius Enterprises Limited
 7. HCC Mauritius Investment Limited (w.e.f. October 4, 2013)
 8. Steiner AG (Formerly known as Karl Steiner AG)
 9. Steiner Promotions et Participations SA
 10. VM + ST AG
 11. Eurohotel SA
 12. Steiner (Germany) GmbH
 13. Steiner Leman SAS
 14. SNC Valleiry Route De Bloux
 15. Steiner India Ltd.
 16. HCC Infrastructure Company Ltd.
 17. HCC Concessions Ltd.
 18. Nirmal BOT Ltd.

19. Badarpur Faridabad Tollway Ltd.
20. Baharampore - Farakka Highways Ltd.
21. Farakka - Raiganj Highways Ltd.
22. Raiganj - Dalkhola Highways Ltd.
23. Dhule Palesner Operations & Maintenance Ltd.
24. HCC Power Ltd.
25. HCC Operations & Maintenance Ltd.
26. Narmada Bridge Tollway Ltd.
27. HCC Real Estate Ltd.
28. HRL Township Developers Ltd.
29. HRL (Thane) Real Estate Ltd.
30. Nashik Township Developers Ltd.
31. Maan Township Developers Ltd.
32. Charosa Wineries Ltd.
33. Powai Real Estate Developers Ltd.
34. HCC Realty Ltd.
35. Pune-Paud Toll Road Company Ltd.
36. Panchkutir Developers Ltd.
37. Lavasa Corporation Ltd.
38. Lavasa Hotel Ltd.
39. Apollo Lavasa Health Corporation Ltd.
40. Lakeshore Watersports Company Ltd.
41. Dasve Convention Centre Ltd.
42. Dasve Business Hotel Ltd.
43. Dasve Hospitality Institutes Ltd.
44. Lakeview Clubs Ltd.
45. Dasve Retail Ltd.
46. Full Spectrum Adventure Ltd.
47. Spotless Laundry Services Ltd.
48. Lavasa Bamboocrafts Ltd.
49. Green Hill Residences Ltd.
50. My City Technology Ltd.
51. Reasonable Housing Ltd.
52. Future City Multiservices SEZ Ltd. (Formerly known as Minfur Interior Technologies Ltd.)
53. Rhapsody Commercial Space Ltd.
54. Valley View Entertainment Ltd.
55. Andromeda Hotels Ltd.
56. Sirrah Palace Hotels Ltd.
57. Warasgaon Tourism Ltd.
58. Our Home Service Apartments Ltd.
59. Warasgaon Power Supply Ltd.

60. Sahyadri City Management Ltd.
61. Hill City Service Apartments Ltd.
62. Kart Racers Ltd.
63. Warasgaon Infrastructure Providers Ltd.
64. Nature Lovers Retail Ltd.
65. Osprey Hospitality Ltd.
66. Starlit Resort Ltd.
67. Warasgaon Valley Hotels Ltd.
68. Rosebay Hotels Ltd.
69. Mugaon Luxury Hotels Ltd.
70. Warasgaon Assets Maintenance Ltd.
71. Hill View Parking Services Ltd.
72. Whistling Thrush Facilities Services Ltd.
73. Verzon Hospitality Ltd.

- (vi) Further, the financial statements of the subsidiary companies shall also be kept for inspection by any member at the registered office of the Company and of the subsidiary companies concerned and the Company shall furnish a hard copy of the details of accounts of subsidiaries to any member on demand;
- (vii) The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;
- (viii) The Company has given Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary companies along with the exchange rate as on closing day of the financial year;

6. Share Capital

During the year under review, your Company's Authorised Share Capital has remain unchanged at ₹ 100,00,00,000 (Rupees One hundred Crore) comprising 90,00,00,000 Equity Shares of ₹ 1/- each and 1,00,00,000 Redeemable Cumulative Preference Shares of ₹ 10/- each.

During the year under review, your Company's paid up equity share capital has also remained unchanged at ₹ 60,66,10,420 (Rupees Sixty Crore Sixty Six Lacs Ten Thousand Four Hundred Twenty) comprising 60,66,10,420 Equity Shares of ₹ 1/- each.

Share Warrants

During the year under review, in accordance with the approval of the Members, the Company had issued and allotted 3,92,15,686 Warrants convertible into

3,92,15,686 Equity Shares of ₹ 1/- each at a conversion price of ₹ 16.32/- per equity share (including premium of ₹ 15.32/- per equity share), on a preferential basis, convertible within a period of 18 months from the date of allotment of Warrants, aggregating ₹ 64 crore to the Promoter Companies (Hincon Holdings Limited and Hincon Finance Limited). The said warrants were issued and allotted to these companies at the price as determined through SEBI prescribed formula.

7. Public Deposits and Loans/Advances

Your Company has not accepted any deposits from the public, or its employees during the year under review.

Pursuant to Clause 32 of the Listing Agreement, the particulars of loans/advances given to subsidiaries have been disclosed in the Annual Accounts of the Company.

8. Employee Stock Option Scheme (ESOP)

During the year under review, 1,20,180 options got vested to the employees of the Company.

As on March 31, 2014, 46,94,800 stock options are outstanding (comprising vested after adjustment for lapsed and exercised options), in aggregate, for exercise and are exercisable at a price of ₹ 52.03 per stock option.

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

The particulars with regard to the Employee Stock Options as on March 31, 2014 as required to be disclosed pursuant to the provisions of Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, as amended, are set out in Annexure I to this Report.

9. Status of GDSs

During the financial year 2005-06, the Company had issued Global Depository Shares (GDSs) and the underlying shares against each of the GDSs were issued in the name of the Depository, Citi Bank N.A.

As on March 31, 2014, 1,20,720 GDSs have remained outstanding which forms part of the existing paid up capital of the Company.

10. Consolidated Financial Statements

The Consolidated Financial Statements of the Company prepared in accordance with applicable Accounting Standards forms a part of this Annual Report.

11. Corporate Governance

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Chapter on Corporate

Governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance forms part of this Report.

12. Directors

Mr. K. G. Tendulkar has resigned as a Director of the Company w.e.f. August 2, 2013 and Mr. Nirmal P. Bhogilal has resigned as a Director of the Company w.e.f. October 23, 2013.

Mr. Arun V. Karambelkar has resigned as Whole-time Director of the Company w.e.f. April 29, 2014 and Dr. Ila Patnaik has resigned as a Director of the Company w.e.f. April 30, 2014.

The Board places on record their appreciation for the valuable guidance and services rendered by these Directors/Whole-time Director of the Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, your Board of Directors are seeking the appointment of Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni, who are retiring by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956, as Independent Directors for 3 (three) consecutive years for a term up to the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017.

The Company has received Notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni as a candidate for the office of Independent Director at the ensuing Annual General Meeting.

The Company has also received the requisite disclosures/declarations from Mr. Ram P. Gandhi and Mr. Sharad M. Kulkarni as required under Section 149 and other applicable provisions of the Companies Act, 2013.

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

Profile of all these Directors has been given in the Report on the Corporate Governance as well as in the Explanatory Statement to the Notice of the ensuing Annual General Meeting of the Company.

13. Directors' Responsibility Statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- b) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.

14. Industrial Relations

The industrial relations continued to be generally peaceful and cordial.

15. Transfer to Investor Education and Protection Fund (IEPF)

The Company has, during the year under review, transferred a sum of ₹ 9,17,451/- to Investor Education and Protection Fund, in compliance with the provisions of erstwhile Section 205C of the Companies Act, 1956. The said amount represents dividend for the financial year 2005-06 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

16. Particulars of Employees and other additional information.

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made there under is given in the Annexure to this Report and forms part of the Report. However, in terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

17. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

The information relating to the conservation of energy, technology absorption and foreign exchange earnings

and outgo as required to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, is given in Annexure II forming part of this Report.

18. Auditors

M/s Walker Chandio & Co.LLP, Chartered Accountants, Mumbai bearing ICAI Registration No. 001076N are proposed to be appointed as Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the sixth Annual General Meeting of the Company held thereafter, subject to ratification of the appointment by the members at every AGM held after the ensuing AGM.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s Walker Chandio & Co.LLP, to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

19. Auditors' Report

The Auditors' Report to the members on the Accounts of the Company for the financial year ended March 31, 2014 does not contain any qualification.

20. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders - Clients, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its growth.

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

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

Place: Mumbai
Date: May 2, 2014

Annexure I to the Directors' Report

Disclosure pursuant to the provisions of Securities and Exchange Board of India, (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") as at March 31, 2014:

No.	Particulars	Details
a)	Options granted	93,05,100 Options
b)	Pricing Formula	<u>Pricing formula for remaining Options</u> The closing market price on the Stock Exchange, which recorded the highest trading volume in the Company's share prior to the date of the Meeting of ESOP Compensation Committee in which Options were granted.
c)	Options vested	48,60,900 (outstanding vested options adjusted for options exercised)
d)	Options exercised	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
e)	Total No. of shares arising as a result of exercise of Options	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
f)	Options lapsed	44,99,080 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
g)	Variation of terms of Options	In accordance with the approval of the Board of Directors of the Company, the ESOP Compensation Committee had during FY 2009-10 re-priced 41,31,600 Options granted by the Company at ₹104.05 per Stock Option (Earlier ₹ 132.50 per Stock Option) Post Adjustment for Bonus Issue of Equity Shares in August 2010, the said Options were priced at ₹ 52.03 per Equity Share
h)	Money realized by exercise of Options	₹ 34,36,133
i)	Total No. of Options in force	46,94,800
j)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with AS 20	Diluted EPS before and after extraordinary items ₹ 1.33
k)	The difference between the employee compensation cost computed using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if the Company had used the fair value of the options.	The difference between the employee compensation cost computed using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if the Company had used the fair value of the options is ₹ 29,057
l)	Impact of Difference on Net Profits and EPS of the Company	Had fair value method been adopted for expensing the ESOP compensation : (a) Profit after tax would have been lower by ₹ 29,057 (b) Basic EPS before and after extraordinary items would remain at ₹ 1.33 per share. (c) Diluted EPS before and after extraordinary items would remain at ₹ 1.33 per share.
m)	Method used to estimate the fair value	Forward start Options Variant of the Black Scholes option pricing method

No.	Particulars	Details
n)	Weighted Average inputs used in the valuation model <ul style="list-style-type: none"> • Risk Free Interest Rate • Expected Life during vesting period • Expected Volatility • Expected Dividends per share (pre bonus) • Price of underlying shares at grant date <ul style="list-style-type: none"> - For Options granted on April 25, 2008 - For Options granted on October 23, 2008 	6.416% 2 years 60% ₹ 0.70 ₹ 104.05 (Re-priced at ₹ 52.03 per Equity Share on account of Bonus Issue of Equity Shares in August 2010) ₹ 43.40 (Re-priced at ₹ 21.70 per Equity Share on account of Bonus Issue of Equity Shares in August 2010)
o)	Weighted Average Fair value of Options whose exercise price equals to the market price of the shares on the date of the grant. <ul style="list-style-type: none"> - For Options granted on April 25, 2008 - For Options granted on October 23, 2008 	₹ 104.05 (Re-priced at ₹ 52.03 per Equity Share on account of Bonus Issue of Equity Shares in August 2010) ₹ 43.40 (Re-priced at ₹ 21.70 per Equity Share on account of Bonus Issue of Equity Shares in August 2010)
p)	Weighted Average Fair value of Options whose exercise price equals to the market price of the shares on the date of the grant.	₹ 104.05 (Re-priced at ₹ 52.03 per Equity Share on account of Bonus Issue of Equity Shares in August 2010) ₹ 43.40 (Re-priced at ₹ 21.70 per Equity Share on account of Bonus Issue of Equity Shares in August 2010)
q)	Total Fair Value of Options whose exercise price equals to the market price of the share on the date of the grant <ul style="list-style-type: none"> - Options issued on April 25, 2008 - Options issued on October 23, 2008 	₹ 123,475,467 ₹ 3,064,448 No options are granted at prices higher or lower than market prices.

Employee wise details of Options granted and in force:

Sr. No.	Directors & Senior Managerial Personnel		Number of Options granted and in force
	Name	Designation	
1.	Mr. Rajas R. Doshi	Director	54,880
2.	Mr. D. M. Popat	Director	54,880
3.	Mr. Ram P. Gandhi	Director	54,880
4.	Prof. Fred Moavenzadeh	Director	54,880

Sr. No.	Directors & Senior Managerial Personnel		Number of Options granted and in force
	Name	Designation	
5.	Mr. Sharad M. Kulkarni	Director	48,600
6.	Mr. Anil Singhvi	Director	54,880
7.	Mr. Arun V. Karambelkar*	President & CEO - E&C	4,39,200
8.	Mr. Rajgopal Nogja	Group Chief Operating Officer & Whole-time Director	2,74,560
9.	Mr. Praveen Sood*	Group Chief Financial Officer – Executive Vice President - HCC Group Office	4,39,200
10.	Mr. Aditya Jain	Group Executive Vice President – Human Resources	4,00,600
11.	Mr. Pervez Alam*	Jt. Chief Operating Officer – HCC E&C	5,49,120
12.	Mr. N. R. Acharyulu*	Chief Business Development Officer	5,49,120
13.	Mr. D. M. Kudtarkar*	Chief Technology Officer	5,49,120
14.	Mr. V. P. Kulkarni	Company Secretary	2,19,520
15.	** Late Mr. K. R. Visvanath*	–	3,65,920
16.	Mr. Satish Pendse	President - Highbar Technologies	2,19,520
17.	Mr. S.W. Gaitonde*	Vice President – Central Project Planning & Monitoring	3,65,920
	Total No. of Options Outstanding		46,94,800

Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant: Nil

* Employees who had been granted Options amounting to 5% or more of the total Options granted.

** As per the HCC ESOP Scheme, the vested options as on the date of death are vested with the beneficiary of the employee and are permitted to be exercised within 2 years from the date of death.

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:

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

Place : Mumbai

Date : May 2, 2014

Annexure II to the Directors' Report

Information as per section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 for the financial year ended March 31, 2014.

I. Conservation of Energy

a) Energy Conservation Measures Taken:

Company is continuing with energy saving measures initiated earlier like usage of Load Sharing System in D.G. plants, APFC (Automatic Power Factor Controller) panels, FCMA (Flux Compensated Magnetic Amplifier) Starter for Main Crusher Motors, Variable Frequency Drive (VFD) Starting System for Ventilation Fans & EOT/ Gantry Cranes and Use of Energy Efficient Motors in Gantry Cranes.

Revised configuration of DG plants at Kishanganga HEP and use of seepage water as construction water at Sainj HEP has reduced power consumption. Main Grid Transformer has been modified at Kishanganga for uninterrupted use of Grid Power thus reducing usage of DG Power.

b) Additional investment and proposals, if any being implemented for reduction in consumption of Energy:

Cost effectiveness of Use of Heat Pumps for Heating of Water for 'Officers & Workers camp' usage at Vishnugad Pipalkoti Project is being studied.

c) Impact of measures at (a) and (b) above for reduction of Energy consumption and consequent impact on the production of goods:

Energy conservation measures continue to reduce the production cost.

d) Total energy consumption and energy

Consumption per unit as per Form-A of Annexure to the rules of Industries specified in the schedule thereto - Not Applicable

II. Technology Absorption

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

1. Research and Development (R&D)

R&D has been implemented with objectives like continual efficiency enhancement, reductions in material costs, improving speed and quality of

construction and innovation. These efforts are undertaken in collaboration with vendors and academia having similar interests.

R&D efforts are currently focused on:

- i. Optimizing concrete ingredients with specific focus on reducing cement consumption in concrete. This in part is also achieved through use of less energy intensive chemical additives, use of alternate cementing materials and detailed materials' analysis.
- ii. Less energy intensive construction techniques. This includes selecting methods that have lesser energy usage while offering sustainability advantage.

2. Technology Absorption and Adaptation

a) Efforts made towards technology absorption and adaptation during the year 2013-14 are:

1. The process of roller compacted concreting at Teesta Lower dam - IV is implemented in collaboration with expert from Malaysia.
2. The method of placing concrete using long distance pumping (upto 2.0 km) is being implemented at Sainj Hydroelectric project
3. At Kishanganga Hydro Electric Project, the technology of Tunnel Boring Machine (TBM) with double shield type has been successfully implemented.
4. At Kishanganga HEP, methodology for execution of cut-off wall is developed in-house and construction is in process under supervision of expert from Italy.
5. At Bogibeel bridge, consortium partner from Germany has finalized the method for continuous launching of 125 mtr. span road cum Railway double decker steel bridge.
6. At Tehri PSP, the powerhouse cavern has been designed by using advanced Software for optimization of rock supports with other design concepts in collaboration with expert from France and Canada is under progress.

b) Benefits derived as a result of the above efforts:

- i. Improvements in time cycle
- ii. Faster progress
- iii. Cost reduction

c) Technology imported during last 5 years:

Description	Year of import	Has technology been fully absorbed
Construction of cable-stayed bridge using cantilever gantry at Bandra Worli Sealink	2009	Absorbed
Construction of surge shaft using raise boring machine	2010	Absorbed
Construction of tunnel using NATM method at Pir Panjal Tunnel	2009	Absorbed
Construction of tunnel using double shield Tunnel Boring Machine (TBM) in Himalyan geology at Kishanganga HEP	2011	Under Implementation
Technology for construction of concrete faced rockfill dam (CFRD) at Kishanganga HEP	2011	Under Implementation
Pumping of self-compacting concrete for long distances upto 2.05 km at Sainj HEP	2013	Under implementation

3. Innovation

The Innovation forum of your Company has focused on following ideas:

1. Cost reduction by value Engineering
2. Innovating and adopting new methods of construction
3. Cost reduction by optimization
4. Training and workshops to control wastage of materials and productivity improvement of equipment and manpower.

III. Foreign Exchange Earnings and Outgo:

Activities relating to exports, initiatives taken to increase exports, development of new export market for production services and export plans:

Visits are being made, from time to time, by technical and marketing personnel to explore and develop new export markets.

Total Foreign Exchange used and earned:

The information on Foreign Exchange Earnings and Outgo is contained in Note No. 46(ii)(D) & 46(ii)(B) forming part of the Accounts.

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

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

Place: Mumbai
Date: May 2, 2014

Independent Auditors' Report

To the Members of

Hindustan Construction Company Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **Hindustan Construction Company Limited.** ('the Company'), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 1) In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 2) We did not audit the financial statements of certain Integrated Joint Ventures reflecting Company's share in Profit of ₹ 1.58 crore in these financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion, in so far as it relates to the amounts included in respect of the said audited Joint Ventures, is based solely on the Reports of the other auditors. Our opinion is not qualified in respect of this matter.

Emphasis of Matter

- 3) We draw attention to:
 - (a) Note No. 35 and 36 of the Notes to financial statements regarding Company's exposure in the nature of long-term investments and loans advances of ₹ 866.13 crore and ₹ 843.01 crore in its subsidiaries namely HCC Real Estate Ltd. and HCC Infrastructure Ltd. On the basis of the book 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) Note No. 37 of the Notes to financial statements regarding Company's claims of ₹ 518.36 crore outstanding for more than 5 years under 'Uncompleted Contracts and Value of Work Done', 'Long Term Trade Receivables' and 'Short Term Loans and Advances' amounting to ₹ 445.53 crore, ₹ 34.33 crore and ₹ 38.50 crore respectively. Considering the contractual tenability, progress of negotiation with clients and based on its past experience, management is reasonably confident of the recovery of the same.
- (c) Note No. 38 of the Notes to financial statements regarding 'Long Term Trade Receivables' and 'Uncompleted Contracts and Value of Work Done' as at March 31, 2014 of ₹ 1,056.57 crore and ₹ 243.11 crore respectively, representing favourable arbitration awards (including interest thereon) which have subsequently been challenged by the clients in courts. Of the above, awards amounting to ₹ 105.44 crore have been set aside by District/High Courts against which the Company has preferred appeals at High Courts/Supreme Court and is legally advised that it has a good case on merit. The recoverability of these amounts is dependent upon the final outcome of the appeals getting resolved in the favour of the Company.
- (d) Note No. 39 of the Notes to financial statements regarding 'Trade receivables' and 'Uncompleted Contracts and Value of Work Done (net of client advances)' of ₹ 20.96 crore and ₹ 48.19 crore respectively which have been outstanding for projects where work has been suspended by the client or has been projects have handed over to clients. Based on the continuous dialogue with the Clients, management is reasonably confident of the recovery of these amounts.
- (e) Note No. 28.1 of the financial statement regarding managerial remuneration paid to Chairman and Managing Director which is in excess by ₹ 10.18 crore per annum in respect of financial year 2012-13 and 2013-14 for which Company has made an application to the Central Government; approvals in this regard are under consideration / pending till date.

Report on Other Legal and Regulatory Requirements

- 4) As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 5) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs.
 - e) On the basis of the written representations received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2014 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For K.S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Place: Mumbai
Date: 2nd May, 2014

Raghuvir M. Aiyar
Partner
Membership No.: 38128

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2014 of Hindustan Construction Company Limited.)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
- (ii) (a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The company has not granted unsecured loans and Inter-Corporate Deposits to companies covered in the Register maintained under Section 301 of the Act. Hence the provisions of clause (iii) (a), (b), (c), (d) of paragraph 4 are not applicable to the company.
- (b) The company has taken an unsecured loan from two companies covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved in the current year amounted to ₹ 64 crore and the year-end balance of loans taken from such parties are ₹ 48 crore.
- (c) Based on the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loans taken from such parties covered in the Register maintained under Section 301 are not prima facie prejudicial to the interests of the company.
- (d) According to the information and explanations given to us, repayments of the principal and interest have been regularly made as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of inventory and fixed assets and for the Work Done. *However the internal controls over accounting of consumption, wastages, material reconciliation, need further strengthening.*
- (v) (a) The company has taken unsecured loans from two companies which are covered in the Register maintained under Section 301 of the Companies Act, 1956. The same has been entered in the register. The maximum amount involved in the current year amounted to ₹ 64 crore and the balance at the year end is ₹ 48 crore.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Sec 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of Section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public are not applicable to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However the scope needs to be enlarged to cover project related cost-to-complete workings and certain areas of head office accounting.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2014 for a period of more than six months from the date on which they became payable.
- (b) According to the records of the Company, sales tax, income tax, customs duty, wealth tax, service tax, excise duty or cess which have not been deposited on account of dispute are given below:

Nature of dues	Year	Amount (₹in crore)	Forum where dispute is pending
Sales Tax/ VAT	1996-97 & 1998-99	1.35	High Courts
	1997-98 to 2000-01	5.97	Taxation Tribunal
	2002-03 to 2009-10	63.27	AC/DC/Add. Commissioners & ACTO
Service Tax	2004-07 & 2005-06	0.31	Central Excise Appeal/ Service Tax Commissioner
	2005 to 2006	2.97	Central Excise and Service Tax Appellate Tribunal
	2004-05 to 2011-12	741.51	

- (x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.
- (xi) The details of principal and interest not paid on due dates i.e. the last dates specified in loan documents or debenture trust deed, to the Financial Institutions and Banks during the year are as follows:

Amount of Principal (₹in crore)	Period of Delays (in Days)
41.54	0 to 30

Amount of Interest (₹in crore)	Period of Delays (in Days)
157.39	1 to 30
50.97	31 to 60

These dues have been paid by the end of the year and there is no overdue as of 31st March, 2014.

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xvi) In our opinion the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long-term investment.
- (xviii) During the year under audit the Company has not made preferential allotment of equity shares. However the Company has made preferential allotment of warrants to companies covered in the register maintained under Section 301 of the Companies Act, 1956. The price at which the warrants have been issued has been determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, which in our opinion is not prejudicial to the interest of the Company.
- (xix) According to the information and explanations given to us, no debentures were issued during the period.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For K.S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Place: Mumbai
Date: 2nd May, 2014

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Balance Sheet as at 31st March 2014

Particulars	Note No.	₹crore	As at 31.03.2014 ₹crore	As at 31.03.2013 ₹crore
I. EQUITY AND LIABILITIES				
(1) Share capital	2	60.67		60.67
Reserves and surplus	3	1,186.73		1,102.11
Money Received Against Share Warrants	4	16.00		-
			1,263.40	1,162.78
(2) Non-current liabilities				
Long-term borrowings	5	3,005.18		3,257.03
Deferred tax liabilities (Net)	6	23.71		14.29
Long term Trade payables	7	27.26		33.51
Other Long-term liabilities	8	74.59		56.86
Long-term provisions	9	33.89		36.17
			3,164.63	3,397.86
(3) Current liabilities				
Short-term borrowings	10	1,537.48		1,317.85
Trade payables	11	951.16		960.01
Other current liabilities	12			
Current maturities of long term borrowings		274.37		53.08
Advance from Contractees		910.66		1,162.17
Others		485.72		466.10
		1,670.75		1,681.35
Short-term provisions	13	8.45	4,167.84	9.22
				3,968.43
TOTAL			8,595.87	8,529.07
II. ASSETS				
(1) Non-current assets				
Fixed assets	14			
Tangible assets		913.09		1,006.35
Intangible assets		2.31		4.04
Capital work-in-progress		3.25		10.55
Intangible assets under development		1.72		1.72
			920.37	1,022.66
Non-current investments	15	689.95		601.22
Long-term loans and advances	16	1,211.76		1,213.31
Long term Trade receivables	17	1,087.00		665.56
Other non-current assets	18	0.11		1.42
			2,988.82	2,481.51
(2) Current assets				
Inventories	19	3,293.56		3,672.18
Trade receivables	20	527.33		570.19
Cash and bank balances	21	146.97		99.14
Short-term loans and advances	22	712.58		674.53
Other current assets	23	6.24		8.86
			4,686.68	5,024.90
TOTAL			8,595.87	8,529.07

Significant Accounting Policies

1

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

ARUN V. KARAMBELKAR
President &
Chief Executive Officer - E&C

AJIT GULABCHAND

Chairman & Managing Director

RAJGOPAL NOGJA

Group Chief Operating Officer &
Whole-time Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

PRAVEEN SOOD
Group Chief Financial Officer

RAJAS R. DOSHI
RAM P. GANDHI
PROF. FRED MOAVENZADEH
ANIL SINGHVI

Directors

Mumbai,
Dated May 2, 2014

VITHAL P. KULKARNI
Company Secretary

Statement of Profit & Loss for the year ended 31st March 2014

Particulars	Note No.	₹crore	Year ended 31.03.2014 ₹crore	Year ended 31.03.2013 ₹crore
I Revenue from Operations (gross)	24	4,113.49		3,838.65
Less: Excise Duty		-		1.36
			4,113.49	3,837.29
Less: Company's Share of Turnover in Integrated Joint Ventures			74.01	0.20
Add: Company's Share of (Profit)/Loss in Integrated Joint Ventures (net)			3.04	(4.80)
			4,042.52	3,832.29
II Other Income	25		213.59	134.34
III Total Revenue (I + II)			4,256.11	3,966.63
IV Expenses				
Cost of Materials Consumed	26	67.68		56.12
Purchase of Traded goods		4.40		23.48
Construction Expenses	27	2,819.30		2,870.18
Employee Benefits Expenses	28	388.46		402.03
Finance Costs	29	607.94		544.10
Depreciation and Amortization Expense	30	144.61		163.40
Other Expenses	31	132.77		116.48
Total Operating Expenses			4,165.16	4,175.79
V Profit / (Loss) Before Exceptional & Extraordinary Items & Tax (III - IV)			90.95	(209.16)
VI Exceptional Items	31		-	15.58
VII Profit / (Loss) Before Extraordinary Items & Tax (V + VI)			90.95	(193.58)
VIII Extraordinary Items			-	-
IX Profit / (Loss) Before Tax (VII - VIII)			90.95	(193.58)
X Tax Expense:				
1) Current Tax			-	-
2) Earlier Year Tax			0.90	
3) Deferred Tax Charged/(Credit)			9.41	(55.94)
			10.31	(55.94)
XI Profit / (Loss) for the year from Continuing operations (IX - X)			80.64	(137.64)
XII Profit / (Loss) for the year from discontinuing operations			-	-
XIII Tax Expense from discontinuing operations			-	-
XIV Profit / (Loss) for the year from Discontinuing operations (XII - XIII)			-	-
XV Profit / (Loss) for the year (XI + XIV)			80.64	(137.64)
XVI Earnings per equity share:	32			
1) Basic			1.33	(2.27)
2) Diluted			1.33	(2.27)

Significant Accounting Policies

1

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

ARUN V. KARAMBELKAR
President &
Chief Executive Officer - E&C

AJIT GULABCHAND

Chairman & Managing Director

RAJGOPAL NOGJA

Group Chief Operating Officer &
Whole-time Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

PRAVEEN SOOD
Group Chief Financial Officer

RAJAS R. DOSHI

RAM P. GANDHI

PROF. FRED MOAVENZADEH

ANIL SINGHVI

Directors

Mumbai,
Dated May 2, 2014

VITHAL P. KULKARNI
Company Secretary

Cash Flow Statement for the year ended 31st March 2014

		2013-14 ₹crore	2012-13 ₹crore
A. CASH FLOW FROM OPERATING ACTIVITIES	₹crore		
Net Profit before tax and extraordinary items		90.95	(193.58)
Adjustments for :			
Depreciation and Amortisation expenses	144.61		163.40
Finance Cost	607.94		544.10
Dues no longer payable	(81.50)		-
Interest/Dividend income	(123.09)		(105.80)
Foreign Currency Monetary Item Translation Difference Account Amortisation	(3.12)		0.97
Unrealised Foreign Exchange (Gain)/Loss (net)	11.69		16.09
Loss/(Profit) on sale of Assets (net)	(6.72)		(27.33)
Loss/(Profit) on sale of investment (net)	(0.80)		-
		<u>549.01</u>	<u>591.43</u>
Operating profit before working capital changes		<u>639.96</u>	<u>397.85</u>
<u>Adjustments for Working Capital:</u>			
(Increase) / Decrease in Trade & Other Receivable	(370.59)		69.55
(Increase) / Decrease in Inventories	378.61		83.23
Increase / (Decrease) in Trade & Other Payables	(18.76)		43.35
Increase / (Decrease) in Client Advances	(238.97)		(234.00)
		<u>(249.71)</u>	<u>(37.87)</u>
Cash Generated from operations		<u>390.25</u>	<u>359.98</u>
Direct Taxes Refunded / (Paid)		<u>112.82</u>	<u>(18.42)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>503.07</u>	<u>341.56</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(31.68)		(78.49)
Sale of Fixed Assets	24.65		54.33
Advance for sale of shares	10.00		-
Investments in Subsidiaries	(8.23)		(16.51)
Sale of Investments	1.80		0.02
Inter Corporate Deposits Given	(69.36)		(3.50)
Inter Corporate Deposits Recovered	16.97		-
(Increase)/Decrease in other bank balances	14.30		13.57
Interest received	12.89		56.34
Dividend received	0.02		0.02
NET CASH FLOW FROM INVESTING ACTIVITIES		<u>(28.64)</u>	<u>25.78</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid	(599.66)		(596.97)
Proceeds from long term borrowings	32.00		201.34
Repayment of long term borrowings	(65.48)		(35.36)
Proceeds / (repayment) of short term borrowings	219.63		(11.18)
Dividend paid (including Dividend Distribution Tax)	(0.11)		(0.13)
NET CASH FLOW FROM FINANCING ACTIVITIES		<u>(413.62)</u>	<u>(442.30)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>60.82</u>	<u>(74.96)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>83.85</u>	<u>158.81</u>
UNREALISED FOREIGN EXCHANGE GAIN / (LOSS)	0.06		0.04
CASH AND CASH EQUIVALENTS	<u>144.61</u>		<u>83.81</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>144.67</u>	<u>83.85</u>
		<u>60.82</u>	<u>(74.96)</u>

NOTES : 1. Figures for the previous year have been regrouped /recast wherever necessary.

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

ARUN V. KARAMBELKAR
President &
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AJIT GULABCHAND
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Group Chief Financial Officer

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PROF. FRED MOAVENZADEH
ANIL SINGHVI

Directors

Mumbai,
Dated May 2, 2014

VITHAL P. KULKARNI
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT March 31, 2014

Note 1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The Company maintains its accounts on accrual basis. Management makes estimates and technical & other assumptions regarding the amounts of income and expenses in accordance with Indian GAAP in the preparation of the financial statements. Difference between the actual results and estimates are recognised in the period in which they are determined.

1.2 Fixed Assets

Fixed assets are stated at cost of acquisition including attributable interest & financial costs till the date of acquisition / installation of the assets and improvement thereon less accumulated depreciation / amortisation and accumulated impairment losses if any. Intangible assets comprise of licence fees, other implementation cost for software (ERP) and other application softwares acquired for inhouse use.

1.3 Depreciation and Amortisation

Depreciation on fixed assets is provided:

- i) In respect of buildings and sheds, furniture and office equipments on the written down value basis at rates prescribed in Schedule XIV of the Companies Act, 1956.
- ii) In respect of plant & machinery, heavy vehicles, light vehicles, helicopter, aircraft and speed boat on the straight line basis at rates prescribed in schedule XIV of the Companies Act, 1956 on a pro-rata basis.
- iii) In respect of computers depreciation is provided on straight line basis over a period of three years on a pro-rata basis.
- iv) The depreciation on assets used for construction has been treated as period cost.
- v) Fixed Assets includes cost incurred on the Lease hold Improvements at 247 park which is being amortised over a period of Nine years.
- vi) Software and implementation costs including users licence fees of the Enterprise Resource Planning (ERP) system and other application software costs are amortised over a period of 5 years.

1.4 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long-term (Non Current) investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

1.5 Employee Benefits

- i) Defined Contribution plan
Contribution to provident fund and superannuation fund is accounted on accrual basis.
- ii) Defined Benefit plan
Gratuity is charged to revenue on the basis of actuarial valuation and in case of daily rated workmen on actual basis computed on tenure of service as at the end of the year.
- iii) Other Benefits
Short term and long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

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.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for the measurement purposes. Such long term compensated absences are provided for based on the actuarial valuations using the projected unit credit method at the year-end.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of the related obligations.

1.6 Inventories

- a) The stock of stores, spares and embedded goods and fuel is valued at cost (weighted average basis), or net realisable value whichever is lower.
- b) Work-in-Progress is valued at the contract rates and site mobilisation expenditure of incomplete contracts is stated at cost.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.

1.8 Provisions, Contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

1.9 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of such asset. Other borrowings costs are charged to statement of profit and loss as incurred.

1.10 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transactions

- a) Initial Recognition
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- b) Conversion
Foreign Currency Monetary Items are re-translated at the exchange rate prevailing on the reporting date.
- c) 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.

The exchange differences arising on settlement / restatement of long term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary items relates and depreciated over the remaining balance life of such assets and

Note 1.10 (contd.)

in other cases amortised over the balance period of such long term foreign currency monetary items. The unamortised balance is carried in the Balance Sheet as "Foreign Currency Monetary item Translation Difference Account" as a separate line item under "Reserves and Surplus Account"

1.11 Financial Derivatives & 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.

1.12 Revenue Recognition**i) Accounting of construction contracts**

The Company follows the percentage completion method, based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims / variations as per Accounting Standard 7 and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done.

Revenue is recognized as follows:

- a) In case of Item rate contracts on the basis of physical measurement of work actually completed at the balance sheet date.
- b) In case of 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.

ii) Accounting of Supply Contracts-Sale of goods

Revenue from supply contract is recognized when the substantial risk and rewards of ownership is transferred to the buyer.

iii) Accounting Policy for Claims

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

1.13 Accounting for Joint Venture Contracts

- (a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the Accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- (b) In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under

Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans & advances or current liabilities.

1.14 Taxation

The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit and Loss for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax expenses or benefit is recognised using the tax rates and tax laws that have been enacted by the balance sheet date. In the event of unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future.

Minimum Alternate Tax(MAT) paid in a year is charged to the Statement of Profit & Loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

1.15 Leases

Lease rentals in respect of assets acquired under operating lease are charged to Statement of Profit and Loss.

1.16 Impairment of Assets

At each Balance Sheet date, the management makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to Statement of Profit and Loss in the year in which it is identified as impaired.

1.17 Employees Stock Option Plan

In respect of the stock options granted pursuant to the Company's Stock Option Scheme, market value of the Company's shares as on the grant date was equal to the par value for the options granted, hence no accounting entries as per ESOP guidelines are required to be made.

1.18 Earning per share

Basic and Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning 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 share.

Notes Forming Part of Accounts

		As at 31.03.2014	As at 31.03.2013
		₹crore	₹crore
Note 2 SHARE CAPITAL			
Authorised Capital			
10,000,000	Redeemable Cumulative Preference Shares of ₹10/- each	10.00	10.00
900,000,000	Equity Shares of ₹1/- each	90.00	90.00
	TOTAL	100.00	100.00

Issued, Subscribed and Paid-up:

Equity Share Capital

606,610,420	Equity Shares of ₹1/- each	60.66	60.66
	(previous year 606,610,420 Equity Shares of ₹1/- each)		
	Add : Forfeited Shares (previous year 13,225 shares)	0.01	0.01
	TOTAL	60.67	60.67

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

Equity Shares :

Number of Shares outstanding at the beginning of the year:	No. Value	606,610,420 60.66	606,610,420 60.65
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Add: Further issue during the period

Bonus shares	No. Value	- -	- -
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Issued and allotted	No. Value	- -	- -
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Number of Shares outstanding at the end of the year	No. Value	606,610,420 60.66	606,610,420 60.66
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b Terms/rights attached to shares:

The Company has only one class of equity shares having a par of 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.

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 no. of equity shares held by the shareholder.

c Shareholding of more than 5%:	As at 31.03.2014	As at 31.03.2013
Name of the Shareholder	% held No. of shares	% held No. of shares
Hincon Holdings Ltd.	33.09% 200,703,600	33.09% 200,703,600
HSBC Global Investment Funds A/C HSBC GIF Mauritius Ltd.	3.18% 19,287,142	5.32% 32,257,988
Hincon Finance Ltd.	6.32% 38,365,500	6.32% 38,365,500
Siwa Holding Ltd.	5.95% 36,082,151	5.95% 36,082,151

d Shares reserved for issue under options :

As on 31.03.2014, there are 4,694,800 (previous year 6,154,080) stock options outstanding convertible into 4,694,800 (previous year 6,154,080) equity shares of ₹1/- each, the same are convertible at an exercise price of ₹52.03 per share.

During the period upto 31.03.2014 i.e. from 1.04.2013 till 31.03.2014, None of the Options were exercised / converted into Equity Shares. There were 1,459,280 (previous year 308,880) stock options that got lapsed during 01.04.2013 till 31.03.2014

e. Employees Stock Option Scheme:

i. Options granted

- The Company offered 4,458,800 Stock Options on April 25, 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 July 20, 2009 had repriced 4,131,600 options at ₹104.05 per equity share.

- The ESOP Compensation committee at its meeting held on 23rd October 2008 granted 1,93,750 options at an exercise price of ₹43.40 per equity share.

The ESOP Compensation Committee of the Company at its Meeting held on August 12, 2010 has decided to double the number of employee stock options (vested and unvested but not exercised and in-force as on the Record Date i.e. August 11, 2010) and halved the exercise price on account of issuance and allotment of Bonus Equity Shares in the proportion of 1:1.

Accordingly, 3,553,760 employee stock options in-force granted by the Company on April 25, 2008 have been doubled i.e. 7,107,520 and the exercise price in respect of the same has been halved i.e. it has been reduced from ₹104.05 to ₹52.03 and 1,93,750 employee stock options granted by the Company on October 23, 2008 have been doubled i.e. 387,500 and the exercise price in respect of the same has been halved i.e. it has been reduced from ₹43.40 to ₹21.70.

- Settlement Through Equity Shares.

- Options vested 46,49,800 number of options remain vested and outstanding as at 31.03.2014.

	FY2013-14	FY2012-13
a) Outstanding at the beginning of the year	6,154,080	6,462,960
b) Granted during the year	NIL	NIL
c) Additional Options granted on account of Bonus issue	NIL	NIL
d) Forfeited during the year	NIL	NIL
e) Exercised during the year	NIL	NIL
f) Expired / cancelled during the year	1,459,280	308,880
g) Outstanding at the end of the year	4,694,800	6,154,080
h) Exercisable at the end of the year	NIL	NIL

f. Bonus Shares/ Buy Back/Shares for consideration other than cash issued during past five years:

- (i) Aggregate number and class of shares allotted as fully paid-up pursuant to contracts without payment being received in cash:
Nil
- (ii) Aggregate number and class of shares allotted as fully paid-up by way of Bonus Shares:
303,256,460 Equity Shares were issued as fully paid Bonus Shares by capitalisation of Securities Premium Reserve on August 12, 2010.
- (iii) Aggregate number and class of shares bought back:
Nil

- g. Pursuant to Bonus Issue of Equity Shares in the proportion to 1:1, outstanding 95,146 Global Depository Shares(outstanding as of Record Date i.e. August 11, 2010) have increased to 190,292. Out of the total Global Depository Shares(GDR) issued 120,720 GDR's are outstanding as on 31st March 2014.

	As at 31.03.2014	As at 31.03.2013
Note 3 Reserves and Surplus	₹crore	₹crore
(a) Capital Reserve (Forfeited Equity Share Warrants)	15.19	15.19
(b) Forfeited Debentures Account	0.02	0.02
(c) Securities Premium Account		
Opening Balance	888.86	888.86
Add: Additions during the year	-	-
	888.86	888.86
(d) Debenture Redemption Reserve		
Opening Balance	34.99	34.99
Add/(Less): Transferred from/(to) Statement of Profit and Loss	-	-
	34.99	34.99
(e) Foreign Currency Monetary Translation Account	4.29	0.31
(f) General Reserve		
Opening Balance	174.38	174.38
Add: Transferred from Statement of Profit and Loss	-	-
	174.38	174.38
(g) Surplus as per Statement of Profit and Loss		
Balance brought forward	(11.64)	126.00
Add: Profit / (Loss) for the year	80.64	(137.64)
	69.00	(11.64)
TOTAL	1,186.73	1,102.11

- 3.1 The Company (Accounting Standards) Second Amendment Rules 2011 has amended the provision of AS-11 relating to "The Effects of the Changes in Foreign Exchange Rates" vide notification dated 29th December 2011. In terms of these amendments, the Company has carried over long term monetary exchange gain of ₹4.29 crore (previous year ₹0.31 crore) through "Foreign Currency Monetary Items Translation Difference Account", to be recognised over the balance period of such long term asset/ liability.

Note 4 Money received against share warrants

The Company has allotted 39,215,686 warrants convertible into 39,215,686 Equity Shares of ₹1/- each at a price of ₹16.32 per Equity Share to the Promoters of the Company (Hincon Holdings Ltd. & Hincin Finance Ltd.) on June 27, 2013 in compliance with Chap VII of

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009. The warrant holders shall be entitled to exercise the option to apply for the Equity Shares against the warrants within a period of 18 months from the date of allotment of the said warrants. As per the terms, the company has appropriated 25% of the issue price aggregating to ₹16 crore from the unsecured loan from promoters.

Note 5 Long Term Borrowings	Non-current portion		Current maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹crore	₹crore	₹crore	₹crore
I. Secured				
(A) Debentures:				
1) AXIS Non-Convertible	112.80	120.00	7.20	-
2) LIC Non-Convertible	94.00	100.00	6.00	-
	206.80	220.00	13.20	-
(B) Rupee Term Loans (RTL-1)				
(i) From Banks :				
1) IDBI Bank Ltd.	253.80	270.00	16.20	-
2) Export Import Bank of India	216.20	230.00	13.80	-
3) Axis Bank	56.40	60.00	3.60	-
4) Punjab National Bank	47.00	50.00	3.00	-
5) Union Bank of India	47.00	50.00	3.00	-
6) Bank of Maharashtra	29.37	31.25	1.88	-
7) Bank of Baroda	29.38	31.25	1.88	-
8) State Bank of Travancore	14.10	15.00	0.90	-
9) Export Import Bank of India	103.46	110.06	6.60	-
	796.71	847.56	50.86	-
(ii) From Other Parties (RTL-1):				
SREI Finance Pvt. Ltd. (NBFC)	108.57	115.50	6.93	-
	108.57	115.50	6.93	-
(C) Rupee Term Loans (RTL-2)				
From Banks :				
1) Canara Bank	342.45	365.54	23.10	-
2) United Bank of India	282.00	300.00	18.00	-
3) Syndicate Bank	188.00	200.00	12.00	-
4) Export Import Bank of India	150.87	160.50	9.63	-
5) Axis Bank	141.00	150.00	9.00	-
6) State Bank of Mysore	94.00	100.00	6.00	-
7) Indian Overseas Bank	90.09	100.00	5.75	-
8) State Bank of Hyderabad	44.92	50.00	2.87	-
9) Central Bank of India	47.00	50.00	3.00	-
	1,380.33	1,476.04	89.35	-
(D) Working Capital Term Loan (WCTL)				
From Banks :				
Rupee Loans				
1) Central Bank of India (WCTL-1)	22.52	23.96	1.44	-
2) NABARD (WCTL-2)	47.00	50.00	3.00	-
3) The Federal Bank Ltd. (WCTL-2)	23.50	25.00	1.50	-
	93.02	98.96	5.94	-

Note 5 Long Term Borrowings	Non-current portion		Current maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹crore	₹crore	₹crore	₹crore
(E) Other Term Loans				
From Banks :				
Rupee Loans				
1) Standard Chartered Bank	4.58	4.58	-	-
	4.58	13.01	-	11.33
Foreign Currency Loans				
1) Standard Chartered Bank	77.82	69.68	4.97	-
2) Development Bank of Singapore	59.90	56.63	2.50	-
3) Toronto Dominion Bank	53.27	59.08	11.84	10.74
	190.99	185.39	19.31	10.74
(F) Funded Interest Term Loan				
From Banks	34.80	112.08	69.83	37.37
From Other Party	1.73	5.21	3.47	1.73
	36.53	117.29	73.30	39.10
Total Secured Loans (A+B+C+D+E+F)	2,812.95	3,065.32	258.89	49.84
Note : For securities please refer notes given below.				
II. Unsecured				
A) Term Loans from Banks:	-	-	-	-
B) Term Loans from Other Party:				
IFCI (NBFC)	141.00	150.00	9.00	-
C) Funded Interest Term Loan from other parties	3.23	9.71	6.48	3.24
D) Loans & advances from related parties	48.00	32.00	-	-
Total Unsecured Loans (A+B+C+D)	192.23	191.71	15.48	3.24
Total Long Term Borrowings (I+II)	3,005.18	3,257.03	274.37	53.08

5.1 Additional Information to Secured/Unsecured Long Term Borrowings:

The long term portion of debentures and term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure requirements of the Revised Schedule VI.

5.2 Details of Securities and Terms of repayment

The Company received Letter of Approval (LOA) on 29th June, 2012 issued by Corporate Debt Restructuring Empowered Group (CDREG) approving CDR package. As on 31st March 2014, the package has been implemented. The CDR related documents have been executed and security creation stands completed.

I. Secured

(A) Debentures

1) Axis NCD

Security created by way of registered mortgage over 231.6628 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra. On restructuring by CDR, above debentures are classified as RTL-1 repayable in 31 quarterly installments commencing from April 15, 2014 and ending on October 15, 2021, having interest yield of 11.5% in yield equalization.

2) LIC NCD

On restructuring by CDR, above debentures are classified as RTL-1 repayable in 31 quarterly installments commencing from April 15, 2014 and ending on October 15, 2021, having interest yield of 11.5% in yield equalization. LIC NCD's are secured in form of :

1. The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties.
4. All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties.
5. All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking as below;

1. a first ranking and *pari passu* Security Interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties
2. a second ranking and *pari passu* Security Interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties"

Collateral security *pari-passu* with all CDR lenders

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹9477.60 crore, against which outstanding amount is ₹7895.55 crore.
2. Pledge of 200,703,600 equity shares (33.09%) of HCC held by Hicon Holdings Ltd.
3. Personal guarantee of Mr. Ajit Gulabchand

(B) Rupee Term Loans (RTL-1)

On restructuring by CDR, above loans are classified as RTL-1 repayable in 31 quarterly installments commencing from April 15, 2014 and ending on October 15, 2021, having interest yield of 11.5% in yield equalization. RTL-1 is secured in form of :

1. The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties."
3. All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties
4. All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties
5. All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties

The above security having ranking as below;

1. a first ranking and *pari passu* Security Interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. a second ranking and *pari passu* Security Interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

Collateral security *pari-passu* with all CDR lenders

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹9477.60 crore, against which outstanding amount is ₹7895.55 crore.
2. Pledge of 200,703,600 equity shares (33.09%) of HCC held by Hincan Holdings Ltd.
3. Personal guarantee of Mr. Ajit Gulabchand

(C) Rupee Term Loans (RTL-2)

On restructuring by CDR, above loans classified as RTL-2 are repayable in 31 quarterly installments commencing from April 15, 2014 and ending on October 15, 2021, having interest yield of 11.5% in yield equalization. RTL-2 is secured in form of :

1. The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties
4. All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties
5. All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties

The above security having ranking as below;

1. a second ranking and *pari passu* Security Interest by way of legal mortgage over the Mortgaged Properties

Collateral security *pari-passu* with all CDR lenders

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹9477.60 crore, against which outstanding amount is ₹7895.55 crore.
2. Pledge of 200,703,600 equity shares (33.09%) of HCC held by Hincan Holdings Ltd.
3. Personal guarantee of Mr. Ajit Gulabchand

(D) (1) Working Capital Term Loan (WCTL-1)

On restructuring by CDR, Commercial Paper of Central Bank of India has been classified as WCTL-1 repayable in 16 quarterly installments commencing from April 15, 2014 and ending on January 15, 2018, having 11.75% p.a. linked to monitoring institution's base rate. WCTL-1 is secured in form of;

1. The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties
4. All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties
5. All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties

The above security having ranking as below;

1. A first ranking and *pari passu* Security Interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties

2. A second ranking and *pari passu* Security Interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties

Collateral security *pari-passu* with all CDR lenders

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹9477.60 crore, against which outstanding amount is ₹7895.55 crore.
2. Pledge of 200,703,600 equity shares (33.09%) of HCC held by Hincan Holdings Ltd.
3. Personal guarantee of Mr. Ajit Gulabchand

(D) (2) & (3) Working Capital Term Loan (WCTL-2)

On restructuring by CDR, Commercial Paper of NABARD & Federal Bank has been classified as WCTL-2 repayable in 31 quarterly installments commencing from April 15, 2014 and ending on October 15, 2021, having 11.75% p.a. linked to monitoring institution's base rate. WCTL-2 is secured in form of;

1. The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties
4. All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties
5. All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties

The above security having ranking as below;

1. a second ranking and *pari passu* Security Interest by way of legal mortgage over the Mortgaged Properties

Collateral security *pari-passu* with all CDR lenders

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹9477.60 crore, against which outstanding amount is ₹7895.55 crore.
2. Pledge of 200,703,600 equity shares (33.09%) of HCC held by Hincan Holdings Ltd.
3. Personal guarantee of Mr. Ajit Gulabchand

(E) Other Term Loans

Standard Chartered Bank- ECB USD 13.77 million

Outstanding ECB of USD 13.77 million has been restructured with repayment of 17 quarterly installments starting from 15th April 2014 till 15th March 2018 having interest rate of 3 months LIBOR plus 350 basis points. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10th November 2009.

Development Bank of Singapore - ECB USD 10.38 million

Outstanding ECB of USD 10.38 million has been restructured with repayment of 17 quarterly installments starting from 5th October 2014 till 5th October 2018 having interest rate of 3 months LIBOR plus 385 basis points. The facility is secured by first charge by way of hypothecation of plant and machineries and heavy vehicles acquired under the facility described in the schedule I(2) to the deed of hypothecation executed on 29th April 2010.

Toronto Dominion LLC - USD 10.83 mn

The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on one (1) Hawker model 4000 airframe bearing manufacture's serial number RC-26 together with two installed model PW208 engines more particularly described under Clause no.2.1 as per the Aircraft Charge Agreement executed on January 6, 2011. The FC loan is repayable in 22 equal quarterly installments of apprx. ₹2.96 crore each having period of maturity w.r.t. the balance sheet date is 5.5 years. The loan has interest rate of 3 month Libor plus 120 basis points.

(F) Funded Interest Term Loan

On restructuring by CDR, balance FITL of ₹109.83 crore repayable in 6 equal quarterly installments from April 15, 2014 to July 15, 2015 having interest 11.25% p.a. linked to monitoring institution's base rate. FITL pertaining to RTL-1 and RTL-2 is secured as per security being offered to RTL-1 and RTL-2.

II. Unsecured

B) Term Loans from Other Party:

IFCI - Unsecured loan of ₹ 150 crore

The loan has been restructured, repayable in 31 quarterly installments commencing from April 15, 2014 and ending on October 15, 2021, having interest rate of 11.5% p.a.

C) Funded Interest Term Loan

On restructuring, balance IFCI FITL of ₹9.71 crore is repayable in 6 equal quarterly installments commencing from April 15, 2014 and ending on July 15, 2015 having interest of 11.5% p.a.

Note 6 Deferred Tax Liabilities (Net)

Deferred Tax liability for the period ended March 31, 2014 has been provided on the estimated tax computation for the year.

Major components of deferred tax assets and liabilities arising on account of timing differences are:

	As at 31.03.2014	As at 31.03.2013
	₹crore	₹crore
Deferred Tax Liability		
Depreciation	105.81	111.39
Claims/Arbitration Awards	370.93	204.47
Others	16.82	5.70
Deferred Tax Asset		
Business Loss/ Unabsorbed Depreciation	(438.58)	(280.28)
Others	(31.27)	(26.99)
TOTAL	23.71	14.29

Note 7 Long Term Trade Payables

Trade payables	27.26	33.51
TOTAL	27.26	33.51

Note 8 Other Long Term Liabilities

a) Tax Payable	0.09	0.35
b) Due to Employees	0.31	0.56
c) Advances from Contractees	19.26	6.72
d) Other Payables	54.93	49.23
TOTAL	74.59	56.86

Note 9 Long Term Provisions

Provision for employee benefits	33.89	36.17
TOTAL	33.89	36.17

Note 10 Short Term Borrowings

I. Secured

Loans repayable on demand

From Banks Rupee Loan:

1) Cash Credit Account	1,483.96	1,244.23
2) Standard Chartered Bank	50.00	50.00
3) Buyer's Credit	-	20.10
	1,533.96	1,314.33

II. Unsecured

(A) Loans repayable on demand

-

(B) Loans and Advances from related parties

3.52

3.52

TOTAL

1,537.48

1,317.85

I. Secured

Loans repayable on demand

1. Cash Credit Limits

On restructuring by CDR, working capital (WC) facilities are chargeable at interest rate of 11.75% p.a. linked to monitoring institution's base rate. WC is secured in form of;

- The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
- All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.
- All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties.
- All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties.
- All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking as below;

- A first ranking and *pari passu* Security Interest by way of legal mortgage over the Third Mortgaged Properties and Fourth Mortgaged Properties.
- In the form of a second ranking and *pari passu* Security Interest by way of a legal mortgage over the First Mortgaged Properties, the Second Mortgaged Properties and the Fifth Mortgaged Properties"

Collateral security *pari-passu* with all CDR lenders

- Corporate guarantee of HCC Real Estate Limited (HREL) for ₹9477.60 crore, against which outstanding amount is ₹7895.55 crore.
- Pledge of 200,703,600 equity shares (33.09%) of HCC held by Hincan Holdings Ltd.
- Personal guarantee of Mr. Ajit Gulabchand

2. Standard Chartered Bank–WCDL of ₹ 50 crore

The facility carries interest rate of 11.5% p.a. secured in form of;

1. The parcel of immovable non- residential property admeasuring 22 acres and 24 gunthas located at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding current assets and the Specified Assets) as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of Additional Assets) as the Third Mortgaged Properties.
4. All of the Additional Assets collectively referred to as the Fourth Mortgaged Properties.
5. All of the Specified Assets collectively referred to as the Fifth Mortgaged Properties.

The above security having ranking as below;

1. A first ranking and *pari passu* Security Interest by way of legal mortgage over the Third Mortgaged Properties and Fourth Mortgaged Properties.
2. In the form of a second ranking and *pari passu* Security Interest by way of a legal mortgage over the First Mortgaged Properties, the Second Mortgaged Properties and the Fifth Mortgaged Properties

Collateral security *pari-passu* with all CDR lenders

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ₹9477.60 crore, against which outstanding amount is ₹7895.55 crore.
2. Pledge of 200,703,600 equity shares (33.09%) of HCC held by Hicon Holdings Ltd.
3. Personal guarantee of Mr. Ajit Gulabchand

Yes bank is having subservient charge on identified receivables. Yes Bank issued NOC dated 4th Sept'12 for ceding first charge in favour of Working Capital Lenders and second charge in favour of Term Lenders.

	As at	As at
	31.03.2014	31.03.2013
	₹crore	₹crore

Note 11 Trade Payables

Payables	951.16	960.01
TOTAL	951.16	960.01

- 11.1 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act 2006, as at March 31, 2014.

The disclosure pursuant to the said Act is as under:

	As at	As at
	31.03.2014	31.03.2013
	₹crore	₹crore
Principal amount due to suppliers under MSMED Act	3.83	5.03
Interest accrued and due to suppliers under MSMED Act on the above amount	0.97	0.32
Payment made to suppliers (other than interest) beyond appointed day during the year	1.05	4.41
Interest paid to suppliers under MSMED Act	-	-

	As at	As at
	31.03.2014	31.03.2013
	₹crore	₹crore

Interest due and payable to suppliers under MSMED Act towards payments already made	0.12	0.13
Interest accrued and remaining unpaid at the end of the accounting year	1.09	0.44

Note :This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

	As at	As at
	31.03.2014	31.03.2013
	₹crore	₹crore

Note 12 Other Current Liabilities

1) Current maturities of long term borrowings (Refer note 5)	274.37	53.08
2) Advance from Contractees	910.66	1,162.17
3) <u>Others:</u>		
a) Interest Accrued but not due on Loans	38.77	30.49
b) Interest Accrued and due on Loans	-	-
c) Unpaid Dividends	0.88	0.99
d) Other Payables		
i) Other Creditors Payable	316.67	318.58
ii) Advance for sale of Investment	52.64	42.64
iii) Tax Payable	17.24	23.01
iv) Due to Employees	41.82	37.16
v) Statutory Dues Payable	1.20	1.23
vi) Due to Related Party	4.87	7.64
vii) Capital Vendors	11.63	4.36
	<u>485.72</u>	
TOTAL	1670.75	1681.35

- 12.1 Advances from contractees includes ₹758.97 crore (previous year ₹986.60 crore) which has been guaranteed by Company's bankers.

Note 13 Short Term provisions

Provision for employee benefits	8.45	9.22
	<u>8.45</u>	<u>9.22</u>

Fixed Assets Schedule

₹crore

Note 14

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2013	Additions	Exchange Difference	Borrowing Cost	Deductions	As at 31-03-2014	Upto 01-04-2013	For the Year	Deductions	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
Tangible Assets (At Cost):												
Freehold Land (Book Value)	8.68	-	-	-	-	8.68	-	-	-	-	8.68	8.68
Leasehold premises	18.26	0.11	-	-	-	18.37	5.33	2.05	-	7.38	10.99	12.93
Buildings & Sheds	33.58	-	-	-	0.01	33.57	17.67	2.01	0.01	19.67	13.90	15.91
Plant & Machinery	1,534.80	50.41	12.87	0.05	79.70	1,518.43	811.84	111.59	68.34	855.09	663.35	722.96
Furniture and Fixtures	20.70	0.00	-	-	0.15	20.55	9.91	1.95	0.14	11.72	8.83	10.79
Office Equipments	9.74	0.27	-	-	0.32	9.69	6.87	0.43	0.29	7.01	2.68	2.87
Heavy Vehicles	179.36	3.05	0.01	-	21.93	160.49	105.38	17.32	15.79	106.91	53.58	73.98
Light Vehicles	36.86	-	-	-	1.53	35.33	18.25	3.10	1.21	20.14	15.19	18.61
Helicopter / Aircraft	172.04	-	7.42	-	-	179.46	35.03	10.22	-	45.25	134.21	137.01
Speed Boat	1.96	-	-	-	-	1.96	0.47	0.14	-	0.61	1.35	1.49
Computers	24.48	0.09	-	-	7.73	16.84	23.36	0.80	7.66	16.50	0.34	1.12
Total Tangible Assets:	2,040.46	53.93	20.30	0.05	111.37	2,003.37	1,034.11	149.61	93.44	1,090.28	913.09	1,006.35
Intangible Assets (At Cost):												
Software	22.43	-	-	-	-	22.43	18.39	1.73	-	20.12	2.31	4.04
Total Intangible Assets	22.43	-			-	22.43	18.39	1.73	-	20.12	2.31	4.04
Total Fixed Assets	2,062.89	53.93	20.30	0.05	111.37	2,025.80	1,052.50	151.34	93.44	1,110.40	915.40	1,010.39
Less Allocated to group companies								6.73				
Depreciation as per profit and loss account								144.61				
Previous Year	2,056.22	67.01	16.27	0.01	76.62	2,062.89	931.75	170.37	49.62	1,052.50		1,010.39
Less Transferred to project WIP in previous year								6.97				
Depreciation as per profit and loss account in previous year								163.40				
Capital Work In Progress - Items Awaiting Completion or Commissioning											3.25	10.55
Intangible Asset Under Development											1.72	1.72
										Total	920.37	1,022.66

Note :- 1) * represents amount less than ₹100,000.

2) Additions /Deductions in Gross Block includes capitalisation /decapitalisation of Foreign Exchange and availment of Cenvat Credit.

3) Commitment for capital expenditure is ₹2.85 crore (previous year ₹15.05 crore).

	As at 31.03.2014		As at 31.03.2013			As at 31.03.2014		As at 31.03.2013	
	Unquoted	Quoted	Unquoted	Quoted		Unquoted	Quoted	Unquoted	Quoted
	₹crore	₹crore	₹crore	₹crore		₹crore	₹crore	₹crore	₹crore
Note 15 Non Current Investments (at cost unless otherwise specified)									
I. Trade Investment									
(A) Investments in Equity Instruments									
(I) In Subsidiary Companies in India					(x) Farakka Raiganj Highways Ltd.	13.00		13.00	
(i) Hincon Technoconsult Ltd.	-		1.00		1,30,00,000 Equity Shares of ₹10/- each fully paid				
Nil (Previous year 10,00,000) Equity Shares of ₹10/- each fully paid					(xi) Lavasa Corporation Ltd.				
(ii) Western Securities Ltd.	5.38		5.38		2,387 Equity Shares of ₹10/- each fully paid	0.01		0.01	
19,57,500 Equity Shares of ₹10/- each fully paid					28 6% Cum Redeemable Preference Shares of ₹10/- each fully paid	0.00*		0.00*	
(iii) HCC Real Estate Ltd.					(II) In Subsidiary Companies outside India				
100,00,000 Equity Shares of ₹10/- each fully paid.	10.00		10.00		(i) HCC Mauritius Enterprises Ltd.	22.23		22.23	
194,19,193 Equity Shares of ₹10/- each @ ₹90/- Premium	194.19		194.19		50,05,000 Shares of USD 1 each fully paid				
147,09,597 Equity Shares of ₹.10/- each @ ₹58.17 Premium	100.28		100.28		(ii) HCC Mauritius Investments Ltd.	6.06		-	
132,38,637 Equity Shares of ₹.10/- each @ ₹65/- Premium	99.29		99.29		10,00,000 (Previous year Nil) Equity Shares of USD 1 each fully paid.				
88,25,758 Equity Shares of ₹10/- each @ ₹70/- Premium	70.61		70.61		(III) Investment in Joint Venture				
(iv) HCC Infrastructure Company Ltd.	0.25		0.25		(i) Dhule Palesner Tollway Ltd.	16.38		16.38	
2,50,000 Equity Shares of ₹10/- each fully paid					1,63,80,000 Equity Shares of ₹10/- each fully paid				
(v) Panchkutir Developers Ltd.	50.02		50.02		(IV) Investment in Associate				
14,00,000 Equity Shares of ₹10/- each fully paid					(i) Vikhroli Corporate Park Pvt. Ltd.	1.00		0.20	
(vi) HCC Construction Ltd.	0.05		0.05		10,00,000 (Previous year 2,00,000) Equity Shares of ₹10/- each fully paid				
50,000 Equity Shares of ₹10/- each fully paid					(V) Other Investments:				
(vii) Highbar Technologies Ltd.	6.25		4.95		(i) Walchand Co-op.Housing Society Ltd.	0.00	*	-	*
62,50,000 (Previous year 49,50,000) Equity Shares of ₹10/- each fully paid					5 Equity Shares of ₹50/- each fully paid (₹250/- Unquoted.)				
(viii) Raiganj Dalkhola Highways Ltd.	1.56		1.56		(ii) Shushrusha Citizens Co-Op. Hospitals Ltd.	0.00	*	0.00	*
15,60,000 Equity Shares of ₹10/- each fully paid					100 Equity Shares of ₹100/- each fully paid				
(ix) Baharampore Farakka Highways Ltd.	11.70		11.70		(iii) Housing Development Finance Corporation Ltd.		0.01*		0.01*
1,17,00,000 Equity Shares of ₹10/- each fully paid					15,220 Equity Shares of ₹2/- each fully paid				
					(iv) HDFC Bank Ltd.		0.00*		0.00*
					2,500 Equity Shares of ₹10/- each fully paid				

	As at 31.03.2014		As at 31.03.2013	
	Unquoted	Quoted	Unquoted	Quoted
	₹crore	₹crore	₹crore	₹crore
(v) Khandwala Securities Ltd. 3,332 Equity Shares of ₹10/- each fully paid		0.00*		0.00*
(vi) Hincan Finance Ltd. (Formerly known as Hindustan Finvest Ltd.) 1,20,000 Equity Shares of ₹10/- each fully paid	0.12		0.12	
(B) Investments in Debentures :				
(i) Vikhroli Corporate Park Pvt. Ltd. VCP Ltd. 17.91% Optionally Fully Convertible Debenture Series-I 4,904(Previous year Nil) Debentures of ₹1,00,000/- each fully paid	49.04		-	
VCP Ltd. 6.32% Optionally Fully Convertible Debenture Series-II 2,432(Previous year Nil) Debentures of ₹1,00,000/- each fully paid	24.32		-	
VCP Ltd. 0 % Optionally Fully Convertible Debenture Series-IV 821(Previous year Nil) Debentures of ₹1,00,000/- each fully paid	8.21		-	
	<u>689.94</u>	<u>0.01</u>	<u>601.21</u>	<u>0.01</u>
		<u>689.95</u>		<u>601.22</u>
Details:	Cost	Market Value	Cost	Market Value
1. Aggregate of Investments:	₹crore	₹crore	₹crore	₹crore
(i) Quoted Investments	0.01	1.54	0.01	1.42
(ii) Unquoted Investments	689.94	-	601.21	-
TOTAL	<u>689.95</u>	<u>1.54</u>	<u>601.21</u>	<u>1.42</u>

Note :- * represents amount less than ₹100000.

Note 16 Long Term Loans and Advances

Unsecured, Considered Good

	As at 31.03.2014	As at 31.03.2013
	₹crore	₹crore
a) Capital Advances	0.00	9.12
b) Security and Other Deposits	22.61	27.74

	As at 31.03.2014	As at 31.03.2013
	₹crore	₹crore
c) Advance Payment of Taxes net of provision Advance Tax ₹212.50 crore (Previous Year ₹241.43 crore) including MAT credit entitlement ₹64.40 crore (Previous Year ₹64.40 crore) Provision for Tax ₹100.00 crore, (Previous Year ₹80.59 crore)	112.50	159.32
d) Loans & Advances to Related Parties(Refer note 22.1)*	1071.81	1012.32
e) Loans and advances to Employees	0.24	0.27
f) Advances Recoverable in Cash or in Kind or for Value to be received	4.60	4.54
TOTAL	<u>1,211.76</u>	<u>1213.31</u>

* Loans and advance to related parties represent inter corporate deposit placed with subsidiaries.

Note 17 Long Term Trade Receivables

Unsecured, Considered Good

Trade Receivables	1121.94	695.97
(Including Retention ₹69.30 crore (Previous year ₹50.94 crore)		
Less: Advances Received against Workbill	34.94	30.41
TOTAL	<u>1087.00</u>	<u>665.56</u>

Note 18 Other Non Current Assets

Unsecured, Considered Good

Non Current Bank balances		
(i) Margin Money Deposit	0.11	1.42
TOTAL	<u>0.11</u>	<u>1.42</u>

Note 19 Inventories

(As technically valued and certified by the Management)

a) Stores, Spares and Embedded Goods	255.75	290.80
b) Fuel	9.13	11.32
c) Materials in transit	0.02	0.02
d) Work In Progress:		
Uncompleted Contracts and value of work done	3282.87	3486.73
Less: Advances Received against Workbill	(254.21)	(116.69)
TOTAL	<u>3293.56</u>	<u>3672.18</u>

Note 20 Trade Receivables

Unsecured, Considered Good

a) Outstanding over six months	17.71	6.59
b) Others	608.37	647.90
(including Retention of ₹370.52 crore (Previous year ₹353.28 crore))		
Less: Advances Received against Workbill	(98.75)	(84.30)
TOTAL	<u>527.33</u>	<u>570.19</u>

a) Cash and Cash Equivalents

b) Other Bank Balances

Unsecured. Considered Good

iii) Earnest Money and other Deposits	8.83	12.16
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Loans and advances/ICD given to Subsidiaries.

xiii)	HCC Infrastructure Co. Ltd.	Subsidiary of HCC	224.54	618.22	129.26	606.81	844.53	736.08
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22.3 Loans and Advances include an amount due from an Officer of the Company ₹NIL (previous year ₹0.02 crore). Maximum amount outstanding for the period ₹0.02 crore (previous year ₹0.05 crore).

	As at 31.03.2014	As at 31.03.2013
	₹ crore	₹ crore
Note 23 Other Current Assets		
Interest Accrued on others	6.24	8.86
TOTAL	<u>6.24</u>	<u>8.86</u>

	For the year ended 31.03.14	For the year ended 31.03.13
	₹crore	₹crore
Note 24 Revenue from operations		
a) Contract Revenue		
Contract Revenue	3,885.74	3,634.15
Add: Company's Share of Turnover in Integrated Joint Ventures(refer note 37)	74.01	0.20
b) Sale of Products	152.32	199.30
c) Other Operating Income	1.42	5.00
TOTAL	<u>4,113.49</u>	<u>3,838.65</u>

Note 25 OTHER INCOME

	As at 31.03.14	As at 31.03.13
	₹crore	₹crore
a) Interest Income	123.07	105.78
b) Dividend Income	0.02	0.02
c) Other Non Operating Income		
i) Miscellaneous Income	82.98	1.21
ii) Profit / (Loss) on Sale of Assets (net)	6.72	27.33
iii) Profit on Sale of Investments (net)	0.80	-
TOTAL	<u>213.59</u>	<u>134.34</u>

25.1 Miscellaneous Income includes amount no longer payable of ₹81.50 crore pursuant to a settlement arrived with creditor.

Note 26 COST OF MATERIAL CONSUMED

	As at 31.03.14	As at 31.03.13
	₹crore	₹crore
Stock at Commencement	15.81	19.28
Add: Purchases	62.87	52.98
	78.68	72.26
Less: Scrap and Unserviceables Sold	1.16	0.33
	77.52	71.93
Less: Stock at Close	9.84	15.81
TOTAL	<u>67.68</u>	<u>56.12</u>

Note 27 CONSTRUCTION EXPENSES

a) Construction Material Consumed:		
Stock at Commencement	274.99	309.84
Add: Purchases	952.58	1,214.99
	1227.57	1524.83
Less: Scrap and Unserviceables Sold	22.39	15.23
	1205.18	1509.60
Less: Stock at Close	245.91	274.99
Total	<u>959.27</u>	<u>1234.61</u>
b) Sub-Contract, Transportation, Hire etc.	1616.38	1,391.69
c) Power and Fuel	212.37	199.89

	For the year ended 31.03.14	For the year ended 31.03.13
	₹crore	₹crore
d) Repairs to Machinery	6.77	7.39
e) Other Repairs	4.12	1.87
f) Rent	18.65	30.21
g) Water Charges	1.74	4.52
TOTAL	<u>2,819.30</u>	<u>2,870.18</u>

- 27.1 Sub-contract, transportation, hire etc. include insurance ₹39.34 crore (previous year ₹38.48 crore), rates and taxes ₹204.36 crore (previous year ₹168.59 crore) and lease rent ₹20.80 crore (previous year ₹273.9 crore).
- 27.2 Light vehicle expenses grouped under construction expenses include insurance ₹1.51 crore (previous year ₹1.91 crore) and taxes ₹0.10 crore (previous year ₹0.21 crore).
- 27.3 The Company has taken various construction equipments and vehicles under non cancelable operating leases. The future minimum lease payments in respect of these as at 31st March, 2014 are as follows.

	As at 31.03.14	As at 31.03.13
	₹crore	₹crore
Minimum Lease Rental payments		
i) Payable Not Later than one year	9.85	21.12
ii) Payable Later than one year and not later than five years	3.05	12.90
iii) Payable Later than five years	-	-
	<u>12.90</u>	<u>34.02</u>

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

	As at 31.03.14	As at 31.03.13
	₹crore	₹crore
Note 28 EMPLOYEE BENEFIT EXPENSES		
a) Salaries and Wages	344.40	358.04
b) Contribution to Provident and other funds	21.60	19.62
c) Staff Welfare Expenses	22.46	24.37
TOTAL	<u>388.46</u>	<u>402.03</u>

- 28.1 Remuneration paid to Chairman & Managing Director is in excess of the limits specified in Schedule XIII of the Companies Act, 1956 by ₹10.18 crore (previous year ₹10.18 crore). The Company has made an application seeking approval from Central Government. Approval for both the years is awaited.

Note 29 FINANCE COST

a) Interest Expense		
(i) On Debentures	23.10	20.35
(ii) On Other Accounts	561.38	496.29
b) Other Borrowing costs		
(i) Guarantee, Commission and Charges	15.21	15.95
(ii) Finance Charges	8.30	11.56
	607.99	544.15
Less: Interest Capitalised	0.05	0.05
TOTAL	<u>607.94</u>	<u>544.10</u>

	For the year ended 31.03.14 ₹crore	For the year ended 31.03.13 ₹crore
Note 30 OTHER EXPENSES		
(a) Stationery, Postage, Telephone & Advertisement	6.58	6.74
(b) Travelling and Conveyance	14.42	14.51
(c) Rent	13.43	12.98
(d) Rates and Taxes	16.68	2.14
(e) Insurance	3.16	4.50
(f) Professional Charges	22.63	22.35
(g) Repairs and Maintenance	5.29	4.22
(h) Building Maintenance	6.12	6.17
(i) Directors' Fees	0.16	0.22
(j) Auditors' Remuneration:		
(ii) Audit Fees	0.64	0.64
(iii) Tax Audit Fees	0.16	0.16
(iii) For Reviews and Certification Work	0.65	0.63
(iv) Reimbursement of Out of Pocket Expenses	0.01	0.01
	1.46	1.44
(k) Miscellaneous Expenses	14.34	13.62
(l) Computer Maintenance & Development Expenses	13.88	13.02
(n) Loss on Sale of investment	13.85	14.57
(o) Exchange Loss (net)	0.77	-
TOTAL	132.77	116.48

30.1 In accordance with Accounting Standard 11 (Revised) the net exchange Loss debited to Statement of Profit & Loss is ₹13.85 crore (previous year Loss ₹14.57 crore).

Note 31 EXCEPTIONAL ITEMS

Nature of (Expense)/Income

Interest Cost relief due to CDR Package	-	(45.98)
Professional Charges in relation to CDR Package	-	30.40
TOTAL	-	(15.58)

32. EARNING PER SHARE

Basic EPS

A. Profit/(Loss) computation for basic earnings per share of ₹1/-each		
Net Profit as per Profit & Loss Account available for		
Equity shareholders	(₹crore)	80.64 (137.64)
B. Weighted average number of Equity shares for		
EPS computation	(Nos.)	60,66,10,420 60,66,10,420

32. EARNING PER SHARE Contd.

C. EPS (weighted average)		
Basic EPS (before and after Extraordinary Items)	(₹)	1.33 (2.27)

Diluted EPS

A. Profit/(Loss) computation for diluted earnings per share of ₹1/-each		
Net Profit as per Profit & Loss Account available for		
Equity shareholders	(₹crore)	80.64 (137.64)
B. Weighted average number of Equity shares for		
EPS computation	(Nos.)	60,66,10,420 60,66,10,420
Diluted EPS (before and after Extraordinary Items)	(₹)	1.33 (2.27)

33. Contingent Liabilities

	As at 31.03.2014 ₹crore	As at 31.03.2013 ₹crore
(i) Counter Indemnities given to Banks, in respect of contracts:		
(a) For works in India (Secured on all the assets)	1,117.58	962.99
(b) *For works abroad (secured by ECGC counter guarantees)	54.06	101.11
*(Converted in rupees at the rate fixed by the Bank)		
(ii) Claims not acknowledged as debts by the Company.	3.21	3.89
(iii) Income Tax Liability (AY 2008-09) that may arise in respect of which Company is in appeal	24.63	21.66
(The first appellate authority has decided almost all matters, except one, in favour of the Company resulting in substantial reduction in the tax liability provided in financial year 2010-11. Now company is in appeal before Income tax Appellate Tribunal for entitlement of actual loss claimed for the project instead of estimated loss.)		
(iv) Sales Tax liability / Works Contract Tax liability / Service Tax / Customs Liability that may arise in respect of matters in appeal (Net of an amount of ₹6.85 crore (previous year ₹6.85 crore) recoverable from Clients as per the terms of contract)	79.88	30.94
(vi) Corporate Guarantees:		
The Company has provided an undertaking to pay in the event of default on loan given by a bank to subsidiary, fellow subsidiary and Joint Ventures.		
a) Lavasa Corporation Limited	551.79	664.89
b) HCC Mauritius Enterprises Ltd.	110.94	167.78
c) HCC Mauritius Investment Ltd.	92.42	-

33. Contingent Liabilities	As at 31.03.2014 ₹crore	As at 31.03.2013 ₹crore
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d) HCC Infrastrucutre Limited	300.00	300.00
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34. The Income-tax assessments of the Company have been completed upto the accounting year ended 31st March, 2010. Few appeals preferred by the Company are pending before appellate authorities.
35. Company has invested ₹474.36 crore in HCC Real Estate Ltd. (HREL) and the outstanding balance of loans and advances as on 31st March 2014 amounts to ₹391.77 crore. The consolidated networth of HREL as on 31st March, 2014 is ₹(18.38) crore. Considering the intrinsic value of the assets of the business under the fold of HREL such as LAVASA etc, wherein, the potential of market appreciation over book value is substantially high, the networth of HREL does not represent its true market value. The diminution is of temporary nature and the loans together with interest accrued thereon are good and recoverable.
36. Company has also invested in HCC Infrastructure Ltd. (HIL) ₹0.25 crore and there are outstanding loans and advances of ₹842.76 crore as of 31st March, 2014. The consolidated networth of HIL as on 31st March 2014 is ₹(193.33) crore. HIL is engaged in the business of building infrastructure on BOT(Build, Operate and Transfer) basis through specific SPVs for each projects under HCC Concessions Ltd. These BOT projects do takes beyond 15 to 20 years to unlock its true potential. These businesses also generate captive construction contracts to the Parent company. Therefore the diminution in the value of HCC Infrastructure Ltd. is temporary in nature and the Loans given together with the interest thereon are good and recoverable.
37. Uncompleted Contracts and Value of Work Done, Long Term Trade Receivable and Short Term Loans and Advances as at 31st March, 2014 include claims of ₹445.53 crore, ₹34.33 crore and ₹38.50 crore respectively. These claims and receivables are overdue for long period and mainly in respect of certified work done, cost over-run arising due to client caused delays, 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 on a continuing basis. Considering the contractual tenability, progress of negotiation/discussion with client and based on the past experience of the Company, the management is reasonably confident of the recovery of the same.
38. In compliance with the Accounting Standards as applicable to its nature of business, the company has been recognizing the Revenue, on receipt of favourable Arbitration Awards on its claims including interest as awarded from time to time. The aggregate amount outstanding in the books as of 31st March, 2014 is ₹1299.68 crore (previous year ₹737.05 crore). Five of such Arbitration Awards were set-aside by different courts, such as Dist Court/High Courts aggregating to ₹105.44 crore (previous year ₹105.44crore) (excluding interest of 12% from the date of 13th feb, 2004 on one of the award amounting to ₹17.81 crore), on appeal by clients. On examining the merits of the claims/ Arbitration Awards/Court Judgments, the company has preferred Appeals at Higher Court/Supreme Court as the case may be. Under the circumstances, the company has been legally advised that it has good case on merits and therefore no provision considered necessary.
39. Trade Receivable and Uncompleted Contracts and Value of Work Done (net of client advances) as at 31st March, 2014 include ₹17.55 crore and ₹18.24 crore in respect of a project which has been handed over to the client and ₹3.41 crore and ₹29.95 crore in respect of two projects for which work has been suspended by client. The company is in continuous dialogue with the client and also contemplating appropriate legal action for realization of these dues. Management is reasonably confident of recovery of these amounts.
40. 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". 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 31st March is ₹33.14 crore (previous year ₹32.99 crore). 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.

41. The Company has a single segment namely "Engineering & Construction". Therefore, the Company's business does not fall under different business segments as defined by Accounting Standard 17- "Segmental Reporting" referred to in subsection (3C) of section 211 of the Companies Act, 1956.
42. Disclosure in accordance with Accounting Standard - 7 (Revised) - Amount due from / to customers on Construction Contracts.

	₹crore	₹crore
	2013-14	2012-13
Contract Revenue for the period	3,889.75	3,649.41
Contract Costs incurred till date	22,741.92	19,551.95
Recognised Profits / Losses till date	3,056.59	2,356.80
Advances received from Customer	900.64	1,104.05
Retention Money	343.17	308.21
Gross amount due from Customer for Contract Work	3,297.94	3,641.06
Gross amount due to Customer for Contract Work	-	-

Note :- The above information is given only in respect of contracts entered into on or after 01.04.03.

43. (a) Contracts executed by the following Joint Ventures are accounted for as per accounting policy no. 1.13(a)
- | | |
|--------------------------------|--|
| i) HCC-Van Oord Joint Venture | ix) HCC – MEIL - CBE Joint Venture |
| ii) Samsung- HCC Joint Venture | x) HCC – MEIL - BHEL Joint Venture |
| iii) L & T - HCC Joint Venture | xi) HCC – MEIL - SEW- AAG Joint Venture |
| iv) HCC- KBL Joint Venture | xii) HCC – MEIL - SEW Joint Venture |
| v) HCC- NCC Joint Venture | xiii) HCC-Halcrow Joint Venture |
| vi) HCC- CEC Joint Venture | xiv) HCC-Laing-Sadbhav |
| vii) HCC- NOVA Joint Venture | xv) HCC -MEIL- NCC- WPIL Joint Venture |
| viii) HCC – CPPL Joint Venture | xvi) MEIL- IVRCL- HCC - WPIL Joint Venture |
- (b) Contracts executed by the following Joint Ventures are accounted for as per accounting policy no. 1.13(b)

Name of the Venture	Name of Venture/s Partner/s	Method of Accounting	Share of Interest
HCC-L&T Purulia	Larsen & Toubro Ltd.	Percentage completion	57%
HCC-Pati	Pati Sendirian, Berhad	Percentage completion	50%
Nathpa Jhakri	Impregilio Spa, Italy	Completed Contract	40%
Kumagai-Skanska	Skanska, Kumagai	Completed Contract	19.60%
HCC-Itochu Group	Itochu		

Name of the Venture	Name of Venture/s Partner/s	Method of Accounting	Share of Interest
Alpine - Samsung - HCC	Alpine Meyreder Bau , Samsung Corporation	Percentage completion	33%
Alpine - HCC	Alpine Meyreder Bau	Percentage completion	49%
HCC Samsung Joint Venture CC 34	Samsung	Percentage completion	50%
Dhule Palesner Tollway Ltd.	HCC Infrastructure Ltd., John Laing Investment Ltd., John Laing Investments Mauritius (No 1) Ltd., Sadbhav Engineering Ltd., Sadbhav Infrastructure Projects Ltd.	Percentage completion	26%

In respect of Joint Ventures the Company alongwith other JV members is jointly & severally responsible for performance of the contracts.

44. Financial Interest in Jointly Controlled Entities.

	HCC's Share of						₹crore
	Assets	Liabi- ties	Turno- ver	Other In- come	Ex- penses	Capital Com- mit- ment	Con- ting- ent Liabil- ity
Name of the Joint Venture	As at 31.03.2014				For the period ended 31.03.2014		
HCC-L&T Purulia Joint Venture	5.76 (5.77)	0.87 (0.87)	-	- (0.01)	0.01 (0.01)	-	- 0.57
HCC-Pati Joint Venture	3.52 (3.52)	5.22 (5.22)	-	- -	- 0.00	-	- -
Nathpa Jhakri Joint Venture	5.91 (4.45)	0.01 (0.03)	-	2.57 (0.16)	1.10 (-1.57)	-	2.28 -
Kumagai- Skanska HCC-Itochu Group	0.33 (0.50)	3.09 (3.27)	(0.20)	0.03 (0.03)	0.03 (0.26)	-	4.22 (-4.46)
Dhule Palesner Tollway Ltd.	306.33 (303.66)	306.33 (303.66)	29.01 (19.92)	0.12 (0.41)	63.61 (59.92)	13.52 (-41.6)	- -
Alpine- Samsung- HCC Joint Venture	5.38 (9.72)	27.54 (31.48)	- -	0.38 (0.08)	0.79 (6.18)	-	- (-0.03)

	HCC's Share of							₹ crore
	Assets	Liabi- ties	Turno- ver	Other In- come	Ex- penses	Capital Com- mit- ment	Con- tin- gent Liabil- ity	
Name of the Joint Venture	As at 31.03.2014				For the period ended 31.03.2014			
HCC	129.19	126.05	74.01	1.54	72.41	90.93	-	
Samsung Joint Venture CC 34	(13.92)	(13.92)	-	-	-	(-58.45)	-	
Alpine-HCC Joint Venture	1.96 (4.88)	10.12 (11.88)	- -	0.01 (0.01)	1.16 (0.42)	- -	- -	
TOTAL	458.38 (346.42)	479.25 (370.32)	103.02 (20.12)	4.66 (0.70)	139.11 (65.22)	104.45 (100.05)	6.50 (5.06)	

Note: Figures in brackets pertain to previous year.

45. Disclosure of derivative instruments and unhedged foreign currency exposure as at balance sheet date

(a) Derivatives outstanding as at the reporting date

Particulars	Purpose	Currency	31-Mar-14	31-Mar-13
Options	Hedging	USD	-	4.58

- (b) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	As on 31-Mar-14		As on 31-Mar-13	
		Foreign Currency in crore	₹crore	Foreign Currency in crore	₹crore
Liabilities:					
Loans from Banks	USD	3.50	210.30	3.60	196.13
Trade Payables	USD	0.02	1.35	0.04	2.16
	EUR	0.32	26.43	0.48	33.87
	SGD	0.00	0.15	0.03	1.26
	AUD	0.01	0.62	-	-
	SEK	-	-	0.08	0.68
Assets:					
Inter Corporate Deposits and interest thereon	USD	1.38	82.14	1.34	72.27
Trade Receivables	EUR	0.44	37.35	0.89	62.28
Bank balances	USD	0.01	0.70	0.01	0.58
	EUR	0.37	30.42	0.05	3.33

46. (i) Additional information pursuant to the provisions of part II of Schedule VI to the Companies Act, 1956 (wherever applicable).

		₹ crore	
		2012-14	2011-13
A. Value of Imports calculated on CIF Basis :			
(i) Raw Material		9.27	11.49
(ii) Components, embedded goods and spare-parts		25.58	132.98
(iii) Capital goods		26.48	6.06

B. Expenditure in foreign currencies :

(i) Sub Contracting	95.12	132.84
(ii) Professional, Technical & Consultancy	18.67	11.60
(iii) Salary to Expatriate	8.27	6.00
(iv) Interest	6.09	1.23
(v) Others	9.39	9.69
Total	137.53	161.36

C. Value of imported and indigenous components, embedded goods and spare parts consumed:

	2013-14		2012-13	
	₹crore	%	₹crore	%
(i) Imported into India	127.05	11.02	18.24	1.41
(ii) Indigenous, to the site	1,025.95	88.98	1,272.49	98.59
Total	1153.00	100.00	1,290.73	100.00

D. Earnings in foreign currencies 2013-14 2012-13
(on accrual basis)

Export of goods or services on F.O.B. basis work bills realised on contracts and Interest income	127.68	44.74
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(ii) Additional Information pursuant to the provisions of paragraphs 3 & 4 of part II of Schedule VI to the Companies Act, 1956 .

Class of Goods	Unit	Opening Stock	Production Quantity	Sales Quantity	Sales Value	Closing Stock Quantity	Closing Stock Value
Aggregate	MT	451,182	1,661,891	1,811,187	73.86	294,325	785
Class of Goods	Unit	Material Consumed	Material Consumption				
Aggregate	MT	1,818,748	60.46				
Structural Steel			6.05				
Others			1.17				
			67.68				

47. Private Equity Investment and Consolidation of BOT SPVs

During the year 2011-12, HCC transferred it's equity shareholding in HCC Concessions Ltd. (HCL) to HCC Infrastructure Company Ltd.(HIL) to consolidate BOT businesses, rendering HCL 100% subsidiary of HIL.

Pursuant to Shareholders Agreement (SHA) executed on 9th August 2011, Xander Investment Holding XXVI Limited (Xander), has acquire 14.55% equity stake in the HCC Concessions Ltd., by subscribing to equity shares and Compulsorily Convertible Preference Shares (CCCPs) for a total consideration of ₹240 crore. The CCCPS shall be compulsorily convertible at the earlier of (a) a Qualified IPO (b) 10 years from the date of their issuance (c) In the event the entire shareholding of any of the Group Entities listed at Annexure 2.10 is not sold and transferred to the Company within the time periods set forth at Section 2.10, the Investor shall have the right to seek conversion of all or part of the CCPs held by it into Equity Shares in accordance with the formula set forth at Annexure 2.14 to increase in the Shareholding of the Investor in the Company. The Investor may exercise its right to seek conversion under this sub-section, anytime within 2 (two) years from the Transfer Date..

As per SHA and SSA, HCC is required to hold 100% equity stake in HIL until Private Equity Investor gets an exit from HCL through an IPO or otherwise and there are certain customary restrictions on pledging / creation of any encumbrance over shares / assets of HCL/ BOT SPVs.

The Company has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highway Ltd., Farakka - Raiganj Highway Ltd., Dhule Palesner Tollway Ltd., and Raiganj - Dalkhola Highway Ltd. to NHAI, it will not transfer its shareholding till the commercial operation date The company has entered into sales agreement with HCC Concession Ltd. to sell these shares at book value at future date on fulfillment of obligation as per undertaking given to NHAI. The company has received advance consideration of ₹42.64 crore for transfer of the above shares at book value from HCC Concession Ltd., subject to necessary approvals and consents to the extent required in the following BOT SPV's:

Name of BOT SPV	No. of shares	₹crore
Baharampore Farakka Highways Limited	11,700,000	11.70
Farakka Raiganj Highways Limited	13,000,000	13.00
Raiganj Dalkhola Highways Limited	1,560,000	1.56
Dhule Palesner Tollway Limited	16,380,000	16.38
Total	42,640,000	42.64

48. Disclosure relating to Employee Benefits - As per Revised AS - 15

	2013-14		2012-13	
	Non Funded		Non Funded	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A. Expenses recognised in the statement of Profit & Loss Account for the period ended 31.03.2014				
1. Current Service Cost	2.60	0.82	2.89	2.25
2. Interest Cost	2.33	1.13	2.20	1.22
3. Expected Return on Plan Assets	-	-	-	-
4. Net Actuarial (Gain) / Loss recognised during the year	(2.24)	(1.32)	0.01	(3.48)
5. Settlements cost/ others	1.54	(0.19)	0.08	1.48
Total Expenses / (Income)	4.23	0.44	5.18	1.47

B. Net Asset / (Liability) recognised in the Balance Sheet

1. Present value of the obligation.	26.80	11.72	28.23	13.72
2. Fair value of Plan Assets	-	-	-	-
3. Funded Status (surplus / deficit)	-	-	-	-
Net Asset / (Liability) recognised in the Balance Sheet	26.80	11.72	28.23	13.72
4. Add: a. Provision for separated employees/ Others	2.15	0.08	1.13	0.35
b. Provision at overseas branch	-	-	-	0.22

48. Disclosure relating to Employee Benefits - As per Revised AS - 15

₹crore

	2013-14		2012-13	
	Non Funded		Non Funded	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Total provision	28.95	11.80	29.36	14.29

C. Change in Present value of obligation

1. Present value of obligation as on April 1, 2013	28.23	13.72	25.91	14.35
2. Current Service Cost	2.60	0.82	2.89	2.25
3. Interest Cost	2.33	1.13	2.20	1.22
4. Benefits paid	(4.12)	(2.63)	(2.78)	(0.62)
5. Net Actuarial (Gain) / Loss recognised during the year	(2.24)	(1.32)	0.01	(3.48)
Present value of obligation as per actuarial valuation as at March 31, 2014	26.80	11.72	28.23	13.72
6. Add: a. Provision for separated employees/ others	2.15	0.08	1.13	0.35
b. Provision at overseas branch	-	-	-	0.22
Total Provision	28.95	11.80	29.36	14.29

D. Actuarial assumptions:

i. Discount Rate	9.33% p.a.	8.25% p.a.
ii. Salary Escalation - over a long term	8.00% p.a.	8.00% p.a.
iii. Mortality rate	Indian Assured Lives - Mortality (2006-08) Ultimate	Indian Assured Lives - Mortality (2006-08) Ultimate
iv. Average future working lifetime	14 years.	14 years.
v. The attrition rate varies from 2% to 8% (previous year 2% to 8%) for various age groups.		

E. Accumulated compensated absences (non vesting)

49. Actuarial valuation provision on account of sick leave of ₹1.59 crore (previous year ₹1.74 crore) has been made as on 31.03.2014.

	Non-current (Note No.8)		Current (Note No.12)	
	As at		As at	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹crore	₹crore	₹crore	₹crore
Gratuity	24.88	25.93	4.07	3.43
Leave Encashment	9.01	10.24	2.79	4.05
Sick Leave Encashment	-	-	1.59	1.74
	33.89	36.17	8.45	9.22

50. Disclosure in accordance with Accounting Standard -18 Related Party Transactions

A. Names of Related Parties & Nature of Relationship

a) Subsidiaries & its Subsidiaries:

No.	NAME OF THE COMPANY	Relationship	% of Holding	Parent Company
1	Western Securities Ltd.	Subsidiary	97.87	Hindustan Construction Co Ltd.
2	HCC Real Estate Limited	Subsidiary	100	Hindustan Construction Co Ltd.
3	Panchkutir Developers Ltd.	Subsidiary	100	Hindustan Construction Co Ltd.
4	HCC Mauritius Enterprises Ltd.	Subsidiary	100	Hindustan Construction Co Ltd.
5	Hincon Technoconsult Ltd.*	Subsidiary	100	Hindustan Construction Co Ltd. upto 3.12.2013
6	HCC Construction Ltd.	Subsidiary	100	Hindustan Construction Co Ltd.
7	Highbar Technologies Ltd.	Subsidiary	100	Hindustan Construction Co Ltd.
8	HCC Infrastructure Company Ltd.	Subsidiary	100	Hindustan Construction Co Ltd.
9	HRL Township Developers Ltd.	Subsidiary	100	HCC Real Estate Ltd.
10	HRL (Thane) Real Estate Ltd.	Subsidiary	100	HCC Real Estate Ltd.
11	Nashik Township Developers Ltd.	Subsidiary	100	HCC Real Estate Ltd.
12	Maan Township Developers Ltd.	Subsidiary	100	HCC Real Estate Ltd.
13	Charosa Wineries Ltd.	Subsidiary	100	HCC Real Estate Ltd.
14	Powai Real Estate Developer Ltd.	Subsidiary	100	HCC Real Estate Ltd.
15	HCC Realty Ltd.	Subsidiary	100	HCC Real Estate Ltd.
16	Pune Paud Toll Road Co. Ltd.	Subsidiary	100	HCC Real Estate Ltd.
17	HCC Aviation Ltd.	Subsidiary	100	HCC Real Estate Ltd.
18	Steiner AG	Subsidiary	100	HCC Mauritius Enterprises Ltd. 66% HCC Mauritius Investments Ltd. 34%
19	Steiner Promotions et Participations SA	Subsidiary	100	Steiner- AG
20	Steiner (Deutschland) GmbH	Subsidiary	100	Steiner- AG
21	VM + ST AG	Subsidiary	100	Steiner- AG
22	Steiner Leman SAS	Subsidiary	100	Steiner- AG
23	SNC Valleiry Route de Bloux	Subsidiary	100	Steiner- AG
24	Eurohotel SA	Subsidiary	95	Steiner- AG
25	Steiner India Ltd.	Subsidiary	100	Steiner- AG

No.	NAME OF THE COMPANY	Relationship	% of Holding	Parent Company
26	Highbar Technologies FZLLC	Subsidiary	100	Highbar Technologies Ltd.
27	Dhule Palesner Operations & Maintenance Ltd.	Subsidiary	100	HCC Infrastructure Company Ltd.
28	HCC Power Limited	Subsidiary	100	HCC Infrastructure Company Ltd.
29	HCC Concession Ltd.	Subsidiary	85.45	HCC Infrastructure Company Ltd.
30	HCC Operation and Maintenance Ltd.	Subsidiary	100	HCC Infrastructure Company Ltd.
31	Narmada Bridge Tollway Ltd.	Subsidiary	100	HCC Concession Ltd.
32	Badarpur Faridabad Tollway Ltd.	Subsidiary	100	HCC Concession Ltd.
33	Nirmal Bot Ltd.	Subsidiary	100	HCC Concession Ltd.
34	Baharampore-Farakka Highways Ltd.	Subsidiary	100	HCC Concession Ltd. 74%, Hindustan Construction Co Ltd. 26%
35	Farakka-Raiganj Highways Ltd.	Subsidiary	100	HCC Concession Ltd. 74%, Hindustan Construction Co Ltd. 26%
36	Raiganj-Dalkhola Highways Ltd.	Subsidiary	100	HCC Concession Ltd. 90%, Hindustan Construction Co Ltd. 10%
37	Lavasa Corporation Limited	Subsidiary	68.7	HCC Real Estate Ltd.
38	Lavasa Hotel Limited	Subsidiary	100	Lavasa Corporation Ltd.
39	Apollo Lavasa Health Corporation Ltd.	Subsidiary	62.5	Lavasa Corporation Ltd.
40	Dasve Business Hotel Ltd.	Subsidiary	100	Lavasa Corporation Ltd.
41	Dasve Convention Center Ltd.	Subsidiary	100	Lavasa Corporation Ltd.
42	Lakeshore Watersports Co. Ltd.	Subsidiary	100	Lavasa Corporation Ltd.
43	Dasve Hospitality Institutes Ltd.	Subsidiary	100	Lavasa Corporation Ltd.
44	Lakeview Clubs Limited	Subsidiary	100	Lavasa Corporation Ltd.
45	Dasve Retail Ltd.	Subsidiary	100	Lavasa Corporation Ltd.
46	Full Spectrum Adventure Ltd.	Subsidiary	91	Lavasa Corporation Ltd.
47	Spotless Laundry Services Ltd.	Subsidiary	76	Lavasa Corporation Ltd.
48	Lavasa Bamboocrafts Ltd.	Subsidiary	100	Lavasa Corporation Ltd.

No.	NAME OF THE COMPANY	Relationship	% of Holding	Parent Company
49	Green Hills Residences Limited	Subsidiary	60	Lavasa Corporation Ltd.
50	My City Technology Limited	Subsidiary	63	Lavasa Corporation Ltd.
51	Reasonable Housing Limited	Subsidiary	100	Lavasa Corporation Ltd.
52	Future City Multiservices SEZ Limited (Formerly Known as Minfur Interior Technologies Limited)	Subsidiary	100	Lavasa Corporation Ltd.
53	Rhapsody Commercial Space Limited (formerly known as Rhapsody Hospitality Limited)	Subsidiary	100	Lavasa Corporation Ltd.
54	Sirrah Palace Hotels Limited	Subsidiary	100	Lavasa Corporation Ltd.
55	Valley View Entertainment Limited	Subsidiary	100	Lavasa Corporation Ltd.
56	Whistling Thrush Facilities Services Limited	Subsidiary	51	Lavasa Corporation Ltd.
57	Warasgaon Power Supply Limited	Subsidiary	100	Lavasa Corporation Ltd.
58	Sahyadri City Management Limited	Subsidiary	100	Lavasa Corporation Ltd.
59	Warasgaon Tourism Limited	Subsidiary	100	Lavasa Corporation Ltd.
60	Our Home Service Apartments Limited	Subsidiary	100	Lavasa Corporation Ltd.
61	Hill City Service Apartments Limited	Subsidiary	100	Lavasa Corporation Ltd.
62	Warasgaon Infrastructure Providers Limited	Subsidiary	100	Lavasa Corporation Ltd.
63	Kart Racers Limited	Subsidiary	100	Lavasa Corporation Ltd.
64	Nature Lovers Retail Limited	Subsidiary	100	Lavasa Corporation Ltd.
65	Osprey Hospitality Limited	Subsidiary	100	Lavasa Corporation Ltd.
66	Mugaon Luxury Hotels Limited	Subsidiary	100	Lavasa Corporation Ltd.
67	Starlit Resort Limited	Subsidiary	100	Lavasa Corporation Ltd.

No.	NAME OF THE COMPANY	Relationship	% of Holding	Parent Company
68	Rosebay Hotels Limited	Subsidiary	100	Lavasa Corporation Ltd.
69	Warasgaon Valley Hotels Limited	Subsidiary	100	Lavasa Corporation Ltd.
70	Hill View Parking Services Limited	Subsidiary	100	Lavasa Corporation Ltd.
71	Warasgaon Assets Maintenance Limited	Subsidiary	100	Lavasa Corporation Ltd.
72	Verzon Hospitality Limited	Subsidiary	100	Lavasa Corporation Ltd.
73	HCC Mauritius Investments Ltd.	Subsidiary	100	Hindustan Construction Co Ltd. (W.e.f. 04.10.2013)

b) Integrated Joint Ventures:

1) Nathpa Jhakri Joint Venture	6) Alpine - HCC Joint Venture
2) HCC-Pati Joint Venture	7) Dhule Palesner Tollway Ltd.
3) Kumagai-Skanska-HCC-Itochu Group	8) HCC Samsung Joint Venture CC 34
4) HCC-L & T Purulia Joint Venture	9) ARGE Prime Tower, Zürich
5) Alpine - Samsung - HCC Joint Venture	

c) Associates & Other Related Parties

1)	Warasgaon Lake View Hotels Limited (Previously known as Lavasa Star Hotel Limited)
2)	Andromeda Hotels Limited
3)	Bona Sera Hotels Ltd.
4)	Knowledge Vistas Limited
5)	Ecomotel Hotel Limited
6)	Evostate AG
7)	MCR Managing Corp. Real Estate
8)	Projektentwicklungsges. Parking Kunstmuseum AG
9)	Vikhroli Corporate Park Pvt. Ltd.
10)	Gulabchand Foundation (formed under section 25 of Companies' Act, 1956)
11)	Hincon Holdings Ltd.
12)	Hincon Finance Ltd.

* In case of Hincan Technoconsult Ltd. it became 100% subsidiary of Highbar Technologies Ltd. after 03.12.2013 and same is merged in Highbar Technologies Ltd. as per scheme of merger, Court order dated 04.04.2014

B. Key Management Personnel

i)	Shri Ajit Gulabchand	Chairman & Managing Director
ii)	Shri Rajgopal Nogja	Group Chief Operating Officer & Whole Time Director
iii)	Shri Arun Karambelkar	President & Chief Executive Officer - E&C
iv)	Shri Praveen Sood	Group Chief Financial Officer
v)	Shri V. P. Kulkarni	Company Secretary

C. Transactions with Related Parties:

Nature of Transactions	Subsidiary Companies	Integrated JV's	₹crore Other Related Parties
Sale of material			
HCC Samsung Joint Venture CC 34	-	0.10	-
	(-)	(-)	(-)
Total	-	0.10	-
	(-)	-	(-)
Purchase of Fixed Assets			
Hincon Finance Ltd.	-	-	0.04
	(-)	(-)	-
Total	-	-	0.04
	(-)	(-)	-
Sale of Assets			
HCC Samsung Joint Venture CC 34	-	0.52	-
	(-)	(-)	(-)
Hincon Finance Ltd.	-	-	-
	(-)	(-)	(0.01)
Total	-	0.52	-
	(-)	(-)	(0.01)
Rendering of Services / Financial Income			
Lavasa Corporation Ltd.	26.62	-	-
	(37.53)	(-)	(-)
Vikhroli Corporate Park Pvt. Ltd.	-	-	92.35
	-	(-)	(-)
Hincon finance Ltd.	-	-	-
	(-)	(-)	(0.52)
Nathpa Jhakri Joint Venture	-	-	-
	(-)	(0.02)	(-)
HCC Infrastructure Company Ltd.	94.83	-	-
	(94.35)	(-)	(-)
HCC Samsung Joint Venture CC 34	-	1.52	-
	(-)	(-)	(-)
Others	39.87	0.02	0.52
	(22.86)	(-)	(-)
Total	161.32	1.54	92.87
	(154.74)	(0.02)	(0.52)
Receiving of Services			
HCC Concessions Ltd. (Formerly HCC Infrastructure Ltd.)	0.35	-	-
	(0.81)	(-)	(-)

Nature of Transactions	₹ crore		
	Subsidiary Companies	Integrated JV's	Other Related Parties
HCC Operation and Maintaince Ltd.	4.31	-	-
	-	(-)	(-)
Highbar Technologies Ltd.	7.71	-	-
	(6.68)	(-)	(-)
Vikhroli Corporate Park Pvt. Ltd.	-	-	21.59
	(-)	(-)	(20.43)
Others	0.05	-	0.52
	(0.27)	(-)	-
Total	12.42	-	22.11
	(7.76)	(-)	(20.43)
Work Bill Receipts incl sales			
	-	(1.36)	-
	(-)	(48.46)	(-)
Baharampore Farakka Highways Ltd.	277.94	-	-
	(283.18)	(-)	(-)
Farakka Raiganj Highways Ltd.	286.81	-	-
	(230.28)	(-)	(-)
HCC Samsung Joint Venture CC 34	-	-	-
	-	(5.00)	-
Others	17.12	-	-
	(2.94)	(-)	(-)
Total	581.87	(1.36)	-
	(516.40)	(53.46)	(-)
Share application money given (pending Allotment)			
Dhule Palesner Tollway Ltd.	-	-	-
	(-)	(4.64)	(-)
Raiganj Dalkola Highways Ltd.	1.44	-	-
	(1.44)	(-)	(-)
Total	1.44	-	-
	(1.44)	(4.64)	(-)
Investment made during the year			
Highbar Technologies Ltd.	1.30	-	-
	(-)	-	(-)
Vikhroli Corporate Park Pvt. Ltd.	-	-	-
	(-)	(-)	(-)
Baharampore -Farakka Highway Ltd.	-	-	-
	(5.62)	(-)	(-)

Nature of Transactions	₹ crore		
	Subsidiary Companies	Integrated JV's	Other Related Parties
Farakka -Raigamj Highway Ltd.	-	-	-
	(6.24)	(-)	(-)
HCC Mauritius Investment Ltd.	6.06	-	-
	(-)	(-)	(-)
Total	7.36	-	-
	(11.86)	-	(-)
Sale of Investment during the year			
Hincon Technoconsult Ltd.	1.00	-	-
	(-)	(-)	(-)
Total	1.00	-	-
	(-)	(-)	(-)
Advances given / repaid			
Baharampore Farakka Highways Ltd.	66.50	-	-
	(67.62)	(-)	(-)
Farakka Raiganj Highways Ltd.	80.50	-	-
	(49.44)	(-)	(-)
Others	8.79	-	-
	(-)	-	(-)
Total	155.79	-	-
	(117.06)	-	(-)
Advances received/recovered			
Narmada Bridge Tollyway Ltd.	1.95	-	-
	(2.53)	-	-
	1.95	-	-
	(2.53)	-	-
Inter Corporate Deposit given / repaid during the year			
HCC Infrastructure Co Ltd.	19.90	-	-
	(3.50)	(-)	(-)
HCC Real Estate Ltd.	49.47	-	-
	-	(-)	(-)
HCC Concessionss Ltd.	-	-	-
	(16.50)	(-)	(-)
Others	-	-	-
	-	(-)	(-)
Total	69.37	-	-
	(20.00)	(-)	(-)
Inter Corporate Deposit taken/ recovered during the year			

Nature of Transactions	₹ crore		
	Subsidiary Companies	Integrated JV's	Other Related Parties
HCC Real Estate Ltd.	8.10	-	-
	-	(-)	(-)
Hincon Holdings Ltd.	-	-	-
	(-)	(-)	(25.00)
HCC Infrastructure Company Ltd.	8.50	-	-
	(-)	(-)	(-)
Hincon Finance Ltd.	-	-	32.00
	(-)	(-)	(7.00)
Vikhroli Corporate Prak Pvt. Ltd.	-	-	-
	(-)	(-)	(-)
Others	0.38	-	-
	-	(-)	(-)
Total	16.98	-	32.00
	(-)	(-)	(32.00)
Advance consideration received for Sale of shares			
Panchkutir Developers Ltd.	10.00	-	-
	(-)	(-)	(-)
HCC Concessions Ltd.	42.64	-	-
	(42.64)	(-)	(-)
Total	52.64	-	-
	(42.64)	(-)	(-)
Transfer of Invesment from			
HCC Real Estate Ltd.	82.37	-	-
	(0.20)	(-)	(-)
Transfer of Loan from			
HCC Real Estate Ltd.	81.50	-	-
	(-)	(-)	(-)
Outstanding Receivables			
HCC Real Estate Ltd.	391.76	-	-
	(347.26)	(-)	(-)
Vikhroli Corporate Park Pvt. Ltd.	-	-	12.37
	(-)	(-)	(3.74)
HCC Samsung Joint Venture CC 34	-	5.36	-
	(-)	(-)	(-)
Nathpa Jhakri Joint Venture	-	8.15	-
	(-)	(-)	(-)
Dhule Palesner Tollway Ltd.	-	29.97	-
	(-)	(71.25)	(-)
HCC Infrastructure Company Ltd.	842.76	-	-
	(736.08)	(-)	(-)
Others	265.82	4.92	-
	(233.96)	(17.78)	(-)
Total	1,500.34	48.40	12.37
	(1,317.30)	(89.03)	(3.74)

Nature of Transactions	₹ crore		
	Subsidiary Companies	Integrated JV's	Other Related Parties
Outstanding Payables			
HCC- Pati JV	-	2.71	-
	(-)	(2.71)	(-)
Hincon Holdings Ltd.	-	-	18.88
	(-)	(-)	(25.00)
Alpine HCC Samsung JV	-	-	-
	-	(0.55)	(-)
Baharampore -Farakka Highway Ltd. **	53.22	-	-
	(56.52)	(-)	(-)
Farakka -Raiganj Highway Ltd. **	124.54	-	-
	(125.50)	(-)	(-)
Raiganj-Dalkhola Highways Ltd.	53.85	-	-
	(55.22)	(-)	(-)
Alpine HCC JV	-	1.72	-
	(-)	(-)	(-)
Hincon Finance Ltd.	-	-	29.25
	(-)	(-)	(6.71)
Others	2.32	0.21	-
	(2.53)	(0.21)	(-)
Total	233.93	4.64	48.13
	(239.77)	(3.47)	(31.71)
Bank Guarantees given outstanding as at the end of the year			
Alpine-Samsung-HCC Joint venture	-	-	-
	(-)	-	(-)
Highbar Technologies Ltd.	1.14	-	-
	(-)	-	(-)
HCC Samsung Joint Venture CC 34	-	86.60	-
	(-)	(54.12)	(-)
Badarpur Faridabad Tollway Ltd.	14.70	-	-
	(14.70)	(-)	(-)
Baharampore -Farakka Highway Ltd.	18.87	-	-
	(8.47)	(-)	(-)
Farakka -Raiganj Highway Ltd.	22.31	-	-
	(10.11)	(-)	(-)
Narmada Bridge Tollway Ltd.	-	-	-
	(49.92)	(-)	(-)
Raiganj-Dalkhola Highways Ltd.	-	-	-
	-	(-)	-
Total	57.02	86.60	-
	(83.20)	(54.12)	(-)
Corporate Guarantees given and outstanding at the end of the year.			
Lavasa Corporation Ltd.	551.79	-	-
	(664.89)	(-)	(-)

Nature of Transactions	Subsidiary Companies	₹ crore	
		Integrated JV's	Other Related Parties
HCC Mauritius Enterprises Ltd.	110.94	-	-
	(167.78)	(-)	(-)
HCC Infrastructure Company Ltd.	300.00	-	-
	(300.00)	(-)	(-)
Others	92.42	-	-
	(-)	(-)	(-)
Total	1,055.15	-	-
	(1,132.67)	(-)	(-)
Corporate Guarantees taken and outstanding at the end of the year.			
HCC Real Estate Limited	10,477.60	-	-
	(9,447.00)	(-)	(-)
Total	10,477.60	-	-
	(9,447.00)	-	-

**The Company has raised a claim on its SPV Baharampore Farakka Highway Ltd. and Farraka Raiganj Highway Ltd. of ₹363 crore and 312 crore respectively which is not included in above balance.

Note: Figures in brackets pertain to previous year.

- D. i) Details of Transactions relating to persons referred to in item (B) above

Nature of Transactions	As at	As at
	31.03.2014	31.03.2013
Remuneration	21.71	16.46
Salary of Ms. Shalaka Gulabchand Dhawan	1.07	0.91
Salary of Mr. Arjun Dhawan	2.55	2.48
(Son-In-Law of Shri Ajit Gulabchand)		

- ii) Options granted to Key Management Personnel under Employees' Stock Option Scheme.

	Number of Options Granted	
	For the year ended	For the year ended
	31.03.2014	31.03.2013
i) Shri Praveen Sood	439,200	549,000
ii) Shri V. P. Kulkarni	219,520	274,400

51. Company has acquired 66% stake in Steiner AG on 5th May 2010 through HCC Mauritius Enterprises Ltd. During the year, the company has acquired balance stake of 34% in Steiner AG on 7th February 2014 through its wholly owned subsidiary HCC Mauritius Investment Ltd.

52. (a) Lavasa Corporation Limited a subsidiary, has issued Deep Discount Convertible Debentures (DDCD) convertible into ordinary shares. The particulars including the current status, terms of issue as at 31st March, 2014 are given below:

- i) Allahabad Bank has subscribed ₹50 crore in the form of Deep Discount Convertible Debentures ("DDCD") – Tranche

2. This DDCD carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 5 years. The investor has an option to convert DD CDs into equity shares at anytime within 5 years from the closing date at an equity valuation of ₹10,000 crore or at the time of Initial Public Offer (IPO) whichever is earlier. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹10,000 crore. The Investor and HCC have a put /call option respectively to sell / purchase the DD CD at the end of 39th, 48th and 60th month from the closing date 6th November, 2009.

- ii) IndusInd Bank has subscribed ₹50 crore in the form of Deep Discount Convertible Debentures ("DDCD"). This DD CD carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 5 years. The investor has an option to convert DD CD into equity shares of the Company at anytime within 5 years from the closing date at an equity valuation of ₹10,000 crore. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹10,000 crore. The Investor and HCC have a put/call option respectively to sell / purchase the DD CD at the end of 36th, 48th and 60th month from the closing date 10th July, 2009.

- iii) Allahabad Bank has subscribed ₹50 crore in the form of Deep Discount Convertible Debentures ("DDCD") – Tranche 1. This DD CD carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 6 years. The investor has an option to convert DD CDs into equity shares at anytime within 5 years from the closing date at an equity valuation of ₹10,000 crore or at the time of Initial Public Offer (IPO) whichever is earlier. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹10,000 crore. The Investor and HCC have a put /call option respectively to sell / purchase the DD CD at the end of 39th, 48th and 60th month from the closing date 13th December, 2008.

- iv) Bank of India has subscribed ₹150 crore in the form of Deep Discount Convertible Debentures ("DDCD"). In FY 2010-11 the Company had prepaid ₹90 crore of subscribed value of DD CD. As on the date of the balance sheet, the Company has ₹60 crore of DD CD which carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 5 years. The investor has an option to convert DD CD into equity shares at anytime within 5 years from the closing date at an equity valuation of ₹10,000 crore or at the time of Initial Public Offer (IPO) whichever is earlier. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹10,000 crore. The Investor and HCC have a put /call option respectively to sell / purchase the DD CD at the end of 39th, 48th and 60th month from the closing date 26th September, 2008. It was repaid during the year.

- (b) Lavasa Corporation Limited a subsidiary, has issued Non Convertible Debentures (NCD). The particulars, terms of issue as at 31st March, 2014 are given below:

- i) Jammu & Kashmir Bank Limited had subscribed ₹100 crore in the form of Deep Discount Convertible Debentures ("DDCD"). On 3rd September 2010, vide supplementary agreement, bank has converted the existing DD CD into 1 (one) Non Convertible Debenture ("NCD") aggregating ₹100 crore for the tenor of 5 years. This NCD carry a coupon rate of 10.75% per annum, payable quarterly on subscription amount. The investor and HCC have a put/call option respectively to sell/ purchase the NCD at the end of 39th, 48th and 60th month from the closing date 13th May, 2010.

- ii) ICICI Bank has converted ₹250 crore of Deep Discount Convertible Debentures ("DDCD") into Non Convertible Debentures ("NCD") with effect from January 6, 2012. These NCD carry a coupon of 9% per annum on the subscription value of NCD with a YTM of 16% per annum and are to be redeemed on January 6, 2015. These NCD carry a put/call option which can be exercisable on January 6, 2013, January 6, 2014 and January 6, 2015.
- iii) Bank of India has subscribed ₹105 crore in the form of 1050 Non Convertible Debentures ("NCD") of face value ₹10,00,000 each on 19th November 2010 for the tenor of 3 years. During the year, the coupon rate has been realigned to 6% per annum payable quarterly with a YTM of 12.50% per annum. The investor and HCC have a put/call option respectively to sell/ purchase the NCD at the end of 15th, 24th and 36th month from the closing date 19th November, 2010. It was repaid during the year.
- iv) Axis Bank has converted ₹225 crore of Deep Discount Convertible Debentures ("DDCD") into Non Convertible Debentures ("NCD") with effect from December 30, 2011. During the year Company had prepaid NCD having face value of ₹100 crore. These NCD carry a coupon of 9% per annum payable monthly on the subscription value of NCD with a YTM of 17.50% per annum and are to be redeemed on June 24, 2013. These NCD have a put/call option available on June 24, 2013. It was repaid during the year.
54. Figures for the previous year have been regrouped/recast, wherever necessary.
55. ' * ' represents amount less than ₹100,000.

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai,
Dated May 2, 2014

ARUN V. KARAMBELKAR
President &
Chief Executive Officer - E&C

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

AJIT GULABCHAND
RAJGOPAL NOGJA

RAJAS R. DOSHI
RAM P. GANDHI
PROF. FRED MOAVENZADEH
ANIL SINGHVI

Chairman & Managing Director

*Group Chief Operating Officer &
Whole-time Director*

Directors

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To The Board of Directors of Hindustan Construction Company Limited

We have audited the accompanying consolidated financial statements of Hindustan Construction Company Limited ("the Company"), its Associates, Subsidiaries and Integrated Joint Ventures ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In respect of the matters relating to Order of the Ministry of Environment and Forests according environment clearance (EC) which are subject to compliance of terms and conditions vide Order dated November 09, 2011, the liability if any, in respect of conditions set therein, is unascertainable. Refer note 44 of the consolidated financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. *in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;*
- ii. *in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and*
- iii. *in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.*

Emphasis of Matter

We draw attention to:

- (a) Note No. 32 of the Notes to consolidated financial statements regarding Company's claims of ₹ 518.36 crore outstanding for more than 5 years under 'Uncompleted Contracts and Value of Work Done', 'Long Term Trade Receivables' and 'Short Term Loans and Advances' amounting to ₹ 445.53 crore, ₹ 34.33 crore and ₹ 38.50

crore respectively. Considering the contractual tenability, progress of negotiation with clients and based on its past experience, management is reasonably confident of the recovery of the same.

- (b) Note No. 33 of the Notes to consolidated financial statements regarding 'Long Term Trade Receivables' and 'Uncompleted Contracts and Value of Work Done' as at 31st March, 2014 of ₹ 1,056.57 crore and ₹ 243.11 crore respectively, representing favourable arbitration awards (including interest thereon) which have subsequently been challenged by the clients in courts. Of the above, awards amounting to ₹ 105.44 crore have been set aside by District/High Courts against which the Company has preferred appeals at High Courts/Supreme Court and is legally advised that it has a good case on merit. The recoverability of these amounts is dependent upon the final outcome of the appeals getting resolved in the favour of the Company.
- (c) Note No. 34 of the Notes to consolidated financial statements regarding 'Trade receivables' and 'Uncompleted Contracts and Value of Work Done (net of client advances)' of ₹ 20.96 crore and ₹ 48.19 crore respectively which have been outstanding for projects where work has been suspended by the client or has been projects have handed over to clients. Based on the continuous dialogue with the Clients, management is reasonably confident of the recovery of these amounts.
- (d) Note No. 47 of the consolidated financial statement regarding managerial remuneration paid to Chairman and Managing Director which is in excess by ₹ 10.18 crore per annum in respect of financial year 2012-13 and 2013-14 for which Company has made an application to the Central Government; approvals in this regard are under consideration / pending till date.
- (e) Note No. 45 of the consolidated financial statements regarding change in the method of valuation of Land-FSI (Floor Space Index) by inclusion of borrowing costs, depreciation and overheads on social infrastructure and amenities, in determination of the costs of inventory of Floor Space Index at Lavasa Corporation Ltd., resulting in a decrease of ₹ 89.07 crore in the Loss before tax for the year and increase in Reserves and Surplus by ₹ 60.17 crore, net of tax ₹ 28.90 crore. Also refer significant accounting policies – Note 1(IV)(6)(iii)(a).
- (f) Note No 13.1 of the consolidated financial statements regarding goodwill arising on consolidation in respect of HCC Real Estate Ltd. of ₹ 50.70 crore which in the opinion of the management does not require impairment.
- (g) Note No. 13.2 in the consolidated Financial Statements wherein during the period of delay in land acquisition, Raiganj Dalkhola Highway Ltd. has capitalised interest incurred amounting to ₹ 8.86 crore as in the opinion of the Management the cessation of land acquisition is temporary in nature.

Our opinion is not qualified in respect of these matters.

Other Matter

- (a) We did not audit the financial statements of certain subsidiaries, associates and integrated joint ventures, whose financial statements reflect total assets of ₹ 3,956.55 crore as at March 31, 2014, total revenues of ₹ 5,552.94 crore, Loss of ₹ 113.33 crore and net cash outflows of ₹ 152.37 crore, for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Further the financial statements of a joint venture reflecting total assets of ₹ 3.52 crore included in these financial statements are unaudited. Our opinion is not qualified in respect of these matters.
- (b) The consolidated financial statements include a provision for estimated share of loss of two associates of Lavasa Corporation Limited, of ₹ 0.50 crore, as the financial statements for the year ended March 31, 2014 of these associate are unavailable. We are informed by Management that the consequential impact of the same is not expected to be material.

For K.S. Aiyar & Co,
Chartered Accountants
ICAI Firm Registration No: 100186W

Place: Mumbai
Date: May 2, 2014

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Consolidated Balance Sheet as at 31st March 2014

Particulars	Note No.	As at 31.03.2014 ₹ crore	As at 31.03.2013 ₹ crore
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	60.66	60.66
(b) Reserves and surplus	3	479.54	454.88
(c) Money received against share warrants		16.00	-
		<u>556.20</u>	<u>515.54</u>
(2) Minority Interest		198.09	327.86
(3) Non-current liabilities			
(a) Long-term borrowings	4	8,222.92	7,910.04
(b) Deferred tax liabilities (Net)	5	45.32	44.20
(c) Long term trade payables	6	27.26	36.01
(d) Other Long term liabilities	7	81.63	85.98
(e) Long-term provisions	8	183.80	187.13
		<u>8,560.93</u>	<u>8,263.36</u>
(4) Current liabilities			
(a) Short-term borrowings	9	1,607.47	1,359.56
(b) Trade payables	10	1,614.40	1,536.36
(c) Other current liabilities	11	2,418.77	2,422.52
(d) Current maturities of long-term borrowings	11	1,319.65	699.18
(e) Short-term provisions	12	77.05	87.00
		<u>7,037.34</u>	<u>6,104.62</u>
TOTAL		<u>16,352.56</u>	<u>15,211.38</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	13		
(i) Tangible assets		1,925.31	1,831.25
(ii) Intangible assets		1,253.85	1,300.52
(iii) Goodwill on Consolidation		54.29	124.40
(iv) Intangible assets under development & CWIP		3,645.25	2,717.00
(b) Non-current investments	14	142.93	122.45
(c) Long-term loans and advances	15	311.94	507.24
(d) Long-term Trade Receivables	16	1,059.43	637.99
(e) Other non-current assets	17	146.33	173.73
		<u>8,539.33</u>	<u>7,414.58</u>
(2) Current assets			
(a) Current investments	18	16.46	33.31
(b) Inventories	19	4,102.21	4,362.60
(c) Trade receivables	20	671.78	683.49
(d) Cash and Bank Balance	21	1,276.49	1,234.75
(e) Short-term loans and advances	22	760.28	795.26
(f) Other current assets	23	986.01	687.39
		<u>7,813.23</u>	<u>7,796.80</u>
TOTAL		<u>16,352.56</u>	<u>15,211.38</u>
Significant Accounting Policies	1		
The accompanying notes including other explanatory information form an integral part of the financial statements.			

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

ARUN V. KARAMBELKAR
President &
Chief Executive Officer - E&C

AJIT GULABCHAND
RAJGOPAL NOGJA

Chairman & Managing Director
Group Chief Operating Officer &
Whole-time Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

PRAVEEN SOOD
Group Chief Financial Officer

RAJAS R. DOSHI
RAM P. GANDHI
PROF. FRED MOAVENZADEH
ANIL SINGHVI

Directors

Mumbai,
Dated May 2, 2014

VITHAL P. KULKARNI
Company Secretary

Consolidated Statement of Profit and loss for the year ended 31st March 2014

Particulars	Note No.	Current Year 31.03.2014 ₹ crore	Previous Year 31.03.2013 ₹ crore
I Revenue from operations	24	9,668.25	8,509.98
II Other income	25	174.29	114.75
III Total Revenue (I + II)		<u>9,842.54</u>	<u>8,624.73</u>
IV Expenses:			
Cost of Material Consumed	26	67.68	56.12
Purchased of Traded Goods		9.24	27.47
Construction Expenses	27	7,278.82	6,558.83
Employee benefits expense	28	986.77	953.51
Finance costs	29	1,091.42	900.28
Depreciation and amortization expense	13	306.95	314.04
Other expenses	30	474.36	459.79
Total expenses		<u>10,215.24</u>	<u>9,270.04</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		(372.70)	(645.31)
VI Exceptional items		-	15.47
VII Profit before tax (V - VI)		(372.70)	(629.84)
VIII Tax expense:			
Current tax		3.04	2.40
Deferred tax		3.03	(90.79)
Taxation of earlier years		(20.94)	-
MAT Credit Entitlement		-	(2.41)
IX Profit/(Loss) before Minority Interest and share in Profit /Loss of Associates (VII-VIII)		(357.83)	(539.04)
X Less : Minority adjustments		86.59	46.15
Add: Share in Profit / (Loss) of Associates		17.31	7.16
Add : Profit / (Loss) on Sale of Stake in Associates		5.18	-
XI Profit / (Loss) for the period from Continuing Operation (IX-X)		(248.75)	(485.73)
XII Profit / (Loss) for the period from discontinuing operation		(28.65)	3.28
XIII Tax Expenses on discounting operation		-	-
XIV Profit / (Loss) for the period from discontinuing operation after tax (XII-XIII)		(28.65)	3.28
XV Profit / (Loss) for the period (XI+XIV)		<u>(277.40)</u>	<u>(482.45)</u>
Earnings per equity share:			
(1) Basic		(4.57)	(7.95)
(2) Diluted		(4.57)	(7.95)

Significant Accounting Policies

1

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

ARUN V. KARAMBELKAR
President &
Chief Executive Officer - E&C

AJIT GULABCHAND
RAJGOPAL NOGJA

Chairman & Managing Director
Group Chief Operating Officer &
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RAGHUVIR M. AIYAR
Partner
Membership No. 38128

PRAVEEN SOOD
Group Chief Financial Officer

RAJAS R. DOSHI
RAM P. GANDHI
PROF. FRED MOAVENZADEH
ANIL SINGHVI

Directors

Mumbai,
Dated May 2, 2014

VITHAL P. KULKARNI
Company Secretary

Consolidated Cash Flow Statement for for the year ended 31st March 2014

	2013-14 ₹ crore	2012-13 ₹ crore
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (including discontinuing operations) before tax and Extraordinary Items	(401.35)	(626.57)
Adjustment for:		
Depreciation and amortisation	306.95	314.04
Finance Costs	1,091.42	900.28
Interest & Dividend income	(63.50)	(48.73)
Foreign Exchange (Gain) / Loss (net)	9.33	14.04
Dues no longer payable	(81.50)	-
(Profit) / Loss on Sale of Assets (net)	(5.74)	(27.01)
(Profit) / Loss on Sale of Investment	(8.47)	(30.74)
Provision for future loss	(5.02)	(2.24)
Earlier years provision no longer required written back	(0.06)	(0.69)
	1,243.41	1,118.95
Operating profit before working capital changes	842.06	492.38
Adjustments for Working Capital :		
(Increase) / Decrease in Trade & Other Receivable	(544.01)	(281.11)
(Increase) / Decrease in Inventories	260.39	522.01
Increase / (Decrease) in Trade & Other Payables	43.90	(612.81)
Increase / (Decrease) in Client Advances	17.93	591.52
	(221.79)	219.61
Cash generated from operations	620.27	711.99
Direct Taxes Refunded / (Paid)	93.40	(80.15)
NET CASH FLOW FROM OPERATING ACTIVITIES	713.67	631.85
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,285.27)	(1,054.09)
Sale of fixed assets	28.56	61.53
(Increase)/Decrease in other bank balances	(101.27)	(149.96)
Sale of investments (net)	27.32	84.24
Interest received	58.31	59.80
Dividend received	2.67	2.65
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,269.68)	(995.83)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,100.15)	(994.33)
Proceeds from long term and short term borrowings	1,262.76	1,205.15
Minority Interest	23.68	34.17
Proceeds from issue of Shares, Share Premium and share warrant	16.00	-
Proceeds from Capital Grant	260.23	243.12
Increase / (Decrease) in Currency Fluctuation Reserve	25.67	(8.09)
Increase / (Decrease) in Foreign Currency Monetary Translation	3.98	0.31
Increase / (Decrease) in Capital Reserve on Consolidation	4.41	1.79
Dividend Paid	(0.11)	(0.13)
NET CASH FLOW FROM FINANCING ACTIVITIES	496.47	481.99
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(59.54)	118.01
CASH AND CASH EQUIVALENTS AS AT 01/04/2013 (OPENING BAL)	731.28	613.28
UNREALISED FOREIGN EXCHANGE GAIN / (LOSS)	0.02	(0.01)
CASH AND CASH EQUIVALENTS	671.76	731.28
CASH AND CASH EQUIVALENTS AS AT 31/03/2014 (CLOSING BAL)	671.75	731.28

Notes : 1. Proceeds from Long Term and Short Term Borrowing are shown net of repayments.
2. Previous year figures have been regrouped/recast wherever necessary.
3. Figures in bracket denote outflows.

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

ARUN V. KARAMBELKAR
President &
Chief Executive Officer - E&C

AJIT GULABCHAND
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PROF. FRED MOAVENZADEH
ANIL SINGHVI

Directors

Mumbai,
Dated May 2, 2014

VITHAL P. KULKARNI
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT MARCH 31, 2014

1 Significant Accounting Policies

I Criteria For Preparation of Consolidated Financial Statements

Hindustan Construction Company Ltd. (HCC Ltd.) has prepared the consolidated financial statements to provide the financial information of its activities along with its Subsidiaries & Joint Ventures as a single entity. They are collectively referred as "Group" herein.

The consolidated financial statements are prepared by:

- Consolidating its accounts with financial statements of its Subsidiaries and Integrated Joint Ventures on line by line basis by adding together like items of assets liabilities income and expenses. The intra group balances and Intra group transactions and unrealised profits have been fully eliminated.
- Applying the equity method of accounting for its associate companies in which it holds between 20 and 50 percent of the equity share capital.
- Financial statements of Integrated (i.e. Profit / Loss sharing) Joint Ventures are consolidated to the extent of HCC and subsidiaries share in Joint Venture.
- Foreign subsidiaries financials are prepared in compliance with the local laws and applicable Accounting Standards, are restated as per Indian Generally Accepted Accounting Principles (IGAAP) for the purpose of consolidation taking into account local laws, if any.
- Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and guide to better understanding. Recognising this purpose , the Company has disclosed only such Notes from the individual Financial statements, which fairly present the needed disclosures.
- The excess of cost to the company of its investments in the subsidiary companies/joint ventures over its share of equity of its subsidiary companies/joint ventures at the date on which investments in the subsidiary companies / joint ventures are made as recognised as Goodwill being an assets in the consolidated financial statement. Alternatively where the share of the equity in subsidiary companies / joint venture as on the date of investment is in excess of cost of investment of the company, it is recognised as Capital Reserve and shown under the head Reserve and Surplus in the consolidated financial statement.
- 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.

II Method of Consolidation

- The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 - "Consolidated Financial Statements", Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures" and Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" -, issued by the Institute of Chartered Accountants of India.
- In case of BOT contracts, revenue relatable to construction services rendered in connection with Build-Operate-Transfer (BOT) projects undertaken by the group is recognised during the period of construction using percentage of completion method. Revenue relatable to toll collections of such projects from users of facilities are accounted when the amount is due and recovery is certain.

III Group companies included for consolidation

- The details of Joint Ventures along with share of interest included in consolidation is given hereunder:

Name of Ventures	Name of the Ventures' Partners	Method of accounting	Share of Interest
HCC-L&T Purulia Joint Venture	Larsen & Toubro Ltd.	% completion	57.00%
HCC-Pati Joint Venture	Pati Sendirian, Berhad	% completion	50.00%
Nathpa Jhakri Joint Venture	Impregilio-Spa, Italy	Completed Contract	40.00%
Kumagai-Skanska HCC-Itochu Group Joint Venture	Skanska, kumagai, Itochu	Completed Contract	19.60%
Alpine - Samsung - HCC Joint Venture	Alpine Meyreder Bau, Samsung Corporation	% completion	33.00%
Alpine - HCC Joint Venture	Alpine Meyreder Bau	% completion	49.00%
HCC - Samsung Joint Venture CC-34	Samsung Corporation	% completion	50.00%
Dhule Palesnar Tollway Limited	John Laing Investment Ltd., John Laing Investments Mauritius (No.1) Ltd., Sadbhav Engg Ltd., Sadbhav Infrastructure Project Ltd.	% completion	37.00%

- List of Subsidiaries and Associates Companies included in consolidation and the Parent Company's holding are as under:

Name of the Subsidiary	Country of Incorporation	% Holding	Subsidiaries of
Western Securities Ltd.	India	97.87	Hindustan Construction Co Ltd.
HCC Real Estate Limited	India	100	Hindustan Construction Co Ltd.
Panchkutir Developers Ltd.	India	100	Hindustan Construction Co Ltd.
HCC Mauritius Enterprised Ltd.	India	100	Hindustan Construction Co Ltd.
Hincon Technoconsult Ltd. *	India	100	Hindustan Construction Co Ltd.
HCC Construction Ltd.	India	100	Hindustan Construction Co Ltd.
Highbar Technologies Ltd.	India	100	Hindustan Construction Co Ltd.
HCC Infrastructure Company Ltd.	India	100	Hindustan Construction Co Ltd.
HRL Township Developers Ltd.	India	100	HCC Real Estate Ltd.
HRL (Thane) Real Estate Ltd.	India	100	HCC Real Estate Ltd.
Nashik Township Developers Ltd.	India	100	HCC Real Estate Ltd.

Name of the Subsidiary	Country of Incorporation	% Holding	Subsidiaries of
Maan Township Developers Ltd.	India	100	HCC Real Estate Ltd.
Charosa Wineries Ltd.	India	100	HCC Real Estate Ltd.
Powai Real Estate Developer Ltd.	India	100	HCC Real Estate Ltd.
HCC Realty Ltd.	India	100	HCC Real Estate Ltd.
Pune Paud Toll Road Co. Ltd.	India	100	HCC Real Estate Ltd.
HCC Aviation Ltd.	India	100	HCC Real Estate Ltd.
Steiner AG	Switzerland	100	HCC Mauritius Enterprises Ltd. 66% HCC Mauritius Investments Ltd. 34%
Steiner Promotions et Participations SA	Switzerland	100	Steiner- AG
Steiner (Deutschland) GmbH	Germany	100	Steiner- AG
VM + ST AG	Germany	100	Steiner- AG
Steiner Leman SAS	France	100	Steiner- AG
SNC Valleiry Route de Bloux	France	100	Steiner- AG
Eurohotel SA	Switzerland	95	Steiner- AG
Steiner India Ltd.	India	100	Steiner- AG
Highbar Technologies FZLLC	Dubai	100	Highbar Technologies Ltd.
Dhule Palesner Operations & Maintenance Ltd.	India	100	HCC Infrastructure Company Ltd.
HCC Power Limited	India	100	HCC Infrastructure Company Ltd.
HCC Concession Ltd.	India	85.45	HCC Infrastructure Company Ltd.
HCC Operation and Maintenance Ltd.	India	100	HCC Infrastructure Company Ltd.
Narmada Bridge Tollway Ltd.	India	100	HCC Concession Ltd.
Badarpur Faridabad Tollway Ltd.	India	100	HCC Concession Ltd.
Nirmal Bot Ltd.	India	100	HCC Concession Ltd.
Baharampore-Farakka Highways Ltd.	India	100	HCC Concession Ltd. 74%, Hindustan Construction Co Ltd. 26%
Farakka-Raiganj Highways Ltd.	India	100	HCC Concession Ltd. 74%, Hindustan Construction Co Ltd. 26%
Raiganj-Dalkhola Highways Ltd.	India	100	HCC Concession Ltd. 90%, Hindustan Construction Co Ltd. 10%

Name of the Subsidiary	Country of Incorporation	% Holding	Subsidiaries of
Lavasa Corporation Limited	India	68.70	HCC Real Estate Ltd.
Lavasa Hotel Limited	India	100	Lavasa Corporation Ltd.
Apollo Lavasa Health Corporation Ltd.	India	62.50	Lavasa Corporation Ltd.
Dasve Business Hotel Ltd.	India	100	Lavasa Corporation Ltd.
Dasve Convention Center Ltd.	India	100	Lavasa Corporation Ltd.
Lakeshore Watersports Co.Ltd.	India	100	Lavasa Corporation Ltd.
Dasve Hospitality Institutes Ltd.	India	100	Lavasa Corporation Ltd.
Lakeview Clubs Limited	India	100	Lavasa Corporation Ltd.
Dasve Retail Ltd.	India	100	Lavasa Corporation Ltd.
Full Spectrum Adventure Ltd.	India	91	Lavasa Corporation Ltd.
Spotless Laundry Services Ltd.	India	76	Lavasa Corporation Ltd.
Lavasa Bamboocrafts Ltd.	India	100	Lavasa Corporation Ltd.
Green Hills Residences Limited	India	60	Lavasa Corporation Ltd.
My City Technology Limited	India	63	Lavasa Corporation Ltd.
Reasonable Housing Limited	India	100	Lavasa Corporation Ltd.
Future City Multiservices SEZ Limited	India	100	Lavasa Corporation Ltd.
(Formerly Known as Minfur Interior Technologies Limited)			
Rhapsody Commercial Space Limited	India	100	Lavasa Corporation Ltd.
(formerly known as Rhapsody Hospitality Limited)			
Sirrah Palace Hotels Limited	India	100	Lavasa Corporation Ltd.
Valley View Entertainment Limited	India	100	Lavasa Corporation Ltd.
Whistling Thrush Facilities Services Limited	India	51	Lavasa Corporation Ltd.
Warasgaon Power Supply Limited	India	100	Lavasa Corporation Ltd.
Sahyadri City Management Limited	India	100	Lavasa Corporation Ltd.
Warasgaon Tourism Limited	India	100	Lavasa Corporation Ltd.
Our Home Service Apartments Limited	India	100	Lavasa Corporation Ltd.
Hill City Service Apartments Limited	India	100	Lavasa Corporation Ltd.
Warasgaon Infrastructure Providers Limited	India	100	Lavasa Corporation Ltd.

Name of the Subsidiary	Country of Incorporation	% Holding	Subsidiaries of
Kart Racers Limited	India	100	Lavasa Corporation Ltd.
Nature Lovers Retail Limited	India	100	Lavasa Corporation Ltd.
Osprey Hospitality Limited	India	100	Lavasa Corporation Ltd.
Mugaon Luxury Hotels Limited	India	100	Lavasa Corporation Ltd.
Starlit Resort Limited	India	100	Lavasa Corporation Ltd.
Rosebay Hotels Limited	India	100	Lavasa Corporation Ltd.
Warasgaon Valley Hotels Limited	India	100	Lavasa Corporation Ltd.
Hill View Parking Services Limited	India	100	Lavasa Corporation Ltd.
Warasgaon Assets Maintenance Limited	India	100	Lavasa Corporation Ltd.
Verzon Hospitality Limited	India	100	Lavasa Corporation Ltd.
HCC Mauritius Investments Limited	India	100	Hindustan Construction Co Ltd. (W.e.f. 04.10.2013)

* in case of Hincan Technoconsult Ltd. it became 100% subsidiary of Highbar Technologies Ltd. after 03.12.2013 and same is merger in Highbar Technologies Ltd. as per scheme of merger, Court order dated 04.04.2014.

IV Significant Accounting Policies Forming Part of Consolidated Accounts as at March 31, 2014

1 Basis for preparation of Consolidated Financial statements

The Company maintains its accounts on accrual basis following historical cost convention, in accordance with the Indian GAAP. Management makes estimates and technical and other assumptions regarding the amounts of income and expenses, assets and Liabilities and disclosures of contingencies, in accordance with the Generally Accepted Accounting Principles in India in the preparation of the financial statements. Difference between the actual results and estimates are recognised in the period in which they are determined.

2 Fixed Assets-Tangible and Intangible Assets

- Fixed assets are stated at cost of acquisition including attributable interest & financial costs till the date of acquisition/installation of the assets and improvement thereon less accumulated depreciation / amortisation and accumulated impairment losses if any. Intangible assets comprise of licence fees, other implementation cost for software (ERP) and other application softwares acquired for inhouse use.
- In respect of BOT projects, the Construction Costs including interest and Preliminary expenses incurred during the period has been recognized as an intangible asset, in accordance with Accounting Standard (AS) 26 - "Intangible Assets".
- Intangible assets comprises of Toll Collection Rights, trademarks, designs, licence fees, other implementation cost for software (ERP) and other application softwares acquired for inhouse use.
- Toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build Operate and Transfer (BOT) basis. The cost comprises construction cost and other pre operative cost incurred during the implementation phase. Pre operative expenses incurred upto the date of commencement of commercial operation are capitalised.
- In respect of Lavasa Corporation Ltd., cost of purchase of land to the extent of 1 % in Lavasa Corporation Ltd. (LCL) is accounted as

fixed assets and remaining is accounted as stock in trade.

3 Depreciation / Amortisation

Depreciation on fixed assets is provided:

- In respect of buildings and sheds, furniture and office equipments on the written down value method (pro-rata on additions and deletions of the year) at rates prescribed in Schedule XIV of the Companies Act, 1956.
 - In case of SAG, the buildings are depreciated on straightline method over the estimated useful life ranging from 30 years to 50 years and furniture and office equipments using depreciation rates between 5% and 33 % on straight line method.
 - In respect of plant & machinery, heavy vehicles, light vehicles, helicopter, aircraft and speed boat on the straight line method at rates prescribed in Schedule XIV of the Companies Act, 1956 on a pro-rata basis.
 - In respect of computers depreciation is provided on straight line basis over a period of three years on pro rata basis.
 - The depreciation on assets used for construction has been treated as period cost.
 - Intangible assets including trademark, designs, software and implementation costs including users licence fees of the Enterprise Resource Planning (ERP) system and other related application software costs are amortised over a period ranging from 5 to 10 years.
 - Toll collection rights are amortized over the period of the rights given under the concession agreement as they represent the right to collect toll revenue during the concession period.
- Fixed Assets includes cost incurred on the lease hold improvements at 247 Park which is being amortised over a period of Nine years.
- In case of HCC Samsung CC 34 Joint Venture, assets have been amortised based on the useful life of the assets over the contractual period of the project for which these assets have been specifically purchased. The value has been arrived at acquisition cost less estimated residual value as determined by technical experts.
 - In Case of Charosa Wineries Limited borrowing cost attributable to production of inventory are capitalized as part of such inventory till the time the inventory is ready for its intended use or sale.

4 Investments

- Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non current investments.
- Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Non Current Investments are carried at cost, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

5 Employee Benefits

- Defined Contribution plan
Contribution to provident fund and superannuation fund is accounted on accrual basis.
- Defined Benefit plan
Gratuity is charged to revenue on the basis of actuarial valuation and in case of daily rated workmen on actual basis computed on tenure of service as at the end of the year.
- Other Benefits
Short term and long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- 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.

- v) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for the measurement purposes. Such long term compensated absences are provided for based on the actuarial valuations using the projected unit credit method at the year-end.
- vi) The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of the related obligations.
- vii) Based on their characteristics, the post-employment benefit plans of the Steiner-Group 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 (or 'DBO'). For the purposes of de-termining the DBO, this method takes account of the years served to date, with an additional unit being added to the DBO each year.

For active plan participants, the defined benefit obligation is thus equal to the net present value of the post-employment defined benefits, taking into account future salary and pension increases as well as the rate of employee turnover. For retirees, the defined benefit obligation 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 Statement of Profit & Loss.

6 Inventories

- i) In case of Hindustan Construction Company Ltd., Work-in-Progress is valued at the Contract rates and site mobilisation expenditure of incomplete contracts is stated at cost except NJJV and KSHI JV where work in progress is determined at cost in view of policy followed by JV.
- ii) In case of Panchkurir Developers Ltd. Land and construction / development expenses are accumulated under "Project work-in-progress" and the same are valued at cost or net realizable value, whichever is lower.
 - a) Cost of land purchased / acquired by the Company includes purchase / acquisition price plus all direct and indirect expenditure incurred in connection with the purchase of land.
 - b) 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.
- iii) In case of Lavasa Corporation Ltd. Inventories of Land and Floor Space Index (FSI)
 - a) 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 sectoral / 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 Realizable Value. Land or FSI utilized for own construction is transferred to Fixed Assets at cost.

- b) Project Work-in-Progress is valued at the contract rates in accordance with Accounting Standards on construction contracts.
- c) In case of Lavasa Corporation Limited, where construction of any unit is undertaken for which there are no sales, such inventory is valued at lower of cost or net realizable value(NRV) and is not considered under Long-term Construction for accounting purposes.
- d) The Stock of Stores, Food and Beverages, groceries and provisions, other guest amenities, information technology material, finished products including traded goods and semi finished goods are stated at lower of cost or net realizable value. The inventories of Raw materials, Laboratory materials, other consumables and housekeeping items, medicines, medicare items are stated at cost.
- iv) In Case of Charosa Wineries Limited borrowing cost attributable to production of inventory are capitalized as part of such inventory till the time the inventory is ready for its intended use or sale.
- v) Accounting of Inventories of Real Estate Projects by SAG

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. 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 notarially signed the purchase contract. Undeveloped land (inc. development costs) and finished units which are held for sale are valued at the lower of construction costs and net selling price.

7 Capital Work-in-progress

Construction and development expenses includes cost of acquisition of development rights, all direct and indirect expenditure incurred on development of land and / or construction including attributable interest and financial charges, overheads relating to site management and administration, less incidental revenues arising from said construction. On completion of construction of building and commissioning of Plant & Machinery, such assets are capitalized leaving the incomplete work as capital work in progress.

In respect of BOT projects sub contract work done by construction contractors relating to the construction of projects and other direct expenses of the project are included in 'Intangible Assets-Work-in-progress' in term of AS-26, Intangible Assets. All income and expenses earned / incurred prior to the commercial operation of the project have been credited / debited to 'Intangible Assets-Work-in-progress'.

8 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transactions

- a) Initial Recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- b) Conversion:

Foreign Currency Monetary Items are re-translated at the exchange rate prevailing on the reporting date.
- c) 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.

The exchange differences arising on settlement/ restatement of long term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary items relates

and depreciated over the remaining balance life of such assets and in other cases amortised over the balance period of such long term foreign currency monetary items. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account".

- d) Financial statement of overseas non-intergral operations are translated as under.

- i) Assets and Liabilities at the rate prevailing at the end of the year.
- ii) Revenues and expenses, including depreciations and amortisation at yearly average exchange rate prevailing during the year.

Exchange difference arising on translation of non integral foreign operation are accumulated in the foreign currency translation reserve until the disposal of such investment..

9 Financial Derivatives & 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 & Loss account along with the underlying transactions.

10 Revenue Recognition

- i) Accounting of 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. Contract price in respect of service concession agreements is considered as equivalent to the fair value of construction services provided by the Company in terms of the agreement.

Revenue is recognised as follows:

- a. In case of item rate contracts, on the basis of physical measurement of work actually completed, at the balance sheet date.
- b. In case of Lump sum contracts, revenue is 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.

- ii) Accounting of Supply Contracts-Sale of goods

Revenue from supply contract is recognized when the substantial risk and rewards of ownership is transferred to the buyer.

- iii) Accounting Policy for Claims

Claims are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received.

- iv) Revenue from Software Service contracts

- a. 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.
- b. 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 are 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 as due from customer (often classified as work in progress).

- c. Time and material contract is recognised as and when the related services are provided.
- d. Annual maintenance service contracts are recognised proportionately over the period in which the services are rendered.
- e. Revenue for sale of user licence for software application is recognised on the transfer of title\products, in accordance with the sales contract. Revenue from product sales are shown as net of all applicable taxes and discounts.
- f. Provision for estimated losses, if any, on uncompleted contracts are recognised in the year in which such losses become probable based on the current estimates.
- v) In case of HCC Real Estate Ltd. being a developer recognizes its revenue from real estate in accordance with the principles laid down by Accounting Standard for Revenue Recognition, upon commencement of selling / leasing operations.
- vii) Income from BOT contract is recognised on accrual basis as and when services are rendered.
- viii) In case of Lavasa Corporation Limited
 - a) Sale of land and FSI:

Revenues are recognized in the year in which the agreement to lease is executed. Income from land sales (including on a long term lease basis) is recognized 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. Exchange of parcels of land against other parcels of land is not treated as sale but is adjusted in the land account.
 - b) Project construction work:

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost to the completion of the contract and the profit so determined accounted for proportionate to the percentage of the actual work done. Foreseeable losses are accounted for as and when they are determined. Revenue from sales of constructed units other than under long term construction contracts are recognized on execution of transfer agreements.
 - c) Project Management Consultancy Fees:

Revenue from Project Management Consultancy Fees is recognized on accrual basis, as per the agreements.
 - d) Sales comprise of revenue from room, allied services relating to hotel operation. Revenue is recognized upon rendering of services.
 - e) The revenue from sale of goods is recognized on delivery of the materials to the customers in accordance with the terms of the contract. Revenue from installation and other services is recognized as and when the service is rendered.
 - f) Income from tuition/training activities is recognized over the course period.
 - g) Rent is recognized on time proportionate basis.
 - h) Fee Collection from users of facility are accounted for as and when the amount is due and recovery is certain.
- viii) In Case of Charosa Wineries Limited, revenue in respect of sale of products are recognised on despatch of goods to customers and are recorded net of trade discounts, sales tax/value added tax.

ix) a) Revenue accounting by SAG from Total / General Contracting:

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 accrued in prepaid expenses respectively accruals.

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 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.

In the case of TC/GC work on own properties, only costs (including own work and interest incurred, excluding profit share) which have actually been incurred until the transfer of the risks and rewards to the customer are capitalized.

b) Revenue from real estate development business at SAG:

Revenue from the sale of real estate projects is realized 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 percentage of completion (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 of IGAAP. That means, that revenue is only recognised if the POC is above 25% and revenue is measured using the cost-to-cost method.

c) Receivables/Liabilities from Projects

Customer contracts in progress are shown as an asset in the balance sheet under "Receivables from projects, net"; or as a the liabilities side under "Liabilities from projects, net". If the prepayments received from customers exceed the project receivables, these are shown under liabilities; otherwise, these are shown under assets.

These positions comprise the total contract costs incurred (actual and accrued), including a share of the profit, less customer prepayments and allowances for expected losses.

11 Taxation

The tax expense comprises of current tax & deferred tax charged or credited to the profit and loss account for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognised using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Where there are unabsorbed depreciation or

carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. At each balance sheet date, recognised and unrecognised deferred tax assets are reviewed.

Minimum Alternate Tax(MAT) paid in a year is charged to the Statement of Profit & Loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

12 Borrowing costs

Borrowing costs (less any income on the temporary investments of those borrowings) that are directly attributable to qualifying asset / project work-in-progress are charged over such qualifying asset / work-in-progress balance is charged to statement of profit and loss.

13 Leases

Lease rentals in respect of assets acquired under operating lease are charged to Statement of profit and loss.

14 Impairment of Assets

The Company makes an assessment of any indicator that may lead to impairment of assets on an annual basis. An asset is treated as an impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to profit and loss account in the year in which it is identified as impaired.

15 Goodwill Amortisation

Goodwill arising on consolidation is tested for impairment as at the reporting date and impairment, if any, is written off.

Investments held by a subsidiary viz. Western Securities Ltd. And Lavasa Corporation Limited in HCC is eliminated and resultant goodwill is recognized in the consolidated financial statements.

Any goodwill connected with the associate is included in the carrying amount of the investment and not depreciated.

16 Employees Stock Option Plan

In respect of the stock options granted pursuant to the Company's Stock Option Scheme, market value of the Company's shares as on the grant date was equal to the par value for the options granted, hence no accounting entries as per ESOP guidelines are required to be made.

17 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.

18 Earning per share

Basic and Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning 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 share.

19 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the Balance Sheet

	31st March 2014 ₹ crore	31st March 2013 ₹ crore		As at 31.03.2014 ₹ crore	As at 31.03.2013 ₹ crore
2 Share Capital			4 Long-Term Borrowings		
Authorised			I Secured Loans		
900,000,000 Equity Shares of ₹ 1/- each (Previous Year 900,000,000 Equity Shares of ₹ 1/- each)	90.00	90.00	(a) Debentures		
10,000,000 9.5% Cumulative Preference Shares of ₹ 10/- each (Previous Year 10,000,000 9.5% Redeemable Shares of ₹ 10/- each)	10.00	10.00	(i) 1 (One) (Previous Year 1) 6% Secured Deep Discount Convertible Debenture having face value of ₹ 70,84,03,784 (Previous year ₹ 70,84,03,784) Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.	-	61.45
	<u>100.00</u>	<u>100.00</u>	(ii) 1 (One) (Previous Year 1) 6% Secured Deep Discount Convertible Debenture having face value of ₹ 74,93,72,799 (Previous year ₹ 74,93,72,799) Secured By Charge Created by English Mortgage Deed on Land of Lavasa Project admeasuring 1 Acre.	-	67.08
Issued, Subscribed and Paid Up			(iii) 1 (One) (Previous Year 1) 10.75% Non Convertible Debenture having face value of ₹1,00,00,00,000 (Previous year ₹1,00,00,00,000) Secured By Charge Created by English Mortgage Deed on Land situated at village Dhamanhol Taluka Mulshi.	100.00	100.00
Equity Share Capital			(iv) 2500 (Two Thousand Five Hundred) (Previous year 50) 16% Non Convertible Debentures having total face value of ₹ 2,50,00,00,000 (Previous year ₹ 2,50,00,00,000) Secured By Charge Created by English Mortgage Deed on 747 acres of land of the Company.	-	250.00
606,558,420 Equity Shares of ₹1/- each (Previous Year 606,558,420 Equity Shares of ₹ 1/- each)	60.65	60.65	(v) 15.50% 1200 Non-Convertible Debentures having a face value of ₹ 10,00,000/- each aggregating ₹ 120 crore are to be redeemed at the end of three years from the date of allotment, i.e. December 28, 2011.	112.80	120.00
Add: 13,225 Forfeited Shares (Previous Year 13,225 shares)	0.01	0.01	(vi) 2760 (Two Thousand Seven Hundred Sixty) (Previous Year 2760) 9.38% Rated Taxable Redeemable Non Convertible Debentures of 985,144,298/- subscribed by Life Insurance Corporation of India.	231.27	241.93
Total	<u>60.66</u>	<u>60.66</u>	(vii) 11.10% Non-Convertible Debentures Secured by first charge by way of hypothecation of specific immovable and movable properties as specified in first and second schedule of the trust deed executed on August 27, 2008 and Schedule II of Memorandum of Hypothecation dated March 28, 2011 in favour of IDBI Trusteeship Services Ltd. (ITSL), the trustees to the debenture holders. These debentures having a face value of ₹ 10,00,000/- each aggregating ₹ 100 crore are to be redeemed in four equal installments at the end of 4 th , 5 th , 6 th and 7 th year from the date of allotment ie. August 5, 2008.	94.00	100.00
3 Reserves and Surplus					
(a) Capital Reserves	15.19	15.19			
(b) Capital Grant from NHAI	243.11	-			
Addition during the year	260.24	243.11			
	<u>503.35</u>	<u>243.11</u>			
(c) Capital Reserve on Consolidation	8.17	8.17			
Addition during the year	4.42	-			
	<u>12.59</u>	<u>8.17</u>			
(d) Capital Reserve on Amalgamation	7.76	-			
(e) Currency Fluctuation Reserve	12.21	(13.46)			
(f) Foreign Currency Monetary Translation Account	4.29	0.31			
(g) Capital Redemption Reserve	21.61	21.61			
(h) Securities Premium Reserve - Opening Balance	1,003.29	1,003.29			
(i) Debenture Redemption Reserve	65.46	65.46			
(j) Forfeited Debenture Account	0.02	0.02			
(k) General Reserve	180.24	180.24			
(l) Surplus as per Statement of Profit and Loss					
Balance brought forward	(1,069.06)	(586.60)			
Add: Profit / (Loss) for the year	(277.40)	(482.46)			
	<u>(1,346.46)</u>	<u>(1,069.06)</u>			
TOTAL	<u>479.54</u>	<u>454.88</u>			

The Company has allotted 3,92,15,686 warrants convertible into 3,92,15,686 Equity Shares of ₹1/- each at a price of ₹16.32 per Equity Share to the Promoters of the Company (Hincon Holdings Ltd. & Hincan Finance Ltd.) on June 27, 2013 in compliance with Chap VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009. The warrant holders shall be entitled to exercise the option to apply for the Equity Shares against the warrants within a period of 18 months from the date of allotment of the said warrants. As per the terms, the company has appropriated 25% of the issue price aggregating to ₹16 crore from the unsecured loans form promoters.

	As at 31.03.2014 ₹ crore	As at 31.03.2013 ₹ crore
(viii) 1020 (One Thousand and Twenty) (Previous Year Nil) 14 % Non Convertible Debentures having total face value of ₹ 102,00,00,000 (Previous year Nil) Secured By Charge Created by English Mortgage Deed on Land of the Company admeasuring 6881.62 Acre situated at Village Bhoini, Taluka Mulshi.	94.35	-
(ix) 150 (One Hundred Fifty) (Previous Year Nil) 14 % Non Convertible Debentures having total face value of ₹ 15,00,00,000 (Previous year Nil) Secured By Charge Created by English Mortgage Deed on Land of the company admeasuring 12 Hectare situated at Village Bhoini, Taluka Mulshi.	15.00	-
(b) Term loans from banks		
(i) Rupee Loans	6,327.67	5,518.77
(ii) Foreign Currency Loans	393.63	353.17
(c) Term Loans from others		
NBFC	389.70	510.24
II Unsecured Loans		
(i) From Bank	-	100.00
1,13,49,103 - 6% Compulsorily Convertible Preference Shares of ₹ 10/- each	14.85	14.85
(ii) Financial Institutions	224.23	159.71
(iii) Fully Convertible Debentures	-	12.00
(iv) Loans and Advances from Related Parties	225.42	300.84
Total	8,222.92	7,910.04

4.1 Other Informations

- (A) The Company has issued Deep Discount Convertible Debentures (DDCD) convertible into ordinary shares. The particulars including the current status, terms of issue as at 31st March, 2014 are given below:
- (i) Allahabad Bank has subscribed ₹ 50 crore in the form of Deep Discount Convertible Debentures ("DDCD") – Tranche 2. This DDCD carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 5 years. The investor has an option to convert DD CDs into equity shares at anytime within 5 years from the closing date at an equity valuation of ₹ 10,000 crore or at the time of Initial Public Offer (IPO) whichever is earlier. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹ 10,000 crore. The Investor and HCC have a put /call option respectively to sell / purchase the DD CD at the end of 39th, 48th and 60th month from the closing date 6th November, 2009.
- (ii) IndusInd Bank has subscribed ₹ 50 crore in the form of Deep Discount Convertible Debentures ("DDCD"). This DD CD carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 5 years. The investor has an option to convert DD CD into equity shares of the Company at anytime within 5 years from the closing date at an equity valuation of ₹ 10,000 crore. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹ 10,000 crore. The Investor and HCC have a put/call option respectively to sell / purchase the DD CD at the end of 36th, 48th and 60th month from the closing date 10th July, 2009.

- (iii) Allahabad Bank has subscribed ₹ 50 crore in the form of Deep Discount Convertible Debentures ("DDCD") – Tranche 1. This DD CD carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 6 years. The investor has an option to convert DD CDs into equity shares at anytime within 5 years from the closing date at an equity valuation of ₹ 10,000 crore or at the time of Initial Public Offer (IPO) whichever is earlier. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹ 10,000 crore. The Investor and HCC have a put /call option respectively to sell / purchase the DD CD at the end of 39th, 48th and 60th month from the closing date 13th December, 2008.
- (iv) Bank of India has subscribed ₹ 150 crore in the form of Deep Discount Convertible Debentures ("DDCD"). In FY 2010-11 the Company had prepaid ₹ 90 crore of subscribed value of DD CD. As on the date of the balance sheet, the Company has ₹ 60 crore of DD CD which carry a coupon of 6% per annum on the subscription amount and have a maximum tenor of 5 years. The investor has an option to convert DD CD into equity shares at anytime within 5 years from the closing date at an equity valuation of ₹ 10,000 crore or at the time of Initial Public Offer (IPO) whichever is earlier. DD CDs are compulsorily convertible at the end of 5 years at an equity valuation of ₹ 10,000 crore. The Investor and HCC have a put /call option respectively to sell / purchase the DD CD at the end of 39th, 48th and 60th month from the closing date 26th September, 2008. It was repaid during the year.
- (B) The Company has issued Non Convertible Debentures (NCD). The particulars, terms of issue as at 31st March, 2014 are given below:
- (i) Jammu & Kashmir Bank Limited had subscribed ₹ 100 crore in the form of Deep Discount Convertible Debentures ("DDCD"). On 3rd September 2010, vide supplementary agreement, bank has converted the existing DD CD into 1 (one) Non Convertible Debenture ("NCD") aggregating ₹ 100 crore for the tenor of 5 years. This NCD carry a coupon rate of 10.75% per annum, payable quarterly on subscription amount. The investor and HCC have a put/call option respectively to sell/ purchase the NCD at the end of 39th, 48th and 60th month from the closing date 13th May, 2010.
- (ii) ICICI Bank has converted ₹ 250 crore of Deep Discount Convertible Debentures ("DDCD") into Non Convertible Debentures ("NCD") with effect from January 6, 2012. These NCD carry a coupon of 9% per annum on the subscription value of NCD with a YTM of 16% per annum and are to be redeemed on January 6, 2015. These NCD carry a put/call option which can be exercisable on January 6, 2013, January 6, 2014 and January 6, 2015.
- (iii) Bank of India has subscribed ₹ 105 crore in the form of 1050 Non Convertible Debentures ("NCD") of face value ₹ 10,00,000 each on 19th November 2010 for the tenor of 3 years. During the year, the coupon rate has been realigned to 6% per annum payable quarterly with a YTM of 12.50% per annum. The investor and HCC have a put/ call option respectively to sell/ purchase the NCD at the end of 15th, 24th and 36th month from the closing date 19th November, 2010. It was repaid during the year.
- (iv) Axis Bank has converted ₹ 225 crore of Deep Discount Convertible Debentures ("DDCD") into Non Convertible Debentures ("NCD") with effect from December 30, 2011. During the year Company had prepaid NCD having face value of ₹ 100 crore. These NCD carry a coupon of 9% per annum payable monthly on the subscription value of NCD with a YTM of 17.50% per annum and are to be redeemed on June 24, 2013. These NCD have a put/call option available on June 24, 2013. It was repaid during the year.

- (C) Redkite Limited had subscribed ₹ 15 crore in the form of Non Convertible Debentures ("NCD") on 2nd July 2013 for the tenor of 5 years and 9 months. This NCD carry a coupon rate of 14% per annum, payable quarterly on subscription amount.

SSG India Limited had subscribed ₹ 102 crore in the form of Non Convertible Debentures ("NCD") on 2nd July 2013 for the tenor of 5 years and 9 months. This NCD carry a coupon rate of 14% per annum, payable quarterly on subscription amount.

The Company has issued Fully Convertible Debentures (FCD). The particulars, terms of issue as at 31st March, 2014 are given below:

Bennett, Coleman & Company Limited has subscribed ₹ 12 crore in the form of 1 Fully Convertible Debenture ("FCD") of face value of ₹ 12 crore having 0% Coupon rate on September 28, 2012 for a tenor of 2 years. The said debenture is compulsorily convertible into such number of equity shares aggregating to 0.150528% of the subscribed and outstanding equity share capital at the end of 2 years from the date of allotment. Company has an option to redeem the said debenture at redemption value of ₹ 1505.28 Lakhs at the end of 2 years from the date of allotment.

5 Deferred Tax Liabilities (Net)

Deferred Tax liability as at 31st March, 2014 has been provided on the estimated tax computation for the year.

Major components of deferred tax assets and liabilities arising on account of timing differences are:

	As at 31.03.2014 ₹ crore	As at 31.03.2013 ₹ crore
Deferred Tax Liability		
Depreciation	135.64	129.66
Claims/Arbitration Awards	769.72	502.88
Others	14.00	9.43
Deferred Tax Asset		
Business Loss/ Unabsorbed loss	(828.59)	(550.16)
Others	(45.45)	(47.61)
TOTAL	<u>45.32</u>	<u>44.20</u>

6 Long Term Trade Payables

Trade Payables	27.26	36.01
TOTAL	<u>27.26</u>	<u>36.01</u>

7 Other Long Term Liabilities

(a) Tax Payable	0.09	0.35
(b) Dues to Employees	0.31	0.56
(c) Advances from Contractee	19.26	6.72
(d) Other Payable	50.55	62.52
(e) Interest Accrued but not due	11.42	15.83
TOTAL	<u>81.63</u>	<u>85.98</u>

As at
31.03.2014
₹ crore

As at
31.03.2013
₹ crore

8 Long-term provisions

(a) Provision for Employee Benefits	55.04	57.93
(b) Provision for Warranty	104.31	91.56
(c) Other Provision	24.45	37.64
TOTAL	<u>183.80</u>	<u>187.13</u>

9 Short-term borrowings

9.1 Loans repayable on Demand

I Secured

From Bank

(a) Cash Credit	1,540.48	1,288.89
(b) Rupee Term Loan	50.00	50.00
(c) Buyers Credit	-	20.10

9.2 Loans and advances from related parties.

	16.99	0.57
TOTAL	<u>1,607.47</u>	<u>1,359.56</u>

10 Trade Payables

TOTAL	<u>1,614.40</u>	<u>1,536.36</u>
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11 Other current liabilities

(a) Current maturities of long-term borrowing	1,319.65	699.18
(b) Interest accrued but not due on Loans	115.09	64.52
(c) Interest accrued and due on Loans	15.53	70.43
(d) Unpaid dividends	0.88	0.99
(e) Advances from Contractee\Customer	1,676.49	1,671.10
(f) Other Creditors Payable	524.82	529.43
(g) Due to Employees	42.19	37.64
(h) Tax payable	20.11	17.69
(i) Advance consideration for sale of shares	10.00	-
(j) Dues to Related parties	13.66	30.72
TOTAL	<u>3,738.42</u>	<u>3,121.70</u>

12 Short-term provisions

(a) Provision for Warranty	46.05	53.98
(b) Provision for Employee Benefits	12.31	13.51
(c) Other Provision	18.69	19.51
TOTAL	<u>77.05</u>	<u>87.00</u>

Note No.13 - FIXED ASSETS

₹ crore

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As per 01.04.2013	Additions/ adjustment	Exchange Difference	Deduction/ Adjustment	As at 31.03.2014	as per 01.04.2013	Exchange Difference	For the Year	Deduction	Upto 31.03.2014	As at 31.03.2014	As at 31-03-2013
Tangible Assets (At Cost):												
Freehold Land (Book Value)	36.39	3.56	-	0.28	39.66	-	-	-	-	-	39.66	36.39
Leasehold premises	21.32	0.11	-	-	21.43	5.86	-	2.39	-	8.24	13.19	15.46
Buildings & Sheds	729.45	181.48	-	1.90	909.03	121.37	-	36.39	0.83	156.93	752.10	608.08
Plant & Machinery	1,727.34	99.33	12.92	82.34	1,757.26	855.45	-	131.18	68.49	918.14	839.12	871.89
Biological Assets	2.51	-	-	-	2.51	0.41	-	0.13	-	0.53	1.98	2.10
Furniture and Fixtures and office equipment	129.35	18.48	10.01	9.31	148.52	66.12	2.55	17.82	8.36	78.12	70.40	63.23
Heavy Vehicles	179.23	3.69	0.01	22.08	160.85	106.06	-	18.03	15.85	108.24	52.61	73.17
Light Vehicles	37.30	0.08	0.09	1.53	35.93	20.40	0.08	3.11	1.21	22.38	13.55	16.90
Helicopter / Aircraft	172.06	-	7.42	-	179.48	35.26	0.08	10.22	-	45.56	133.92	136.80
Speed Boat	5.59	-	-	-	5.59	1.34	-	0.14	-	1.48	4.11	4.25
Computers	44.07	3.50	1.09	8.04	40.62	41.09	0.99	1.77	7.92	35.93	4.69	2.98
Total Tangible Assets:	3,084.60	310.23	31.54	125.48	3,300.89	1,253.34	3.70	221.19	102.66	1,375.58	1,925.31	1,831.25
Intangible Assets:												
Toll collection Right	1,476.28	39.96	0.00	37.26	1,478.98	184.92	-	87.29	37.26	234.96	1,244.03	1,291.36
Goodwill on Consolidation	124.40	0.00	(3.25)	66.86	54.29	0.00	-	0.00	0.00	-	54.29	124.40
Software\ Patents and Trade Mark	2753	5.07	1.45	0.56	33.49	18.36	0.68	5.19	0.56	23.67	9.81	9.16
Total Intangible Assets	1,628.21	45.03	(1.80)	104.67	1,566.78	203.29	0.68	92.48	37.81	258.63	1,308.14	1,424.92
Total Fixed Assets	4,712.81	355.26	29.74	230.15	4,867.67	1,456.62	4.38	313.67	140.47	1,634.22	3,233.45	3,256.17
Total Previous Year	4,463.06	357.29	25.49	133.02	4,712.82	1,231.51	2.61	321.02	98.50	1,456.64	3,256.18	
Transfer to project								6.72				
Depreciation as per P & L a/c								306.95			-	
Intangible assets under development including CWIP											3,645.25	2,717.00
											6,878.70	

13.1 Considering the intrinsic value and the business prospects of the underlying businesses within the fold of HCC Group namely Lavasa Corporation no diminution (arising on consolidation) in value of goodwill is considered necessary.

13.2 In case of Raiganj-Dalkhola Highways Limited, during the current year National Highways Authority of India (NHAI) has not been able to make the balance land available and work has happened in terms of the ongoing land acquisition process and on various approvals on design and structures with concerned departments. Three Greenfield bypasses form a major portion of the Right of Way on this project, the alignment and estimation for which is longer than a standard 2-4 lane widening. Furthermore, the delay in land acquisition is temporary in nature and is an industry wide phenomenon that has affected many similar projects recently. The Company is in touch with NHAI on a regular basis and is optimistic of procuring the land soon.

The delay in acquisition of land in raiganj dalkhola highway limited is temporary in nature hence interest of ₹8.86 crore incurred during the year has continued to be capitalised in terms of Accounting Standard-16

13.3 In respect of Pune Paud Toll Company Limited, being the service concession operator, has received an intangible asset from the grantor, Public Works Department, Pune, Government of Maharashtra, in exchange for the construction of the project, in the form of the right to collect and retain the toll from motor vehicles using the project facility and the revenue from displaying advertisements during the concession period. The construction costs including interest and preliminary expenses incurred up to 10th January 2008 were recognized as an intangible asset, in accordance with the recognition criteria prescribed by Accounting Standard 26-Intangible Assets. Cost incurred on the project assets include toll plaza and other equipment installed at toll plaza. The Intangible Assets have been amortized on straight line method over the tenure of the concession agreement, i.e., from date of toll notification : 10th January, 2008 up to 5th February 2014. After the expiry of Concession period, these assets have been transferred to Public Works Department of Government of Maharashtra.

	31st March 2014 ₹ crore	31st March 2013 ₹ crore		31st March 2014 ₹ crore	31st March 2013 ₹ crore
14 Non-current investments					
Trade Investments, Unquoted :-					
(a) Investments in Properties	2.02	1.71	(vii) Mobimo Holding AG 720 Equity Shares of CHF 29.00 each fully paid, Quoted	0.67	0.57
(b) Investment In Associate Companies:			(viii) Goldbach Media AG 6,000 Equity Shares of CHF 1.25 each Fully paid, Quoted	-	0.02
(i) Bona Sera Hotels Limited 29,022 (Previous year - 29,022) Equity shares of ₹10/- each Fully Paid up	-	-	(ix) Neue Aargauer Bank AG 1 Equity Shares of CHF 50.00 each fully paid, Quoted	-	-
(ii) SOL Hospitality Limited 13,878 (Previous year - 13,878) Equity shares of ₹10/- each Fully Paid up	-	0.13	(x) Radio- und Fernsehgenossenschaft Zürich-SH Zürich-Schaffhausen, 50 Anteilscheine	-	-
(iii) Andromeda Hotels Limited 50,000 (Previous year - 50,000) Equity shares of ₹10/- each fully paid	1.79	-	(xi) Opernhaus Zürich AG 10 Equity Shares of CHF 900.00 each fully paid	0.07	0.06
(iv) Knowledge Vistas Limited 2,18,253 (Previous year - 2,18,253) Equity shares of ₹10/- each Fully Paid up	9.08	9.45	(xii) Genossenschaft Theater für den Kt. Zürich, 300 Anteilscheine	-	0.00
(v) Ecomotel Hotel Limited 2,18,253 (Previous year - 2,18,253) Equity shares of ₹10/- each Fully Paid up	0.34	-	(xiii) MCH Group AG 2,100 Equity Shares of CHF 10.00 each fully paid, Quoted	0.54	0.46
(vi) Warasgaon Lakeview Hotels Limited (Formerly Lavasa Star Hotel Limited) 80,969 (Previous year - 62,133) Equity shares of ₹10/- each Fully Paid up	10.72	6.75	(xiv) AG Hallenstadion Zürich 10 Equity Shares of CHF 100.00 each fully paid	0.07	0.06
(vii) Hincon Finance Limited 1,20,000 (Previous year - 1,20,000) Equity shares of ₹10/- each Fully Paid up	0.12	0.12	(xv) MTZ Medizinisches Therapiezentrum Heilbad St. Moritz AG, 50 Equity Shares	0.34	0.29
(viii) Evostate AG	34.12	19.97	(xvi) Space Theme Park India Limited 50,000 (Previous year - 50,000) Equity shares of ₹ 10/- each Fully Paid up	0.04	0.04
(ix) Projektentwicklungsges. Parking AG	1.19	1.03	(d) Investments in Equity Instruments		
(x) Betriebsges. Kongresshaus Zürich AG 30 Equity Shares of CHF 1'000.00 each fully paid Quoted	0.20	0.17	(i) Punjab National Bank Limited 943 (Previous year - 943) Equity Shares of ₹ 10/- each	0.04	0.04
(c) Other non-current investments:			(ii) Hubtown Limited (Formerly Akruiti City Limited) 10 (Previous year - 10) Equity Shares of ₹ 10/- each	0.00*	0.00*
(i) Walchand Co-op. Housing Society Ltd. 5 Equity Shares of ₹ 50/- each fully paid	-	-	(iii) Ansal Housing & Construction Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each	0.00*	0.00*
(ii) Shushrusha Citizens Co-Op. Hospitals Ltd. 100 Equity Shares of ₹100/- each fully paid	-	-	(iv) Ansal Properties & Infra Limited 10 (Previous year - 10) Equity Shares of ₹ 5/- each	0.00*	0.00*
(iii) Housing Development Finance Corporation Ltd. 15,220 Equity Shares of ₹ 2/- each fully paid (Previous year 3,044 Equity Shares of ₹ 10/- each fully paid)	0.01	0.01	(v) Ashiana Housing Limited 35 (Previous year - 35) Equity Shares of ₹ 10/- each	0.00*	0.00*
(iv) HDFC Bank Ltd. 2500 Equity Shares of ₹ 10/- each fully paid	-	-	(vi) DLF Limited 10 (Previous year - 10) Equity Shares of ₹ 2/- each	0.00*	0.00*
(v) Khandwala Securities Ltd. 3,332 Equity Shares of ₹ 10/- each fully paid	-	-	(vii) D S Kulkarni Developers Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each	0.00*	0.00*
(vi) Olmero AG 1,512 Equity Shares of CHF 10.00 each fully paid	-	-	(viii) HDIL 12 (Previous year - 12) Equity Shares of ₹ 10/- each	0.00*	0.00*
			(ix) Indiabulls Real Estate Limited 10 (Previous year - 10) Equity Shares of ₹10/- each (Company Received 29 shares of Indiabulls Infra & Power Ltd. pursuant to demerger of Indiabulls Real Estate Ltd.)	0.00*	0.00*

14 Other current liabilities contd.			31st March 2014 ₹ crore	31st March 2013 ₹ crore				31st March 2014 ₹ crore	31st March 2013 ₹ crore
(x)	Indiabulls Wholesale Services Ltd. 1 (Previous year - 1) Equity Shares of ₹10/- each		0.00*	0.00*	18	Current Investments			
(xi)	Mahindra Lifestyle limited (Formerly Mahindra Gesco Limited) 10 (Previous year - 10) Equity Shares of ₹ 10/- each		0.00*	0.00*		Investments in Mutual Funds		16.46	33.31
(xii)	Orbit Corporation Limited 20 (Previous year - 10) Equity Shares of ₹ 10/- each		0.00*	0.00*		TOTAL		16.46	33.31
(xiii)	Parshwanath Developers Limited 20 (Previous year - 10) Equity Shares of ₹ 10/- each		0.00*	0.00*	19	Inventories			
(xiv)	Peninsula Land Limited 50 (Previous year - 50) Equity Shares of ₹ 2/- each		0.00*	0.00*		(a) Stores and spares;		265.79	292.55
(xv)	Shoba Developers Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each		0.00*	0.00*		(b) Fuel at cost		9.13	11.32
(xvi)	Unitech Limited 10 (Previous year - 10) Equity Shares of ₹ 10/- each		0.00*	0.00*		(c) Land and FSI development Right		1,627.07	1,136.74
						(d) Material in transit		0.02	0.02
						(e) Finished units		4.18	8.45
						(f) Uncompleted Contracts and value of Work Done		2,497.41	2,993.13
						Less: Advances Received against workbill		301.39	79.61
						TOTAL		4,102.21	4,362.60
(e)	Investment in Debentures				20	Trade Receivables			
(i)	Vikhroli Corporate Park Private Limited 17.91% Optionally Fully Convertible Debentures Series I of ₹ 100,000/- each		49.04	49.04		(a) Unsecured considered good:			
(ii)	18% Optionally Fully Convertible Debentures Series II of ₹ 100,000/- each		24.32	24.32		Outstanding over Six Months		102.73	104.60
(iii)	0% Optionally Fully Convertible Debentures Series II of ₹ 100,000/- each		8.21	8.21		Other		545.17	573.03
	TOTAL		142.93	122.45		(b) Unsecured considered Doubtful			
						Outstanding over Six Months		23.88	5.86
						Other		-	-
						TOTAL		671.78	683.49
Note:- *represents amount less than ₹100,000.					21	Cash and bank balance			
15	Long-term loans and advances					(a) Cash and Cash Equivalent			
(a)	Capital Advances		-	9.12		(i) Balances with banks:			
(b)	Security Deposits and Others		37.76	121.92		Current account in Indian Rupees		186.96	166.17
(c)	Loans and advances to related parties (unsecured considered good)		8.77	20.58		Current account in Foreign Currency		424.26	489.34
(d)	Advances recoverable in cash or kind (unsecured considered good)		150.28	192.83		(ii) Cheques on hand		4.20	11.18
(e)	Advance tax net of provision		115.13	162.79		(iii) Cash in hand		2.29	2.27
	TOTAL		311.94	507.24		(iv) On Deposit with Bank incl Foreign Currency less than 3 months		54.04	62.32
16	Long Term Trade Receivable							671.75	731.28
	Trade Receivable net of Advance received against workbill receipt		1,059.43	637.99		(b) Other Bank Balance			
	TOTAL		1,059.43	637.99		(i) Unpaid Dividend		0.88	0.99
17	Other non-current assets					(ii) On Earmarked Balances held as margin money		588.67	466.65
(a)	Non Current Bank Balance		2.93	1.42		(iii) Bank Deposit more than 3 months less than 12 months		15.19	35.83
(b)	Pension Assets		63.41	42.33				604.74	503.47
(c)	Other Assets		60.43	68.87		TOTAL		1,276.49	1,234.75
(d)	Capitalised Earn-out from sale of Sogelym-Steiner		19.56	61.11					
	TOTAL		146.33	173.73					

	31st March 2014 ₹ crore	31st March 2013 ₹ crore		Current Year 31.03.2014 ₹ crore	Previous Year 31.03.2013 ₹ crore
22 Short-term loans and advances			(b) Subcontracting Expenses	6,401.86	5,293.96
Unsecured, considered good:			(c) Change in Inventories of Finished Goods, Work in Progress	(374.90)	(237.78)
(a) Advances to Related Parties	54.52	32.13	(d) Power & Fuel	222.78	206.42
(b) Advances recoverable in cash or kind or for value to be received	423.78	462.66	(e) Land purchased and development expenses	34.50	16.59
(c) Earnest Money Deposit	9.02	12.21	(f) Repairs to Machinery	13.85	9.26
(d) Advances for Land purchases	46.13	41.27	(g) Rent	27.43	38.26
(e) Advances to supplier	49.56	39.98	(h) Water Charges	1.74	4.52
(f) Advance payment of Tax net of provision	177.27	207.01		7,325.01	6,565.82
TOTAL	760.28	795.26	Less: Transferred to Fixed Assets/CWIP	(46.19)	(6.99)
23 Other current assets			TOTAL	7,278.82	6,558.83
(a) Interest accrued	11.49	8.96	28 Employee Benefits Expense		
(b) Receivable from GC/TC projects	895.11	616.11	(a) Salaries and wages	901.20	836.26
(c) Others	79.41	62.32	(b) Contribution / provisions to and for provident, Gratuity and Other funds	76.81	92.08
TOTAL	986.01	687.39	(c) Staff welfare expenses	23.67	25.17
	Current Year 31.03.2014 ₹ crore	Previous Year 31.03.2013 ₹ crore	Less: Transferred to Fixed Assets/CWIP	(14.91)	-
24 Revenue from Operations :			TOTAL	986.77	953.51
(a) Construction and Project related revenue	9,293.70	8,094.62	29 Finance Costs		
(b) Land Sales	10.40	39.22	(a) Interest Expenses	1,232.93	1,108.97
(c) Toll Collection and Annuity-BOT Projects	132.49	114.43	(b) Other Borrowing Cost	35.03	24.36
(d) Other Operating Income	75.53	62.41	(c) Applicable net gain/loss on foreign currency transactions and translation	1.22	4.92
(e) Sale of Products	156.13	199.30	Less: Interest Capitalised/ Transferred to Fixed Assets/CWIP	(177.76)	(237.97)
TOTAL	9,668.25	8,509.98	TOTAL	1,091.42	900.28
25 Other income :			30 Other Expenses		
(a) Interest Income	60.83	46.08	(a) Stationery, Postage, Telephone & Advertisement	87.43	88.96
(b) Dividend Income;	2.67	2.65	(b) Travelling and Conveyance	18.54	18.38
(c) Profit on Sale of Assets	6.72	58.07	(c) Rent, rates and Taxes	74.96	61.44
(d) Profit on Sale of Investments	8.47	-	(d) Insurance	7.07	7.13
(e) Miscellaneous Income	95.54	7.26	(e) Professional Charges	57.48	58.07
(f) Earlier years provision no longer required	0.06	0.69	(f) Repairs and Maintenance	32.76	30.35
TOTAL	174.29	114.75	(g) Directors Fees	0.20	0.26
26 Cost of Material Consumed			(h) Auditor's Remuneration		
Stock at Commencement	15.81	19.28	Audit fees	4.09	3.13
Add: Purchases	62.87	52.98	Tax Audit Fees	0.61	1.25
	78.68	72.26	For Review and Certification Work	0.67	0.63
Less: Scrap and Unserviceables Sold	(1.16)	(0.33)	For Reimbursement out of Pocket Expenses	0.01	0.01
	77.52	71.93	(i) Miscellaneous Expenses	24.18	32.97
Less: Stock at Close	(9.84)	(15.81)	(j) Office Expenses	81.32	72.18
TOTAL	67.68	56.12	(k) Operation and Maintenance cost	81.66	69.44
27 Construction Expenses			(l) Provision for future loss	(5.02)	(2.24)
(a) Construction Material Consumed:			(m) Computer Maintenance & Development Expenses	6.20	6.33
Stock at Commencement	382.17	416.20	(n) Conversion / Translation Difference	9.33	14.03
Add: Purchases	1,007.44	1,217.28	(o) Loss on Sale of Assets (net)	0.98	0.32
	1,389.61	1,633.48	Less: Transferred to Fixed Assets/CWIP	(8.11)	(2.85)
Less: Scrap and Unserviceables Sold	(22.64)	(16.72)	TOTAL	474.36	459.79
	1,366.97	1,616.76			
Less: Stock at close	(369.22)	(382.17)			
	997.75	1,234.59			

31 Contingent Liabilities

	As at 31.03.2014	As at 31.03.2013
	₹ crore	₹ crore
i) Counter Indemnities given to : Banks, in respect of contracts		
a) For works in India (Secured on all the assets)	1,117.58	962.99
b) *For works abroad (Secured by ECGC counter guarantees)	54.06	101.11
*Converted in rupees at the rate fixed by the Bank		
ii) Guarantees given by banks	2.65	2.65
iii) Guarantees given by Insurance Companies	1,284.31	1200.41
iv) Claims not acknowledged as debts by the Company	108.39	179.11
v) Income tax liability (AT 2008-09) that may arise in respect of which company is in appeal.	34.92	21.66
The Income Tax Officer has raised the demand which is mainly on claims raised in subsequent year which are yet to be approved by the client. As this is contrary to Income Tax Appellate Tribunal's decision in favour of the Company on similar grounds, the Company has contested the matter in the appeal and is confident of reversal of demand.	1.49	-
vi) Sales Tax liability / Works Contract Tax liability/ Service tax/ customs Liability that may arise in respect of matters in appeal.	79.88	30.94
vii) Uncalled Liability on Purchase of Shares	-	134.49
viii) Lavasa Corporation Ltd. has filed petitions against the orders / notices of various authorities demanding ₹ 17.76 crore (Previous Year ₹ 17.76 crore) 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.	17.76	17.76
32 In case of Hindustan Construction Company Ltd. Uncompleted Contracts and Value of Work Done, Long Term Trade Receivable and Short Term Loans and Advances as at 31st March, 2014 include claims of ₹ 445.53 crore, ₹ 34.33 crore and ₹ 38.50 crore respectively. These claims and receivables are overdue for long period and mainly in respect of certified work done, cost over-run arising due to client caused delays, 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 on a continuing basis. Considering the contractual tenability, progress of negotiation/discussion with client and based on the past experience of the Company, the management is reasonably confident of the recovery of the same.

- 33 In Case of Hindustan Construction Company Ltd., in compliance with the Accounting Standards as applicable to its nature of business, the company has been recognizing the Revenue, on receipt of favourable Arbitration Awards on its claims including interest as awarded from time to time. The aggregate amount outstanding in the books as of 31st March, 2014 is ₹ 1299.68 crore (previous year ₹ 737.05 crore). Five of such Arbitration Awards were set-aside by different courts, such as Dist Court/High Courts aggregating to ₹ 105.44 crore (previous year ₹ 105.44 crore) (excluding interest of 12% from the date of 13th feb, 2004 on one of the award amounting to ₹ 17.81 crore), on appeal by clients. On examining the merits of the claims/Arbitration Awards/ Court Judgments, the company has preferred Appeals at Higher Court/ Supreme Court as the case may be. Under the circumstances, the company has been legally advised that it has good case on merits and therefore no provision considered necessary.
- 34 In case of Hindustan Construction Company limited, Trade Receivable and Uncompleted Contracts and Value of Work Done (net of client advances) as at 31st March, 2014 include ₹ 17.55 crore and ₹ 18.24 crore in respect of a project which has been handed over to the client and ₹ 3.41 crore and ₹ 29.95 crore in respect of two projects for which work has been suspended by client. The company is in continuous dialogue with the client and also contemplating appropriate legal action for realization of these dues. Management is reasonably confident of recovery of these amounts.
- 35 In case of Hindustan Construction Company Ltd., 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". 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 31st March is ₹ 33.14 crore (previous year ₹ 32.99 crore). 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.
- 36 Company had acquired 66% stake in Steiner AG on 5th May ,2010 through HCC Mauritius Enterprises Ltd. which resulted in Goodwill on acquisition which is revalued at closing market rate as on 31st March 2014. On 7th February, 2014, the company has acquired the balance stake of 34% in Steiner AG through its wholly owned subsidiary HCC Mauritius Investment Ltd. As the acquisition is made during the year, latest available financial statements, as at 31st Decemehr 2013 is considered for calculation of Capital reserve on acquisition.
- Goodwill arising on consolidation of HCC Mauritius Enterprises Ltd. is adjusted against Capital Reserve arising on acquisition at HCC Mauritius Investment Ltd.
- 37 In case of Highbar Technologies Limited, A Scheme of Amalgamation ("the Scheme"), for the amalgamation of Hicon Technoconsult Limited (HTC) (a wholly owned subsidiary of Highbar Technologies Limited (HBT) called "the Transferor Company" with HBT (the Transferee Company) with effect from January 1, 2014, ("the Appointed Date"), was sanctioned by the Hon'ble High Court of Judicature at Bombay ("the Court"), vide its Order dated April 4, 2014.

The book value of net assets of HTC taken over by the HBT on Amalgamation and recorded at fair value except Land & buildings have been revalued as the fair market price as per the valuation report received by the company resulting capital reserve on amalgamation of ₹7.76 crore net.

38 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
Warasgaon Lake View Hotels Limited (Previously known as Lavasa Star Hotel Limited)	Associates
Andromeda Hotels Limited	Associates
Bona Sera Hotels Ltd.	Associates
Knowledge Vistas Limited	Associates
Ecomotel Hotel Limited	Associates
Evostate AG	Associates
MCR Managing Corp. Real Estate	Associates
Projektentwicklungsges. Parking Kunstmuseum AG	Associates
Vikhroli Corporate Park Pvt. Ltd.	Associates
Gulabchand Foundation (formed under section 25 of Companies' Act, 1956)	Other Related Parties
Hincon Holdings Ltd.	Other Related Parties
Hincon Finance Ltd.	Other Related Parties

B Key Management Personnel

Shri Ajit Gulabchand	Chairman & Managing Director
Shri Rajgopal Nogja	Group Chief Operating Officer & Whole Time Director
Shri Arun Karambelkar	President & Chief Executive Officer - E&C
Shri Arjun Dhawan	President - Infrastructure
Shri Praveen Sood	Group Chief Financial Officer
Shri V. P. Kulkarni	Company Secretary

C Transactions with Related Parties:

	₹ crore	
Nature of Transactions	JV's	Other Related Parties
1 Project and other services received during the year		
Vikhroli Corporate Park Private Limited	0.65 (0.70)	25.24 (24.15)
Ecomotel Hotel Limited	- (-)	0.05 (0.43)
Others	- (-)	0.08 (0.11)
Total	0.65 (0.70)	25.37 (24.69)
2 Inter Corporate Deposit given during the year		
Hincon Finance Limited	12.00 (-)	- (-)

	₹ crore	
Nature of Transactions	JV's	Other Related Parties
Ecomotel Hotel Limited	- (-)	0.51 (1.51)
Warasgaon Lake View Hotels Limited	- (-)	1.17 (-)
Knowledge Vistas Limited	- (-)	13.78 (1.45)
Total	12.00 (-)	15.09 (2.96)
3 Inter Corporate Deposit taken / recovered during the year		
Hincon Holdings Ltd.*	- (-)	- (25.00)
Hincon Finance Ltd.*	- (-)	32.00 (7.00)
Total	- (-)	32.00 (32.00)
4 Inter Corporate Deposit given repaid during the year		
Ecomotel Hotel Limited	- (-)	3.45 (1.70)
Knowledge Vistas Limited	- (-)	11.95 (0.05)
Warasgaon Lake View Hotels Limited	- (-)	0.17 -
Total	- (-)	15.58 (1.75)
5 Interest received on Inter Corporate Deposit given		
Hincon Finance Ltd.	1.06 -	- -
Dhule Palener Tollway Ltd.	10.51 (9.90)	- -
Ecomotel Hotel Limited	-	1.36 (1.36)
Bona Sera Hotels Limited	-	1.11 (1.86)
Warasgaon Lake View Hotels Limited	-	0.01 -
Andromeda Hotels Ltd.	-	0.38 -
Vikhroli Corporate Park Pvt. Ltd.	-	5.62 (13.16)
Total	11.57 (9.90)	8.48 (16.38)

38 Related Party Transactions Contd.			₹ crore				₹ crore
Nature of Transactions		JV's	Other Related Parties	Nature of Transactions		JV's	Other Related Parties
6 Corporate Guarantees and Bank Guarantees Given & Outstanding						-	(3.49)
Ecomotel Hotel Limited	-	14.85		Dhule Palesner Tollyway Ltd.	149.30	-	
	-	(14.85)			(140.18)	-	
Knowledge Vistas Limited	-	14.00		Vikhroli Corporate Park Pvt. Ltd.	-	36.62	
	-	(13.10)			-	(25.11)	
Warasgaon Lake View Hotels Limited	-	10.80		Others	2.31	-	
	-	(10.07)			(726)	(0.16)	
HCC Samsung Joint Venture CC34	43.30	-		HCC Samsung CC -34	2.68	-	
	(27.06)	-			-	-	
Total	43.30	39.65		Total	159.18	54.15	
	(27.06)	(38.02)			(147.44)	(37.36)	
7 Outstanding Payables				9 Equity Share Contribution during the year			
Ecomotel Hotel Limited	-	0.53		Ecomotel Hotel Limited	-	1.30	
	-	(0.18)			-	(1.30)	
Bonasera Hotel Limited	-	-		Warasgaon Lakeview Hotels Limited	-	4.00	
	-	(0.18)			-	(1.88)	
HCC-Pati JV	1.36	-		Andromeda Hotels Limited	-	2.81	
	(1.36)	-			-	-	
Alpine HCC Samsung JV	-	-		Total	-	8.11	
	(0.37)	-			-	(3.18)	
Hincon Holdings Ltd.	-	18.88		10 Project and other services given during the year			
	-	(25.00)		Warasgaon Lake View Hotels Limited	-	3.12	
Hincon Finance Ltd.	-	29.25			-	(1.53)	
	-	(6.71)		Ecomotel Hotel Limited	-	0.05	
Others	0.09	-			-	(0.43)	
	(0.10)	-		Others	-	0.51	
Alpine HCC JV	0.88	-			-	-	
	-	-		Total	-	3.68	
Vikhroli Corporate Park Pvt. Ltd.	-	1.30			-	(1.96)	
	-	(82.53)		11 Intercompany Deposit given Outstanding			
Total	2.32	49.96		Hincon Finance Ltd.	12.00	-	
	(1.83)	(114.60)			-	-	
8 Outstanding Receivables				Ecomotel Hotel Limited	-	5.27	
Hincon Finance Ltd.	1.06	-			-	(8.57)	
	-	-		Bona Sera Hotels Limited	-	8.18	
Bonasera Hotel Limited	-	3.15			-	(6.92)	
	-	(2.15)		Others	-	6.16	
Ecomotel Hotel Limited	-	6.64			-	(3.53)	
	-	(5.25)		Total	12.00	19.62	
Knowledge Vistas Limited	-	1.22			-	(19.02)	
	-	(1.20)					
Warasgaon Lakeview Hotel Limited	-	6.52					

38 Related Party Transactions Contd.	₹ crore	
Nature of Transactions	JV's	Other Related Parties
12 Work Bill Receipts Incl Sales		
Dhule Palesner Tollyway Ltd.	(0.86)	-
	(30.53)	-
HCC-Samsung -J/V CC-34	-	-
	(2.50)	-
Total	(0.86)	-
	(33.03)	-
13 Sale of Material		
HCC-Samsung -J/V CC-34	0.05	-
	-	-
Total	0.05	-
	-	-
14 Rendering of Services / Financial Income		
Nathpa Jhakri Joint Venture	-	-
	(0.01)	-
Hincon Finance Limited	-	-
	-	(0.52)
HCC-Samsung -J/V CC-34	0.76	-
	-	-
Vikhroli Corporate Park Pvt. Ltd.	-	81.50
		(3.78)
Total	0.76	81.50
	(0.01)	(4.30)
15 Share Application Money Given (Pending Allotment)		
Dhule Palesner Tollyway Ltd.	0.00	-
	(2.92)	-
	-	-
	(2.92)	-
16 Purchase of Fixed Assets		
Hincon Finance Limited	-	0.04
	-	-
Total	-	0.04
	-	-
17 Sale of Assets		
Hincon Finance Limited	-	-
	-	(0.01)
HCC-Samsung -J/V CC-34	0.26	-
	-	-
Total	0.26	-
	-	(0.01)
18 Receiving of Services		
Vikhroli Corporate Park	-	21.59
	-	(20.43)
Total	-	21.59
	-	(20.43)

Nature of Transactions	JV's	Other Related Parties
19 Interest Paid on Inter Corporate Deposit given		
Vikhroli Corporate Park Pvt. Ltd.	-	-
	(2.85)	-
Total	-	-
	(2.85)	-

* ₹16 crore appropriated towards issue of equity share warrants to Hincon Holding Ltd. and Hincon Finance Ltd.

'Note: Figures in brackets pertain to previous year.

D a Details of Transactions relating to persons referred to in item (B) above		
Nature of Transactions	2013-14 ₹ crore	2012-13 ₹ crore
Remuneration paid to key managerial persons	21.71	26.34
Salary of Ms. Shalaka Gulabchand Dhawan (Daughter of Shri Ajit Gulabchand)	1.07	0.91
Salary of Mr. Arjun Dhawan (Son in Law)	2.55	2.48
TOTAL	25.33	29.73

The above figure doesnot include provision gratuity liability actuarially valued, as separate figures are not available.

- 39 i The Company has taken various construction equipments, office premises, guest houses and vehicles under non cancellable operation leases. The future minimum lease payments in respect of these as at 31st March, 2014 are as follows:

	As at 31.03.2014	As at 31.03.2013
Minimum lease rental payments		
Payable not later than 1 year	11.81	24.69
Payable later than 1 year and not later than 5 years	6.12	14.09
Later than 5 years	0.34	0.37
Total	18.27	39.15

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

40 Segment Reporting:

The Group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system. There are no reportable geographical segments.

The Group's operations predominantly relate to "Engineering & Construction", "Real Estate" and "Comprehensive Urban Development and Management" "Infrastructure". 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 segments and also amounts allocated on a reasonable basis.

Segment information for the year ended March 31, 2014

a) Information About Primary Business Segments

₹ crore

Particulars	Engineering & Construction	Infrastructure	Real Estate	Comprehensive Urban Development & Management	Others	Total
Revenue						
External Sales	9,347.69 (8,245.39)	131.99 (114.43)	9.95 (1.79)	159.22 (121.47)	19.41 (26.90)	9,668.25 (8,509.98)
Add: Inter Segment Sales	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total Segment Revenue	9,347.69 (8,245.39)	131.99 (114.43)	9.95 (1.79)	159.22 (121.47)	19.41 (26.90)	9,668.25 (8,509.98)
Less: Eliminations	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total	9,347.69 (8,245.39)	131.99 (114.43)	9.95 (1.79)	159.22 (121.47)	19.41 (26.90)	9,668.25 (8,509.98)
Result (profit before tax and interest)	579.52 175.89	11.04 (20.23)	5.08 2.91	114.52 (34.76)	(7.23) (20.38)	702.93 103.43
Less: Eliminations	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Result (profit before tax and interest)	579.52 175.89	11.04 (20.23)	5.08 2.91	114.52 (34.76)	(7.23) (20.38)	702.93 103.43

Other Information						
₹ crore						
Particulars	Engineering & Construction	Infrastructure	Real Estate	Comprehensive Urban Development & Management	Others	Total
Segment Assets	7,548.68 (7,979.79)	3,904.96 (2,826.23)	599.33 (448.66)	3,699.29 (3,306.14)	148.32 (125.14)	15,900.57 (14,685.96)
Segment liabilities	3,719.63 (3,679.50)	80.27 75.47	5.57 (68.21)	494.06 (419.17)	6.65 (6.06)	4,306.18 (4,248.23)
Capital expenditure	122.95 (98.23)	41.08 (27.15)	- -	207.66 (66.03)	13.31 (18.54)	385.00 (209.96)
Depreciation	162.06 (176.27)	82.95 (80.84)	0.44 (0.45)	50.88 (45.50)	10.62 (10.97)	306.95 (314.04)
Total Assets Exclude:						
Investments	122.19 (31.07)	10.72 (25.61)	- -	25.16 (97.99)	1.53 (0.99)	159.60 (155.66)
Advance Tax (Net)	189.77 (273.41)	- -	4.90 (1.52)	96.73 (92.91)	1.00 (1.95)	292.40 (369.80)
Total Liabilities Exclude:						
Borrowings	5,204.37 (4,950.50)	2,515.09 (2,201.35)	25.00 -	3,317.42 (2,816.93)	88.16 -	11,150.04 (9,968.78)

Note: Figures in brackets pertain to previous year.

b) Information About Secondary Business Segments (geographical segments)

	Domestic	Overseas	Total
Segment Revenue	4376.65	5291.60	9,668.25
Segment Assets	13981.80	1918.77	15,900.57
Capital expenditure	357.30	27.70	385.00

Note: Bhutan operations are considered as domestic operations.

41 Foreign Direct Investment

- i) During 2011-12, Hindustan Construction Company Limited (HCC) transferred its equity shareholding in HCC Concessions Ltd. (HCL) to HCC Infrastructure Company Ltd.(HIL) to consolidate BOT businesses, rendering HCL as 100% subsidiary of HIL.
- ii) Pursuant to Shareholders Agreement (SHA) executed on 9th August 2011, Xander Investment Holding XXVI Limited (Xander), has acquire 14.55% equity stake in the HCC Concessions Ltd., by subscribing to equity shares and Compulsorily Convertible Cumulative Preference Shares (CCCPS) for a total consideration of ₹ 240 crore. The CCCPS shall be compulsorily convertible at the earlier of (a) a Qualified IPO (b) 10 years from the date of their issuance (c) In the event the entire shareholding of any of the Group Entities listed at Annexure 2.10 is not sold and transferred to the Company within the time periods set forth at Section 2.10, the Investor shall have the right to seek conversion of all or part of the CCCPSs held by it into Equity Shares in accordance with the formula set forth at Annexure 2.14 to increase in the Shareholding of the Investor in the Company. The Investor may exercise its right to seek conversion under this sub-section, anytime within 2 (two) years from the Transfer Date..
- iii) As per SHA and SSA, HCC is required to hold 100% equity stake in HIL until Private Equity Investor gets an exit from HCL through an IPO or otherwise and there are certain customary restrictions on pledging / creation of any encumbrance over shares / assets of HCL/ BOT SPVs.

42 The share of losses of Vikhroli Corporate Park Private Limited and Bona Sera Hotels Limited, associate companies exceeds the carrying value of the investment. Hence investment in both the companies are reported at nil value.

43 In case of Lavasa Corporation Ltd., Cost of Land includes:

- a) ₹ 12.71 crore (previous year ₹ 12.71 crore) in respect of which sale deed is yet to be executed in the name of Company.
- b) Land amounting to ₹ 0.11 crore (previous year ₹ 0.11 crore) in respect of which irrevocable Power of Attorney is obtained in the name of Company.
- c) Land amounting to ₹ 0.39 crore (previous year ₹ 0.39 crore) not covered by the Master Plan in respect of which sale deed is yet to be executed in the name of Company.

Technical surveys/estimates are involved in respect of physical verification procedures / determination of Project work-in-progress / related costs. These estimates made by the Company and certified to the auditors, have been relied upon by them, as these are of a technical nature.

44 Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9th November, 2011 accorded Environment Clearance (EC) to 1st Phase. Accordingly construction has resumed at project site.

45 During the year, Lavasa Corporation Ltd. has identified its fixed assets, investments and loans pertaining to social infrastructure and amenities used at various level in the development of the planned city, Lavasa. These are servicing the entire Inventory of Land of the ongoing Hill station Project and resulting into the development of Inventory of Floor Space Index (FSI) and bringing the same to saleable condition. Based on this categorization, rationalisation in the cost allocation methodology have been made during the current financial year. This rationalisation is adopted on the principle of matching such costs with revenue arising from Sale of FSI, and development of the Hill City which require a substantial period of time to bring the FSI inventory into saleable condition. The Company is of the view that this will result in more appropriate presentation of cost incurred towards development of inventory of FSI into saleable inventory. The resulting impact on statement of Profit & Loss account, Inventory of Floor Space Index and Capital Work-in Progress is given in table below.

				₹ Crore
Sr. No.	Particulars	Reduction in Loss before tax for the year	Increase in value of Inventory of FSI	Decrease in value of Capital Work-in Progress
1	Borrowing Cost	(30.80)	137.25	(106.45)
2	Production Overheads	(33.44)	33.44	0
3	Depreciation	(24.83)	24.83	0
	Total	(89.07)	195.52	(106.45)

46 In respect of Pune Paud Toll Road Company Limited, as per the terms of contract the period to operate the project has expired on 5th Feb, 2014 and the project since stands transferred to the public works department of Government of Maharashtra Company has preferred a claim for compensation aggregating to ₹ 64.98 crore on account of delay in granting permission to collect the toll and change the location of Toll Plaza which resulted in drastic reduction in revenue collection. It has also demanded refund of cost land acquisition of Bhugaon bypass , together with interest amounting to ₹3.67 crore Towards this end Company is in process of Filing a petition in the Bombay High Court under section 11 of the Arbitration and Conciliation Act, 1996.

47 Remuneration paid to Chairman & Managing Director is in excess of the limits specified in Schedule XIII of the Companies Act, 1956 by ₹10.18 crore (previous year ₹10.18 crore). The Company has made an application seeking approval from Central Government. Approval for both the years is awaited.

48 Earning Per Share

		For the year ended 31.03.14	For the year ended 31.03.13
Basic EPS			
A	Profit computation for basic earnings per share of ₹1/- each		
	Net Profit as per Profit & Loss Account available for Equity shareholders	(₹ crore) (277.40)	(482.45)
B	Weighted average number of Equity shares for EPS computation	(Nos.) 606,558,420	606,558,420
C	EPS (weighted average)		
	Basic EPS (before and after Extraordinary Items)	(₹) (4.57)	(7.95)
Diluted EPS:			
A	Profit computation for diluted earnings per share of ₹ 1/-each		
	Net Profit as per Profit & Loss Account available for Equity shareholders (₹ crore)	(277.40)	(482.45)
B	Weighted average number of Equity shares for EPS computation	(Nos.) 606,558,420	606,558,420
	Diluted EPS (before and after Extraordinary Items not annualised)	(₹) (4.57)	(7.95)

49 Figures for the previous year have been regrouped/recast, wherever necessary.

As per our report attached
For K.S.AIYAR & CO.
Chartered Accountants
Registration No. 100186W

ARUN V. KARAMBELKAR
President &
Chief Executive Officer - E&C

AJIT GULABCHAND
RAJGOPAL NOGJA

Chairman & Managing Director
Group Chief Operating Officer &
Whole-time Director

RAGHUVIR M. AIYAR
Partner
Membership No. 38128

Mumbai,
Dated May 2, 2014

PRAVEEN SOOD
Group Chief Financial Officer

VITHAL P. KULKARNI
Company Secretary

RAJAS R. DOSHI
RAM P. GANDHI
PROF. FRED MOAVENZADEH
ANIL SINGHVI

} Directors

Financial Details of Subsidiary Companies for the year ended on 31st March 2014

(₹ in lacs)

Sr. No	Name of the Subsidiary	Financial Year Ending on	Share Capital	Share Warrants	Share Application Money	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investment (Except in case of investment in subsidiaries)			Turnover (Incl. Other income)	Profit Before Tax	Provision for Current & Deferred Tax	Profit after Tax	Proposed Dividend
									a) Shares	b) Mutual Funds	Total of Investments					
1	Western Securities Ltd.	31.03.2014	200.00	-	-	33.78	216.47	216.47	-	102.90	102.90	33.03	7.31	(2.50)	4.81	-
2	HCC Aviation Ltd.	31.03.2014	5.00	-	-	(1,244.52)	344.94	344.94	-	-	-	-	(0.40)	(5.41)	(5.81)	-
3	HCC Mauritius Enterprises Ltd.	31.03.2014	2,985.48	-	-	(2,780.19)	20,134.22	20,134.22	-	-	-	553.79	(505.87)	-	(505.87)	-
4	HCC Construction Limited	31.03.2014	5.00	-	-	(5.79)	0.78	0.78	-	-	-	-	(0.38)	-	(0.38)	-
5	Highbar Technologies Limited	31.03.2014	625.00	-	-	527.84	3,659.58	3,659.58	-	49.71	49.71	2,847.96	(49.26)	(14.72)	(34.54)	-
6	Highbar Technologies FZ - LLC	31.03.2014	6.36	-	-	(158.68)	486.35	486.35	-	-	-	810.06	(20.02)	-	(20.02)	-
7	Lavasa Hotel Ltd.	31.03.2014	5.00	-	-	(1,191.14)	1,025.59	1,025.59	-	-	-	1,128.24	(131.24)	-	(131.24)	-
8	Apollo Lavasa Health Corporation Ltd.	31.03.2014	127.92	-	-	6,582.27	8,339.42	8,339.42	-	241.10	241.10	85.03	(510.20)	25.19	(537.02)	-
9	Lakeshore Watersports Company Ltd.	31.03.2014	15.98	-	-	238.77	343.59	343.59	-	-	-	178.18	(163.94)	1.00	(164.94)	-
10	Dasve Convention Centre Ltd.	31.03.2014	56.78	-	-	(1,076.77)	11,965.78	11,965.78	-	-	-	720.29	(1,775.02)	76.80	(1,854.21)	-
11	Dasve Business Hotel Ltd.	31.03.2014	28.40	-	-	2,149.58	3,205.63	3,205.63	-	-	-	1.43	(140.44)	-	(140.44)	-
12	Dasve Hospitality Institutes Ltd.	31.03.2014	32.56	-	-	(33.30)	4,514.92	4,514.92	-	-	-	313.52	(1,184.66)	20.28	(1,218.00)	-
13	Lakeview Clubs Ltd.	31.03.2014	24.36	-	-	(2,180.79)	6,686.20	6,686.20	-	-	-	177.07	(976.83)	58.17	(1,035.00)	-
14	Dasve Retail Ltd.	31.03.2014	83.91	-	-	6,236.36	6,804.96	6,804.96	-	-	-	39.13	(618.66)	15.17	(633.83)	-
15	Full Spectrum Adventure Ltd.	31.03.2014	5.50	-	-	(884.40)	764.36	764.36	-	-	-	244.97	(211.33)	3.59	(214.92)	-
16	Spotless Laundry Services Ltd.	31.03.2014	12.69	-	-	53.77	1,939.37	1,939.37	-	-	-	35.01	(566.30)	-	(566.30)	-
17	Lavasa Bamboocrafts Ltd.	31.03.2014	12.90	-	-	50.76	133.99	133.99	-	-	-	37.00	(229.59)	0.80	(230.39)	-
18	Green Hills Residencies Ltd.	31.03.2014	8.89	-	-	(2,619.01)	117.71	117.71	-	-	-	45.19	(2,972.41)	-	(2,972.41)	-
19	My City Technology Ltd.	31.03.2014	28.65	-	-	2,102.04	2,481.23	2,481.23	-	73.71	73.71	382.40	(64.52)	-	(64.52)	-
20	Reasonable Housing Ltd.	31.03.2014	24.66	-	-	1,083.36	3,209.24	3,209.24	-	-	-	142.77	(297.26)	16.85	(314.11)	-
21	Future City Multiservices SEZ Ltd.	31.03.2014	6.69	-	-	90.94	106.51	106.51	-	-	-	-	(24.33)	-	(24.33)	-
22	Rhapsody Commercial Space Ltd.	31.03.2014	5.00	-	-	(3.15)	3.31	3.31	-	-	-	-	(0.59)	-	(0.59)	-
23	Valley View Entertainment Ltd.	31.03.2014	5.00	-	-	(3.09)	2.38	2.38	-	-	-	-	(0.61)	-	(0.61)	-
24	Sirrah Palace Hotels Ltd.	31.03.2014	5.00	-	-	(3.68)	1.78	1.78	-	-	-	0.06	(0.53)	-	(0.53)	-
25	Whistling Thrush Facilities Services Ltd.	31.03.2014	5.40	-	-	76.37	6,534.00	6,534.00	-	-	-	1,599.30	39.08	12.18	26.91	-
26	Warasgaon Tourism Ltd.	31.03.2014	14.84	-	-	(3,433.96)	311.63	311.63	-	-	-	64.80	(3,852.56)	1.45	(3,854.02)	-
27	Our Home Service Apartments Ltd.	31.03.2014	5.00	-	-	(3.43)	2.03	2.03	-	-	-	-	(0.59)	-	(0.59)	-

Sr. No	Name of the Subsidiary	Financial Year Ending on	Share Capital	Share Warrants	Share Application Money	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investment (Except in case of investment in subsidiaries)			Turnover (Incl. Other income)	Profit Before Tax	Provision for Current & Deferred Tax	Profit after Tax	Proposed Dividend
									a) Shares	b) Mutual Funds	Total of Investments					
28	Warasgaon Power Supply Ltd.	31.03.2014	10.00	-	-	142.87	34,496.41	34,496.41	-	-	-	-	(348.70)	-	(348.70)	-
29	Sahyadri City Management Ltd.	31.03.2014	43.71	-	-	(501.35)	1,081.28	1,081.28	-	-	-	576.80	(1,774.29)	-	(1,774.29)	-
30	Hill City Service Apartments Ltd.	31.03.2014	15.33	-	-	582.12	678.72	678.72	-	-	-	-	(145.57)	-	(145.57)	-
31	Kart Racers Ltd.	31.03.2014	5.00	-	-	(41.38)	1.11	1.11	-	-	-	-	(6.83)	-	(6.83)	-
32	Warasgaon Infrastructure Providers Ltd.	31.03.2014	5.00	-	-	(3.54)	1.92	1.92	-	-	-	-	(0.60)	-	(0.60)	-
33	Nature Lovers Retail Ltd.	31.03.2014	6.73	-	-	98.36	114.19	114.19	-	-	-	-	(24.89)	-	(24.89)	-
34	Osprey Hospitality Ltd.	31.03.2014	5.00	-	-	(1.84)	3.39	3.39	-	-	-	-	(0.37)	-	(0.37)	-
35	Starlit Resort Ltd.	31.03.2014	5.00	-	-	11.20	1,521.93	1,521.93	-	-	-	365.80	5.10	(1.16)	6.26	-
36	Warasgaon Valley Hotels Ltd.	31.03.2014	5.00	-	-	(1.83)	3.40	3.40	-	-	-	-	(0.35)	-	(0.35)	-
37	Rosebay Hotels Ltd.	31.03.2014	5.00	-	-	(1.82)	3.41	3.41	-	-	-	-	(0.35)	-	(0.35)	-
38	Mugaon Luxury Hotels Ltd.	31.03.2014	5.00	-	-	(1.11)	4.01	4.01	-	-	-	-	(0.55)	-	(0.55)	-
39	Warasgaon Assets Maintenance Ltd.	31.03.2014	15.00	-	-	408.11	82,544.93	82,544.93	-	-	-	-	(574.10)	-	(574.10)	-
40	Hill View Parking Services Limited	31.03.2014	5.00	-	-	(1.51)	4.29	4.29	-	-	-	-	(0.38)	-	(0.38)	-
41	Verzon Hospitality Limited	31.03.2014	5.41	-	-	40.15	121.15	121.15	-	-	-	63.20	2.67	0.01	60.52	-
42	HCC Infrastructure Company Limited	31.03.2014	25.00	-	-	(32,786.33)	85,365.43	85,365.43	-	1,015.07	1,015.07	871.95	(12,503.49)	-	(12,503.49)	0
43	HCC Concessions Limited	31.03.2014	41,984.91	-	-	59,259.22	112,144.27	112,144.27	-	-	-	2,902.32	(473.65)	-	(473.65)	-
44	HCC Power Limited	31.03.2014	50.00	-	-	(45.58)	4.68	4.68	-	-	-	0.26	(4.83)	-	(4.83)	-
45	Dhule Palesner Operations & Maintenance Ltd.	31.03.2014	50.00	-	-	1.38	51.64	51.64	-	-	-	2.99	2.17	-	2.17	-
46	Nirmal BOT Limited	31.03.2014	3,150.00	-	-	(1,878.95)	32,312.98	32,312.98	-	11.51	11.51	5,180.29	(41.41)	-	(41.41)	-
47	Badarpur Faridabad Tollway Limited	31.03.2014	8,600.00	-	-	(19,311.24)	49,664.17	49,664.17	-	-	-	4,162.47	6,209.66	-	6,209.66	-
48	Baharampore Farakka Highways Limited	31.03.2014	21,725.30	-	-	32,116.13	103,561.25	103,561.25	-	-	-	-	-	-	-	-
49	Farakka- Raiganj Highways Limited	31.03.2014	25,022.10	-	-	24,290.53	110,066.64	110,066.64	-	-	-	-	-	-	-	-
50	Raiganj Dalkhola Highways Limited	31.03.2014	8,338.51	-	1,487.00	-	19,602.35	19,602.35	-	-	-	-	-	-	-	-
51	Pune Paud Toll Road Company Limited	31.03.2014	605.00	-	-	(4,539.55)	233.58	233.58	-	-	-	168.31	(418.77)	-	(418.77)	-
52	HRL Township Developers Limited	31.03.2014	10.00	-	-	(47.94)	0.58	0.58	-	-	-	-	(0.31)	-	(0.31)	-
53	HRL (Thane) Real Estate Limited	31.03.2014	10.00	-	-	(22.71)	4,146.57	4,146.57	-	-	-	-	(5.37)	-	(5.37)	-

(₹ in lacs)

Sr. No	Name of the Subsidiary	Financial Year Ending on	Share Capital	Share Warrants	Share Application Money	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investment (Except in case of investment in subsidiaries)			Turnover (Incl. Other income)	Profit Before Tax	Provision for Current & Deferred Tax	Profit after Tax	Proposed Dividend
									a) Shares	b) Mutual Funds	Total of Investments					
54	Nashik Township Developers Limited	31.03.2014	10.00	-	-	(181.46)	0.48	0.48	-	-	-	991.38	(4.51)	-	(4.51)	-
55	Maan Township Developers Limited	31.03.2014	10.00	-	-	(22.40)	2,647.38	2,647.38	-	-	-	-	(0.50)	-	(0.50)	-
56	Charosa Wineries Limited	31.03.2014	700.00	-	-	(3,846.66)	6,835.50	6,835.50	-	-	-	143.36	(1,207.47)	-	(1,207.47)	-
57	Powai Real Estate Developers Limited	31.03.2014	5.00	-	-	(3.82)	1.44	1.44	-	-	-	-	(0.23)	-	(0.23)	-
58	HCC Realty Limited	31.03.2014	5.00	-	-	(1.44)	3.83	3.83	-	-	-	-	(0.21)	-	(0.21)	-
59	Panchkutir Developers Ltd.	31.03.2014	140.00	-	-	4,116.59	10,333.01	10,333.01	-	-	-	-	(1.57)	-	(1.57)	-
60	HCC Real Estate Ltd.	31.03.2014	6,619.32	-	-	37,269.12	98,030.50	98,030.50	-	-	-	2,563.61	(72.42)	9.58	(82.00)	-
61	Lavasa Corporation Ltd.	31.03.2014	83,319.44	822.50	-	(2,483.21)	501,769.90	501,769.90	3,746.04	-	3,746.04	23,950.34	(797.21)	(222.56)	(574.65)	-
62	Narmada Bridge Tollway Ltd.	31.03.2014	5.00	-	-	(2,987.17)	2.94	2.94	-	-	-	-	-	-	-	-
63	HCC Mauritius Investment Limited	31.03.2014	596.50	-	-	(275.55)	9,872.17	9,872.17	-	-	-	39.59	(287.55)	-	(287.55)	-
64	HCC Operation & Maintenance Ltd.	31.03.2014	5.00	-	-	(45.80)	2,875.49	2,875.49	-	-	-	993.86	(45.30)	-	(45.30)	-
65	Steiner AG	31.03.2014	26,984	-	-	(941)	293,787	293,787	2,685	-	2,685.31	539,612	8,597	2,425	11,022	-
66	Steiner Promotions et Participations SA (Subsidiary Company of Steiner AG)	31.03.2014	2,024	-	-	941	12,630	12,630	-	-	-	557	185	-	185	-
67	Steiner (Deutschland) GmbH (Subsidiary Company of Steiner AG)	31.12.2013	8,679	-	-	(1,142)	10,098	10,098	-	-	-	57	(129)	-	(129)	-
68	VM + ST AG (Subsidiary Company of Steiner AG)	31.03.2014	675	-	-	19	695	695	-	-	-	-	8	-	8	-
69	Steiner Leman SAS (Subsidiary Company of Karl Steiner AG)	31.03.2014	619	-	-	(289)	11,501	11,501	-	-	-	-	10	-	10	-
70	SNC Valleiry Route de Bloux (Subsidiary Company of Steiner Leman SAS)	31.03.2014	1	-	-	(3)	1	1	-	-	-	-	(2)	-	(2)	-
71	Eurohotel SA (Subsidiary Company of Steiner AG)	31.03.2014	67	-	-	(735)	7	7	-	-	-	-	29	-	29	-
72	Steiner India Ltd. (Subsidiary Company of Steiner AG)	31.03.2014	716	-	-	(624)	5,807	5,807	-	-	-	4,567	(494)	-	(494)	-

Notes : Foreign Exchange Rate consider 1 CHF=67.46, 1 USD =59.65 AND AED =16.35

Important Financial Statistics

Year	Paid Up Capital			Fixed Assets			Turnover ₹ Lacs	Net Profit ₹ Lacs	Dividend paid on Preference and Equity shares ₹ Lacs	Equity Dividend %
	Equity ₹ Lacs	Preference ₹ Lacs	Reserves ₹ Lacs	Debentures ₹ Lacs	Gross Block ₹ Lacs	Net Block ₹ Lacs				
1926-27	4.00	—	0.30	—	0.58	0.58	N.A.	0.98	0.80	20.00
1927-28	4.00	—	0.30	—	0.53	0.53	N.A.	0.98	0.80	20.00
1928-29	4.00	—	0.25	—	0.53	0.53	N.A.	1.38	1.40	35.00
1929-30	4.00	—	0.25	—	0.50	0.50	N.A.	0.81	0.70	17.50
1930-31	4.00	—	0.25	—	0.84	0.84	N.A.	0.12	-	-
1931-32	4.00	—	0.25	—	0.94	0.64	N.A.	0.44	0.40	10.00
1932-33	8.00	—	0.25	—	1.78	1.28	N.A.	2.19	2.00	25.00
1933-34	8.00	—	0.19	—	3.16	2.66	N.A.	2.67	2.80	35.00
1934-35	12.00	—	0.24	—	3.42	2.82	N.A.	2.19	2.00	16.33
1935-36	12.00	—	0.48	—	4.71	3.96	9.40	1.86	1.75	14.50
1936-37	12.00	—	0.56	—	7.30	6.40	62.96	1.81	—	—
1937-38	12.00	—	0.70	—	8.08	7.18	69.04	-1.90	—	—
1938-39	12.00	—	0.70	—	6.85	5.95	45.50	0.31	—	—
1939-40	12.00	—	0.70	—	6.02	5.12	90.39	3.58	2.40	20.00
1940-41	12.00	—	1.70	—	5.36	4.46	184.58	4.28	4.20	35.00
1941-42	12.00	25.00	1.70	—	4.70	3.80	510.53	7.45	6.18	45.00
1942-43	12.00	25.00	1.70	—	4.66	3.01	574.57	10.59	8.76	60.00
1943-44	12.00	25.00	1.70	—	4.89	1.74	466.69	10.33	8.56	60.00
1944-45	12.00	25.00	2.70	—	3.87	—	—	10.14	1.56	—
1945-46	12.00	25.00	9.70	—	3.99	0.04	175.47	12.89	4.56	25.00
1946-47	12.00	25.00	17.70	—	10.46	6.31	165.70	10.92	4.56	25.00
1947-48	36.00	25.00	1.70	—	12.40	8.25	249.76	8.26	4.56	8.33
1948-49	36.00	25.00	5.70	—	14.46	10.31	263.14	11.20	4.56	8.33
1949-50	36.00	25.00	12.70	—	18.52	14.37	202.49	9.75	5.16	10.00
1950-51	36.00	25.00	15.70	—	21.38	16.23	239.24	9.10	5.16	10.00
1951-52	36.00	25.00	18.70	—	21.89	15.94	299.04	6.22	5.16	10.00
1952-53	36.00	25.00	19.00	—	24.30	17.35	231.57	8.16	5.16	10.00
1953-54	36.00	25.00	21.50	—	24.09	16.64	—	10.65	5.16	10.00
1954-55	36.00	25.00	24.00	—	24.06	14.11	345.62	15.34	5.16	10.00
1955-56	36.00	25.00	25.35	—	27.93	16.01	415.54	17.73	6.06	12.50
1956-57	36.00	25.00	23.34	—	29.42	17.01	769.15	12.46	6.06	12.50
1957-58	36.00	25.00	51.11	—	37.16	25.06	928.37	15.22	6.06	12.50
1958-59	36.00	25.00	66.70	—	38.48	24.10	1080.85	24.37	8.76	20.00
1959-60	36.00	25.00	97.62	—	563.22	210.51	913.84	31.88	8.76	20.00
1960-61	36.00	25.00	129.34	—	575.97	202.46	1037.66	31.08	8.76	20.00
1961-62	72.00	25.00	144.75	—	635.20	225.06	1280.33	59.68	11.45	20.00
1962-63	72.00	25.00	218.32	—	673.22	259.40	1476.12	30.86	15.96	20.00
1963-64	72.00	25.00	280.29	—	744.67	281.65	1837.79	84.51	37.56	50.00
1964-65	72.00	25.00	389.13	—	889.87	364.65	2169.89	120.79	44.76	60.00
1965-66	180.00	25.00	389.81	—	977.45	401.22	2021.32	114.64	46.43	25.00
1966-67	252.00	25.00	391.81	—	1154.51	503.28	1994.93	72.76	46.92	18.00
1967-68	252.00	25.00	427.26	—	1250.05	524.60	1689.72	55.35	31.80	12.00
1968-69	252.00	25.00	472.14	—	1420.94	614.79	2249.82	36.61	31.80	12.00
1969-70	252.00	25.00	492.31	—	1473.64	577.23	2574.57	28.86	31.80	12.00
1970-71	252.00	25.00	468.44	—	1541.99	527.99	2256.93	-37.01	1.56	—
1971-72	252.00	25.00	355.07	—	1580.80	471.42	2294.29	-140.47	1.56	—
1972-73	252.00	25.00	260.62	120.00	1677.91	491.34	2478.09	-136.27	1.56	—
1973-74	252.00	25.00	216.33	120.00	1776.09	481.58	2962.99	-55.7	—	—
1974-75	252.00	25.00	301.11	120.00	1825.94	462.49	3006.50	61.65	—	—
1975-76	252.00	25.00	320.23	120.00	1890.47	471.69	2529.62	15.98	19.81	6.00
1976-77	252.00	25.00	435.82	120.00	1994.99	508.35	3485.71	-46.25	51.96	20.00
1977-78	252.00	25.00	384.81	96.00	2111.14	594.75	2903.63	145.71	16.68	6.00
1978-79	252.00	25.00	387.43	80.42	2170.42	595.93	3146.53	21.38	24.24	9.00
1979-80	252.00	25.00	409.90	64.85	2255.96	582.63	4181.76	45.31	24.24	9.00
1980-81	252.00	25.00	608.98	49.28	3122.81	1152.64	6916.96	233.58	39.36	15.00
1981-82	252.00	25.00	755.81	45.71	3991.44	1598.37	10989.86	184.07	39.36	15.00
1982-83	252.00	25.00	1861.51	42.14	4744.49	2745.66	11021.23	422.90	39.36	15.00
1983-84	628.54	25.00	2046.45	38.57	5022.30	2748.32	10989.89	513.13	81.46	15.00
1984-85	629.96	25.00	2253.89	1035.00	5627.17	3052.75	9178.04	231.06	96.06	15.00
1985-86	629.98	25.00	2057.21	1035.00	6329.50	3311.65	8426.38	-195.12	1.56	—
1986-87	630.00	25.00	1710.57	1035.00	6578.91	3102.10	9885.49	-346.64	—	—
1987-88	630.00	25.00	1672.72	990.83	6445.07	2653.76	12334.37	21.98	59.83	9.00
1988-89 (14 months)	630.00	25.00	1772.71	1032.15	6282.70	2308.82	12223.19	202.61	102.62	16.00
1989-91 (18 months)	630.00	—	1820.25	1421.60	6685.51	2477.79	12794.33	161.05	113.46	18.00
1991-92 (15 months)	775.13	—	1824.84	1031.78	6318.24	2015.47	11232.57	64.95	60.36	8.00
1992-93	775.90	—	2006.60	800.65	7033.20	2488.91	11072.27	275.01	93.25	12.00
1993-94	775.98	—	2624.81	547.16	7949.79	3101.73	14292.85	812.48	194.27	25.00
1994-95	776.79	—	3955.22	451.73	8442.89	2899.08	22037.40	1562.96	232.96	30.00
1995-96	2002.55	—	5499.23	7120.58	9890.04	4770.48	24695.24	1050.63	304.84	17.50
1996-97	2003.04	—	5559.82	7206.41	16083.41	10493.38	31170.13	324.51	200.03	10.00
1997-98	2003.04	—	5771.45	7133.23	17112.45	10743.31	37563.57	431.97	200.03	10.00
1998-99	2003.04	—	6348.45	7059.89	27251.87	18942.28	62540.25	924.66	300.46	15.00
99-2000	2003.04	—	8043.55	6962.16	29566.64	19839.21	53077.22	2139.83	400.66	20.00
2000-01	2003.05	—	10145.17	6142.13	34454.43	23602.22	56585.93	2653.54	500.83	25.00
2001-02 (9 months)	2003.06	—	9986.63	5819.92	41916.96	28851.20	46394.16	4274.91	600.72	30.00
2002-03	2003.06	—	11948.68	7000.00	48911.08	35820.96	78923.25	2865.64	800.96	40.00
2003-04	2003.06	—	14387.18	7000.00	54821.32	36943.13	117135.67	3567.98	1001.20	50.00
2004-05	2293.61	—	33004.80	9800.00	62076.02	43804.21	157654.05	7401.96	1375.77	60.00
2005-06	2563.16	—	86418.93	8933.33	77280.60	59949.11	202814.87	12479.81	1793.75	70.00
2006-07	2563.16	—	87845.40	17966.67	110118.56	74616.08	239450.36	3675.96	1921.87	75.00
2007-08	2563.16	—	96323.45	16900.00	140970.45	95307.98	310434.07	10875.74	2050.00	80.00
2008-09	2563.16	—	96403.00	20500.00	168283.00	112819.00	351832.00	12535.00	2050.00	80.00
2009-10	3033.16	—	148683.00	18333.00	181418.00	114969.00	386297.00	8144.00	2426.00	80.00
2010-11	6066.00	—	146153.00	16667.00	198749.00	118428.00	414905.00	7100.00	2426.00	40.00
2011-12	6066.00	—	123944.00	22000.00	205622.00	112447.00	401060.00	-22225.00	—	—
2012-13	6066.00	—	110211.00	22000.00	206289.00	101039.00	383865.00	-13764.00	—	—
2013-14	6066.00	—	118673.00	22000.00	202580.00	91540.00	411349.00	8064.00	—	—

Notes

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This annual report has been printed on eco-friendly paper.

Cover images (clockwise from top)

- 3 x 110 MW Kishanganga Hydel Power Project, Jammu & Kashmir
- Toll Plaza of Baharampore Farakka Highway, first section of the 250 km PPP development in West Bengal, built by HCC Concessions
- Lakeside apartments alongside the serene Dasve Lake at Lavasa City
- Lake Geneva Park, Tolochenaz, Switzerland, built by Steiner AG