



HINDUSTAN CONSTRUCTION COMPANY LTD

(CIN: L45200MH1926PLC001228)

Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, India

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THIS NOTICE FORMS AN INTEGRAL PART OF THE HCC 91ST ANNUAL REPORT 2016-17

NOTICE is hereby given that the Ninety-first **Annual General Meeting** of the Members of **Hindustan Construction Company Limited** will be held on Thursday, July 06, 2017 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. Adoption of the Audited Standalone and Consolidated Financial Statements of the Company

To receive, consider and adopt

- (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 including the Audited Consolidated Balance Sheet as at March 31, 2017 and the Consolidated Statement of Profit & Loss for the year ended on that date together with the Reports of the Auditors thereon.

2. Appointment of a Director, in place of Mr. N. R. Acharyulu (DIN: 02010249), Non Executive - Non Independent Director, who is retiring by rotation

To appoint a Director in place of Mr. N. R. Acharyulu (DIN: 02010249), a Non Executive - Non Independent Director, who retires by rotation in accordance with Section 152 of the Companies Act, 2013 and being eligible offers himself for re-appointment.

3. Ratification of the appointment of Statutory Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s Walker Chandiook & Co. LLP, Chartered Accountants Mumbai (Firm's Registration No. 001076N) as Auditors of the Company for a term of 5 years i.e. till the conclusion of 93rd Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting to be held in the financial year 2018-19 on such remuneration plus reimbursement of out-of-pocket expenses as may be determined by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS

4. Re-appointment of Mr. Ram P. Gandhi (DIN : 00050625), Independent Director of the Company, to hold office for a second term of three years

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, if any, and Regulation 25 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ram P Gandhi (DIN : 00050625) who was appointed as an Independent Director of the Company, as per the requirements of the Companies Act, 2013 ('Act') at the 88th AGM of the Company held on June 20, 2014 for a term of three years i.e. upto the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017 and who has given declaration that he meets with the criteria of independence and qualifies for being re-appointed as an Independent Director, and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three years i.e. from the conclusion of this 91st Annual General Meeting of the Company upto the conclusion of the 94th Annual General Meeting of the Company to be held in the calendar year 2020.

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

5. **Re-appointment of Mr. Sharad M. Kulkarni (DIN : 00003640), Independent Director of the Company, to hold office for a second term of three years**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, if any, and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sharad M. Kulkarni (DIN : 00003640) who was appointed as an Independent Director of the Company, as per the requirements of the Companies Act, 2013 ('Act') at the 88th AGM of the Company held on June 20, 2014 for a term of three years i.e. upto the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017 and who has given declaration that he meets with the criteria of independence and qualifies for being re-appointed as an Independent Director, and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three years i.e. from the conclusion of this 91st Annual General Meeting of the Company upto the conclusion of the 94th Annual General Meeting of the Company to be held in the calendar year 2020.

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

6. (A) **Payment of revised Remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for FY 2016-17**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) (" the Act") and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, and in supersession of the approval accorded by the Members at the last Annual General Meeting held on July 14, 2016, the Company hereby accords its approval for the payment of the following remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director, for the financial year 2016-17, which is within the limit of remuneration, computed as per Section II of Part II of Schedule V of the Companies Act, 2013 :

(Amount in ₹)

Financial Year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
2016-17	2,69,64,000	1,44,600	38,94,600	3,10,03,200**

** As per the limits prescribed under Schedule V of the Companies Act, 2013.

Explanation:

For the purpose of calculating perquisites and allowances, the same shall be evaluated as per the Income Tax Rules, 1962 for Valuation of Perquisites read with the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any other Rules or Regulations framed for the said purpose. In the absence of any such provision for valuation of any perquisites and allowances in the said Rules, the same shall be evaluated at its actual cost to the Company.

In addition to the above, Mr. Ajit Gulabchand is entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration for the aforesaid year:-

- a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any rules / regulations made thereunder.
- c) Gratuity / Insurances as per the Rules of the Company.
- d) One month's leave for every eleven months of service and such other benefits in accordance with the Rules of the Company.
- e) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board") (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and / or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and / or to the extent as may be required, by the concerned authority, if any, while according their approval.

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

(B) Payment of Remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company for FY 2017-2018

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) (" the Act") and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, Company hereby accords its approval for the payment of the following remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director, for the financial year 2017-18, which is within the limit of remuneration, computed as per Section II of Part II of Schedule V of the Companies Act, 2013 :

(Amount in ₹)

Financial Year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
2017-2018	2,93,40,000	1,44,600	42,51,000	3,37,35,600**

** As per the limits prescribed under Schedule V of the Companies Act, 2013.

Explanation:

For the purpose of calculating perquisites and allowances, the same shall be evaluated as per the Income Tax Rules, 1962 for Valuation of Perquisites read with the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any other Rules or Regulations framed for the said purpose. In the absence of any such provision for valuation of any perquisites and allowances in the said Rules, the same shall be evaluated at its actual cost to the Company.

In addition to the above, Mr. Ajit Gulabchand is entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration for the aforesaid year:-

- a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any rules / regulations made thereunder.
- c) Gratuity / Insurances as per the Rules of the Company.
- d) One month's leave for every eleven months of service and such other benefits in accordance with the Rules of the Company.
- e) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "**Board**") (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and / or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and / or to the extent as may be required, by the concerned authority, if any, while according their approval.

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

7. Appointment of Mr. Arjun Dhawan (DIN: 1778379) as Group CEO & Whole-time Director of the Company for a period of five years effective from April 1, 2017 (including terms of remuneration for three years)

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) ("the Act") and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval to the appointment of Mr. Arjun Dhawan (DIN: 1778379) as the Group CEO & Whole-time Director of the Company for a period of 5 years w.e.f. April 1, 2017.

RESOLVED FURTHER THAT subject to such approvals as may be required, the Company hereby accords its approval for payment of an overall remuneration of a sum of ₹ 6,00,00,000 per annum to Mr. Arjun Dhawan, Group CEO & Whole-time Director of the Company for a period of three years from April 1, 2017 to March 31, 2020, subject to the applicable provisions of the Companies Act, 2013, which terms will be set out in a detailed manner in the draft Agreement to be entered into between the Company and Mr. Arjun Dhawan, as placed before this meeting and initialed by the Company Secretary for the purpose of identification.

RESOLVED FURTHER THAT in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, when the Company has no profits or its profits are inadequate, the aforesaid overall remuneration payable to Mr. Arjun Dhawan as the Whole-time Director, during each of the aforementioned three year(s), shall be subject to the limit of remuneration computed as per Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time, which for financial year 2017-18 will be as under:

(Amount in ₹)

Financial Year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
2017-18	2,94,00,000	39,600	42,60,000	3,36,99,600**

** As per the limits prescribed under Schedule V of the Companies Act, 2013.

Explanation:

For the purpose of calculating perquisites and allowances, the same shall be evaluated as per the Income Tax Rules, 1962 for Valuation of Perquisites read with the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any other Rules or Regulations framed for the said purpose. In the absence of any such provision for valuation of any perquisites and allowances in the said Rules, the same shall be evaluated at its actual cost to the Company.

In addition to the above, Mr. Arjun Dhawan is entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration for the aforesaid years :-

- a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and / or any rules / regulations made there under.
- c) Gratuity / Insurances as per the Rules of the Company.
- d) One month's leave for every eleven months of service and such other benefits in accordance with the Rules of the Company.
- e) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board") (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution, including the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and / or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and / or to the extent as may be required, by the concerned authority, if any, while according their approval.

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

8. Ratification of Remuneration to Cost Auditor

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 00240), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2016-2017, amounting to ₹ 2,50,000 (Rupees Two Lakh Fifty Thousand Only) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

9. **Option to Lenders for conversion of Outstanding Borrowings arising from default of Part A Debt under S4A Scheme and/or default of additional facilities, into Equity Shares of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Section 62(3) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the applicable laws (including but not limited to Reserve Bank of India Circulars/Guidelines), the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and any other applicable regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions, permissions from appropriate statutory and other authorities in this regard and subject to such conditions and modifications as may be imposed or prescribed by the respective statutory and other authorities while granting such approvals, consents, sanctions, permissions and, in terms of the Scheme for Sustainable Structuring of Stressed Assets ('HCC S4A Scheme') implemented for the Company and as per the terms contained in the Agreements executed between the Lenders and the Company ('S4A Agreements'), which provides the right to the Lenders to convert, at their option, the whole or part of the Outstandings in connection with the Part A Debt i.e. Sustainable Debt portion, ('Part A Outstanding Debt'), in the event of default of payment of Part A Debt, (whether then due and payable or not) into fully paid-up Equity Shares ('Conversion Rights for Part A Outstanding Debt) and/or as per the terms of the sanction documents/ agreements ('Facility Agreements') entered / to be entered between the Company and the Lenders for availment of Working Capital Facilities from Lenders comprising Fund based and Non-Fund based facilities from time to time, (hereinafter collectively 'Additional Facilities') which may provide the right to the Lenders to convert, at their option, the resultant Facility related Outstanding Borrowings ('Facility related Outstanding Borrowings') arising from the default by the Company of the payment of the Outstanding amounts availed under the Additional Facilities (it is being clarified that Working Capital facilities, if invoked either in whole or in part, and subject to default in payment of the borrowings arising therefrom, would tantamount to facility related outstanding borrowings and not otherwise), the whole or part of such Facility related Outstanding Borrowings into fully paid-up Shares and/or Optionally Convertible Debentures (OCDs), hereinafter collectively called ('Conversion Rights for Facility related Outstanding Borrowings'), consent be and is hereby accorded by the Company to the Board, in the event of default of Part A Outstanding Debt or part thereof and/or Facilities related Outstanding Borrowings or part thereof ('Outstanding Borrowings'), either in whole or in part and subject to Lenders exercising at their discretion, the Conversion Rights for Part A Outstanding Debt and/or Conversion Rights for Facility related Outstanding Borrowings, as the case may be applicable ('Conversion Rights'), on such terms and conditions as stipulated in the respective Agreements/documents as stated above, inter alia, to permit the Lenders to exercise the respective Conversion Rights, so as to convert all or any portion of their related Outstanding Borrowings, comprising defaulted principal and interest, into fully paid-up equity shares and/or OCDs of the Company, at any time during the currency of such Outstanding Borrowings, at a price as determined in accordance with the applicable laws, and to authorise the Board to create, offer, issue and allot in one or more tranches, such number of fully paid up equity shares of the Company (including as a result of conversion of OCDs) of the face value of ₹ 1 (Rupee One only), at a price as determined in accordance with the applicable laws, to the Lenders, which shall not exceed the amount of defaulted principal and interest, outstanding to the respective Lender(s), as on the date of conversion of such Outstanding Borrowings.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient as found appropriate and the Board be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation thereto including issuing clarifications to the concerned statutory and regulatory authorities, and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company respectively and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including execution of any contracts, documents etc. on behalf of the Company and to represent the Company before any governmental and regulatory authorities and to authorise any persons as may be necessary including appointment of advisors, consultants for the purpose of implementation of the aforesaid resolution.”

10. Offer and Issue of Equity Shares of the Company of face value ₹ 1 each and Optionally Convertible Debentures (OCDs) of face value ₹ 1000 each on Preferential basis, pursuant to implementation of S4A Scheme

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

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 including Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments thereto or re-enactment thereof for the time being in force and hereinafter collectively referred as “Act”), Chapter VII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, (the “Takeover Regulations”) and other applicable guidelines, clarifications, rules, regulations issued by the Securities and Exchange Board of India, the Listing Agreement entered into between the Company and BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), any other applicable laws in force, and enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s), permission(s), sanction(s), if required, of concerned statutory authorities and subject to such condition(s) and modification(s) as may be imposed or prescribed by any of them while granting such approvals, consents, permissions sanctions, and which may be agreed to by the Board (hereinafter which term shall be deemed to include any Committee constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time in one or more tranches, on Preferential basis;

- i) Upto such number of Equity Shares of the Company not exceeding **1,23,60,383** (One Crore Twenty Three Lakh Sixty Thousand Three Hundred and Eighty Three Only) Equity shares of the Company of face value ₹ 1 each, in one or more tranches, inter alia, to the proposed allottees / Lenders as mentioned below in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Scheme approved for implementation by the Company pursuant to the RBI S4A Scheme and the S4A Circulars (hereinafter ‘HCC S4A Scheme’), based on the respective Individual Lender’s subscription to the Equity Shares of the Company, at an issue price not lower than the price as on the Relevant Date i.e June 6, 2017 (which date is 30 days prior to the Annual General Meeting date, July 6, 2017), determined in accordance with Regulation 71(a) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations and
- ii) Upto such number of Optionally Convertible Debentures (OCDs) of the Company not exceeding **10,73,008** (Ten Lakh Seventy Three Thousand and Eight Only) OCDs of face value ₹ 1000 each, in one or more tranches, inter alia, to the proposed allottees / Lenders as mentioned below, which OCDs shall be issued in separate series as per the existing security structure, in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Scheme approved for implementation by the Company pursuant to the HCC S4A Scheme, based on the respective Individual Lender’s subscription to the OCDs of the Company, entitling the debenture holder, on the date which shall be any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the HCC S4A Scheme but before the expiry of 18 (eighteen) months from the date of allotment of such OCDs (“Entitlement Date”), subject to the continuation / subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per HCC S4A Scheme as on the Entitlement Date, to apply for such number of fully paid equity shares of the Company of face value ₹ 1 each, at an issue price not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations

(hereinafter Equity Shares and OCDs collectively referred to as “the Securities”)

Name of the Lender	No. of Equity Shares	No. of OCDs**
DBS Bank Ltd	28,85,539	2,64,145
LIC of India	47,15,553	2,89,042
Standard Chartered Bank	-	2,31,267
Vijaya Bank	47,59,291	2,88,554
Total	1,23,60,383	10,73,008

** The maximum number of OCDs allocated to the above lenders. The actual number of OCDs to be issued and allotted to the said Lenders shall vary, based on the in-principle approval to be accorded by the Stock Exchanges for the issue and allotment of the securities to the above lenders and will be subject to the determination of the balance exposure of the said lenders under Part B Debt based on the consideration paid / payable for the Equity Shares by the respective Lenders, as per pricing determined under Chapter VII of SEBI ICDR Regulations.

RESOLVED FURTHER THAT

- a) The 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the abovementioned Equity Shares has been reckoned as per Regulation 71(a) which is June 6, 2017, being the date 30 days prior to the date of Annual General Meeting (AGM) scheduled to be held on July 6, 2017;
- b) The 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the Equity Shares arising on conversion of OCDs, has been reckoned as per Regulation 71(b) which shall be 30 days prior to the Entitlement Date, which date shall be on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the HCC S4A Scheme but before the expiry of 18 (eighteen) months from the date of allotment of such OCDs, subject to the continuation / subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per HCC S4A Scheme as on the Entitlement Date;
- c) The payment of consideration for the allotment of securities shall be by appropriation of the outstanding loan/ debt due to the proposed allottees / Lenders payable by the Company under Part B Debt, as per the terms of the HCC S4A Scheme;
- d) OCDs would be issued and allotted, upon payment of consideration in the manner mentioned under (c) above. OCDs shall be issued in separate series as per the existing security structure and shall give the OCD holder the right to apply for such number of fully paid up Equity Shares of the Company of face value ₹ 1 each as on the Entitlement Date, subject to the continuation / subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per HCC S4A Scheme as on the Entitlement Date, at an issue price (including premium) as on the Relevant Date which shall be 30 days prior to the Entitlement Date, being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations;
- e) Allotment of the equity share / equity shares pursuant to conversion of OCDs shall be made only in dematerialised form;
- f) There is no upfront payment of consideration as mentioned under (c) above, as the loan / debt which is outstanding from the Company to the proposed allottees / Lenders as per Part B Debt of HCC S4A Scheme shall have to be appropriated at the time of allotment of the securities;
- g) The Equity Shares to be issued and allotted (including those as a result of conversion of OCDs) shall be listed and traded on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- h) The Equity Shares to be issued and allotted (including those as a result of conversion of OCDs) shall remain locked in as per the provisions of SEBI ICDR Regulations from the date of trading approval (which shall mean the latest date when trading approval has been granted by BSE and NSE) granted for the upfront Equity Shares allotted by the Company or for the Equity Shares allotted pursuant to exercise of conversion option attached to OCDs, as the case may be applicable;
- i) The Equity Shares to be issued and allotted (including those as a result of conversion of OCDs) shall rank pari passu with the then existing Equity Shares of the Company in all respects including that of payment of dividend, if any and the Company shall, at all times, maintain sufficient un-issued equity shares for the above purpose and;
- j) The Board be and is hereby authorised to decide and / or modify the terms and conditions of allotment of Securities including the terms of conversion of Securities into equity shares of the Company in accordance with the provisions of extant Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Securities and listing of the Equity Shares with the stock exchange(s) as appropriate and for the purpose of giving effect to the above, the Board be and is hereby authorized to agree, make, accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including condition(s), modification(s) and alteration(s) stipulated or required by any relevant authority or under applicable laws, rules, regulations or guidelines and give such directions and instructions as may be necessary to resolve and settle all questions and difficulties that may arise in relation to the

proposed issue, offer and allotment of any of the said Securities and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned statutory and regulatory authorities, issue and allotment of the Securities, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company respectively and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and / or regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

11. Issue of Securities of the Company

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

“**RESOLVED THAT** pursuant to Section 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or any statutory modifications and / or re-enactment thereof for the time being in force (the “Act”), all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 (“FEMA”), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 including any statutory modifications or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable, as amended from time to time, issued by the Government of India (“GOI”), the Reserve Bank of India (“RBI”), Stock Exchanges, the Securities and Exchange Board of India (“SEBI”) including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Regulations”) as may be applicable and in accordance with the enabling provisions in the Memorandum and Articles of Association of the Company and / or stipulated in the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, SEBI, RBI, Stock Exchanges and any other relevant statutory / governmental / regulatory authorities (the “concerned Authorities”) as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, consents, permissions and sanctions as may be necessary, which may be agreed upon by the Board of Directors of the Company as deemed appropriate (hereinafter referred to as the “Board”, which term shall include any Committee (s) constituted / to be constituted by the Board to exercise the powers conferred on the Board by this Resolution), consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and / or Equity Shares through depository receipts including American 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 (QIP) in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one

or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible investors, including residents and / or non-residents and / or qualified institutional buyers and / or institutions / banks and / or incorporated bodies and / or individuals and / or trustees and / or stabilizing agent or otherwise, whether or not such Investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 1000 crore (Rupees One Thousand Crore Only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s) / offering(s), the Investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio / number of Equity Shares to be allotted on redemption/ conversion, period of conversion, fixing of record date or book closure dates, etc., as the case may be applicable, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and / or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and / or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ("the Issue").

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

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

RESOLVED FURTHER THAT the Company may, in accordance with applicable laws, also offer a discount of such percentage as permitted under applicable laws on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

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

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

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

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American 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 or such other date as may be decided by the Board subject to the relevant provisions of the applicable law, rules and regulations as amended from time to time, in relation to the proposed issue of the securities.

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

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

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

By Order of the Board
For Hindustan Construction Co. Ltd

Venkatesan Arunachalam
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place : Mumbai

Date : May 9, 2017

Notes – Forming a part of the Notice :

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

IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. I.E. BY 11.00 A.M. ON TUESDAY, JULY 4, 2017.
2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of their Board Resolution together with the respective specimen signature of the representative(s) authorised under the said resolution to attend and vote on their behalf at the Meeting.
3. Members, Proxies and Authorised representatives are requested to bring to the Meeting, the Attendance Slip enclosed herewith duly completed and signed for attending the Meeting.
4. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting, if not already voted through remote e-voting.
5. A Route Map showing the directions to reach the venue of the Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on 'General Meeting'.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, June 30, 2017 to Thursday, July 6, 2017 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
7. 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.
8. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, (the Act), the Audited Financial Statements of the Company includes the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the Members of the Company.
9. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the ensuing Annual General Meeting (AGM) is annexed hereto and forms part of this Notice.
10. The Members are requested to:
 - (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited at 6-10, Haji Moose Patrawala Indl. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011 in respect of their holdings in physical form.
 - (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
 - (c) Non-Resident Indian Members are requested to inform TSR Darashaw Limited immediately of the change in residential status on return to India for permanent settlement.
 - (d) Please note that 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. Members desirous of making nominations may procure the prescribed form SH-13 from the Registrar & Share Transfer Agents, TSR Darashaw Limited and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in dematerialised mode, should file their nomination with their Depository Participant (DP).

11. GREEN INITIATIVE :

Ministry of Corporate Affairs and SEBI has encouraged paperless communication as a contribution to greener environment.

Members holding shares in physical mode are requested to register their e-mail IDs with Company's Registrar and Share Transfer Agents, TSR Darashaw Limited at 6-10, Haji Moose Patrawala Indl. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai - 400 011 and Members holding shares in demat mode are requested to register their e-mail IDs with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

12. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report for 2016-2017 including Audited Financial Statements, Board's report etc. and this Notice of the 91st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent by electronic mode, to all those Members whose e-mail IDs are registered with their respective Depository Participants unless any member has requested for a physical copy of the same. Even after registering for e-communication, members are entitled to receive such communication in physical form by post, free of cost, upon making a request for the same. For any such communication, the members may also send requests to the Company's investor email id: secretarial@hccindia.com. For members who have not registered their email address, physical copies of the Annual Report for 2016-2017 and this Notice of the 91st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to them in the permitted mode.
13. Members may also note that the Notice of the 91st Annual General Meeting and the Annual Report for 2016-2017 of the Company will also be available on the Company's website www.hccindia.com for their download.

14. Appointment / Re-appointment of Directors:

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting, as required in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) regulations, 2015 ('SEBI Listing Regulations') is provided in Annexure A to the Explanatory Statement to the Notice.

15. (a) The Company has transferred to the Investor Education and Protection Fund (IEPF) on the due date, the unclaimed dividend for the financial year ended March 31, 2009.
- (b) Members wishing to claim dividends, which remain unclaimed are requested to correspond with TSR Darashaw Limited, Registrar & Share Transfer Agents. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund, as per Section 124 of the Companies Act, 2013.
- (c) The Company has uploaded the details of the Unclaimed amounts of Dividend of the shareholders as on July 14, 2016 (date of last Annual General Meeting) as per the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, on the website of the Ministry of Corporate Affairs www.mca.gov.in.
- (d) Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section 124(6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of Unclaimed shares to Investor Education and Protection Fund (IEPF), the matter is under due consideration. The Company will comply with the formalities, as may be necessary, in this regard.

16. Voting :

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely, June 29, 2017 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting through Ballot form at the General Meeting. If a person was a Member as on the date of dispatch of the notice but has ceased to be a Member as on the cut-off date i.e. June 29, 2017, he / she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

General Information :

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and sub clause (1) & (2) of Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide e-voting facilities to its members in respect of the business to be transacted at the 91st Annual General Meeting (AGM) of the Company. The Company has engaged the services of National Securities Depository Ltd (NSDL) as authorised agency to provide the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ('remote e-voting'). It is clarified that it is not mandatory for a Member to vote using remote e-voting facility.

The facility for voting through ballot form shall be made available at the AGM for those Members who have not cast their votes earlier.

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

Members can opt for only one mode of voting i.e. either by remote e-voting or by Ballot Form at the AGM. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and the votes cast through Ballot Form at the AGM shall be treated as invalid.

Resolutions passed by Members through e-voting or through Ballot Form at the AGM, are deemed to have been passed as if they have been passed at the AGM.

The remote e-voting period will commence on Sunday, July 2, 2017 (9:00 am) and will end on Wednesday, July 5, 2017 (5:00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 29, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion of the paid-up equity share capital of the Company as on the cut-off date i.e. June 29, 2017.

Mr. B. Narasimhan, Proprietor, B. N & Associates, Practising Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at AGM, in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

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

The Scrutinizer shall after the conclusion of voting by Ballot form at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.hccindia.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal and on the NSE NEAPS Portal.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. Thursday, July 6, 2017.

Voting through Electronic means :

Process and manner for remote e-voting :

A. For Members whose e-mail addresses are registered with the Company / Depositories :

- i) Those Members whose valid e-mail IDs are registered with the Company / Depository Participant(s) will receive an email from NSDL.
- ii) Open the email and thereafter open the attached PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.

Note : Members already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf"

- iii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- iv) Click on Member - Login
- v) Put user ID and password as initial password / PIN noted in step (ii) above.

If you had logged on to www.evoting.nsd.com earlier and registered for remote e-voting of any Company, then your existing user ID and existing password / PIN is to be used. Click Login.

Note : Members who forgot the User Details / Password can use "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com.

In case Members are holding shares in demat mode, USER-ID is the combination of DPID +Client ID.

In case Members are holding shares in physical mode, USER-ID is the combination of EVEN No + Folio No.

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

B. For Members whose e-mail addresses are not registered with the Company / Depositories :

- i) Such Members [including those Members who have requested for a physical copy] will receive a physical copy of the Notice of AGM. Initial password is provided as below / at the bottom of the Attendance Slip for the AGM:

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

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

Additional Information :

In case Members have any queries relating to remote e-voting, they are requested to refer the 'Frequently Asked Questions (FAQs) for Members' and 'Remote e-voting User Manual for Members' available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

Members may also send their queries relating to e-voting to Ms. Pallavi Mhatre, Assistant. Manager, NSDL at :

E-mail id: evoting@nsdl.co.in

Toll free No.: 1800-222-990

Tel. No. : 022 2499 4545

Members are requested to update their mobile numbers and e-mail IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

Any person, who acquires shares of the Company and becomes a member of the Company after despatch of the notice and holding shares as of the cut-off date i.e. June 29, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer / RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details / Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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

By Order of the Board
For Hindustan Construction Co. Ltd

Venkatesan Arunachalam
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai

Date: May 9, 2017

Annexure to the Notice

Item No. 2

As per the provisions of Section 152 of the Companies Act, 2013, Mr. N. R. Acharyulu (DIN 02010249), Non Executive - Non Independent Director of the Company, is due to retire by rotation. Mr. N. R. Acharyulu, being eligible has offered himself for re-appointment.

Mr. Acharyulu has a distinguished career having more than forty seven years of enriched experience and has held various leadership positions during his long stint. A Mechanical Engineer from Andhra University, Mr. Acharyulu joined HCC in 1970 as Junior Engineer at Idukki Hydroelectric Power project in Kerala. During his career with HCC, he was entrusted with responsibilities of heading the Plant and Equipment department since 1991. Thereafter he headed the Construction Engineering and Methodology Group (CEMG) in 2001 for some time before he was made the Project Controller of the Water Supply and Irrigation projects in 2004. He was then made the Head of Water Vertical in 2007 and later given the independent responsibility of Claims Task force in 2011. Mr. Acharyulu became the Chief Operating Officer of HCC in mid of 2012 and then was made the Chief Business Development Officer of the Company in 2014. Upon conclusion of his contract period, he was appointed as the Non-Executive - Non Independent Director on the Board with effect from May 2, 2016.

The Board recommends the passing of the Ordinary Resolution at Item No. 2 of the accompanying Notice for approval by the Members of the Company.

None of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 2 of this Notice except to the extent of their respective shareholding in the Company, If any.

Item No. 3

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

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

In view of the above, the existing appointment of M/s Walker Chandio & Co. LLP, Chartered Accountants, Mumbai, Statutory Auditors of the Company, covering the period from the conclusion of this ensuing AGM until the conclusion of the next Annual General Meeting to be held in the FY 2018-19, is being placed for members' ratification.

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

None of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 3 of this Notice except to the extent of their respective shareholding in the Company, If any.

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

Item No. 4

Mr. Ram P. Gandhi was formally appointed as Independent Director of the Company as per the requirements of the Companies Act, 2013 ('Act') at the 88th AGM of the Company held on June 20, 2014 for a term of three years i.e. upto the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017.

Mr Ram P. Gandhi joined the Board of Directors of the Company in August 1999. He holds a Bachelors Degree in Commerce and is a leading businessman and Past President of IMC Chamber of Commerce and Industry. He is a Member of the Managing Committee of Assocham. Mr. Gandhi is also a Director on the Board of various other Companies viz. Beacons Pvt. Ltd., YoungBuzz India Ltd., Edufuel Pvt. Ltd., Hicon Holdings Ltd., Hicon Finance Ltd., Western Securities Ltd., HCC Construction Ltd., Pravinchandra Pvt. Ltd. and The States' People Private Ltd.

He is also on the Board of Trustees of Janmabhoomi Group of Newspapers and a Trustee of several Trusts like IMC Ramkrishna Bajaj National Quality Award Trust, IMC Centenary Trust, IMC Economic Research & Training Foundation, etc. He is a Member on the Advisory Board of Council For Fair Business Practices.

He is also the Chairman and Member of the Stakeholders' Relationship Committee, ESOP Compensation Committee and CSR Committee of the Company and Chairman of the Stakeholders' Relationship Committee of Hincon Holding Ltd.

Mr. Ram Gandhi holds 48,000 equity shares of ₹ 1 each in the Company.

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

Based on the performance evaluation carried out by the Board and after reviewing the declaration submitted by Mr. Ram Gandhi, the Board of Directors of your Company at their meeting held on May 4, 2017, have formed an opinion that Mr. Ram Gandhi continues to meet with the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meet with the requirements of Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations') and that he is independent of the management and thereby have approved the re-appointment of Mr. Ram Gandhi, as an Independent Director of the Company, vide resolution passed in this regard, for a second term of three years i.e. from the conclusion of the 91st Annual General Meeting of the Company to be held in the calendar year 2017 upto the conclusion of the 94th Annual General Meeting of the Company to be held in the calendar year 2020, subject to necessary approval of the Members.

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

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

The Board considers that Mr. Gandhi's continuance on the Board as an Independent Director, would be of immense benefit to the Company.

Accordingly, the Board recommends the resolution contained at Item No. 4 of the accompanying notice for approval of the members as a Special Resolution.

None of the Directors, Key Managerial Persons (KMPs) or their respective relatives except Mr. Gandhi is in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No.4 of this Notice except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement alongwith Annexure A to the Notice, may also be regarded as a disclosure under Regulation 36(3) of the SEBI Listing Regulations.

Item No. 5

Mr. Sharad M. Kulkarni, was formally appointed as an Independent Director of the Company as per the requirements of the Companies Act, 2013 ('Act') at the 88th AGM of the Company held on June 20, 2014 for a term of three years i.e. upto the conclusion of the 91st Annual General Meeting of the Company in the calendar year 2017.

Mr. Sharad M. Kulkarni joined the Board of Directors of the Company on August 10, 2001. He is a Corporate Advisor & Business Consultant and holds a Bachelors Degree in Engineering (B.E.) from University of Pune and is a Fellow of the Institute of Engineers India.

He consults and advises several Indian and International companies. He is actively associated with NGO's and Educational Trusts. He has been a CEO & President of major International and Indian corporate entities during his varied 53 years of Global experience both in India & abroad.

His area of expertise covers Business Development, International Alliance Management, Strategic Planning, Technology & Innovation Advisory, Financial Services and Corporate Governance.

Mr. Kulkarni is also a Director on the Board of various other Companies viz., Bayer Crop Science Ltd, Camlin Fine Sciences Ltd, Ineos Styrolutions India Ltd, KEC International Ltd, Navin Fluorine International Ltd, J.M. Financial Trustee Company Pvt. Ltd and Raychem RPG Pvt. Ltd.

He is also the Chairman of the Audit Committee and a Member of ESOP Allotment Committee of the Company. In addition to this, he is also Member / Chairman of several Committees of other public limited companies.

Mr. Sharad Kulkarni holds 20,000 equity shares of ₹ 1 each in the Company.

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

Based on the performance evaluation carried out by the Board and after reviewing the declaration submitted by Mr. Sharad Kulkarni, the Board of Directors of your Company at their meeting held on May 4, 2017, have formed an opinion that Mr. Sharad Kulkarni, continues to meet with the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and rules made thereunder and also meet with the requirements of Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations') and that he is independent of the management and thereby have approved the re-appointment of Mr. Sharad Kulkarni, as an Independent Director of the Company, vide resolution passed in this regard, for a second term of three years i.e. from the conclusion of the 91st Annual General Meeting of the Company to be held in the calendar year 2017 upto the conclusion of the 94th Annual General Meeting of the Company to be held in the calendar year 2020, subject to necessary approval of the Members.

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

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

The Board considers that Mr. Kulkarni's continuance on the Board as an Independent Director, would be of immense benefit to the Company.

Accordingly, the Board recommends the resolutions contained at Item No. 5 of the accompanying notice for approval of the members as a Special Resolution.

None of the Directors, Key Managerial Persons (KMPs) or their respective relatives except Mr. Kulkarni is in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No.5 of this Notice except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement alongwith Annexure A to the Notice, may also be regarded as a disclosure under Regulation 36(3) of the SEBI Listing Regulations.

Item Nos. 6 (A) & (B)

Mr. Ajit Gulabchand was re-appointed as the Managing Director designated as Chairman & Managing Director of the Company, for a period of 5 years with effect from April 1, 2013, including terms of remuneration for a period of 3 years (i.e. April 1, 2013 to March 31, 2016), in accordance with the approval accorded by the members, at the Annual General Meeting of the Company held on June 21, 2013.

Pursuant to the approval of the Nomination and Remuneration Committee (NRC) and the Board at their respective meetings held on June 3, 2016, the following remuneration was approved for Mr. Ajit Gulabchand for FY 2016-17 in accordance with the limit of remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013 and the same was also approved by the Members of the Company at the last Annual General Meeting of the Company held on July 14, 2016.

(Amount in ₹)

Financial Year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
2016-17	1,64,82,957	25,17,043	28,70,785	2,18,70,785 ##

Inclusive of perquisites which are exempt from the computation of managerial remuneration as per Schedule V of the Act.

Thereafter in line with the amendment to Schedule V of the Companies Act, 2013 vide Notification dated September 12, 2016, issued by the Ministry of Corporate Affairs (MCA), in relation to the limit of managerial remuneration payable as per Section II of Part II of Schedule V of the Companies Act, 2013, the NRC and the Board at their respective meetings held on February 2, 2017, had approved the revised managerial remuneration payable to Mr. Gulabchand for FY 2016-17 as under, subject to necessary approval from the Members of the Company.

(Amount in ₹)

Financial Year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
2016-17	2,69,64,000	144,600	38,94,600	3,10,03,200**

** As per the limits prescribed under Schedule V of the Companies Act, 2013.

The present term of contract of Mr. Ajit Gulabchand as Chairman & Managing Director of the Company is upto March 31, 2018. The Nomination and Remuneration Committee (NRC) and the Board at their respective meetings held on May 4, 2017, have approved the following remuneration for Mr. Ajit Gulabchand, for the remainder term from April 1, 2017 to March 31, 2018, in accordance with the limit of remuneration as per Section II of Part II of Schedule V of the Companies Act, 2013, which computation has been based on the Effective Capital of the Company as on March 31, 2017 pursuant to the explanation provided in Section IV of Schedule V of the Companies Act, 2013, subject to necessary approval from the Members of the Company.

(Amt in ₹)

Financial Year	Annual Salary	Perquisites and Allowances (per annum)	Retirals (per annum)	Total (per annum)
2017-18	2,93,40,000	1,44,600	42,51,000	3,37,35,600**

** As per the limits prescribed under Schedule V of the Companies Act, 2013.

Section 197 read with Section II of Part II of Schedule V to the Companies Act 2013 ('Act'), inter alia, necessitates the Company to comply inter alia with the conditions stipulated thereunder including seeking approval from the Members by way of a special resolution for payment of remuneration for a period not exceeding three years for payment of managerial remuneration by the Company, if in any financial year, during the currency of the tenure of a managerial person, it has no profits or its profits are inadequate. Further as per Schedule V of the Act, the limit of remuneration can be exactly doubled subject to special resolution by the Members.

In terms of compliance, inter alia, with the conditions stipulated in Section II of Part II of Schedule V to the Act, requisite information has been furnished for Item Nos. 6 (A) & (B) and 7 together, after the explanatory statement for Item No. 7.

As the payment of remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director for the financial year 2016-17 & financial year 2017-18 is within the limit of remuneration (exactly doubled), as laid down in Schedule V to the Act, Members approval vide Special Resolutions is sought for payment of the aforesaid remuneration for the respective financial years as specified in the resolutions at Item Nos. 6 (A) & (B) in accordance with Schedule V of the Act.

The Board of Directors of the Company felt that considering the rich experience and contribution of Mr. Ajit Gulabchand, Chairman & Managing Director to the sustained growth of the Company from time to time and considering the multi-faceted responsibilities shouldered by him and the industry benchmarks, the aforementioned remuneration payable to Mr. Ajit Gulabchand, Chairman & Managing Director, although not commensurate with the remuneration package paid to similarly placed persons, in other Companies in the same Industry, is as per the limit of remuneration payable in accordance with the Act and therefore recommend the resolutions at Item Nos. 6 (A) & (B) of the accompanying notice for your approval.

Mr. Ajit Gulabchand is interested to the extent of remuneration payable to him under Resolution Nos. 6 (A) & (B). Ms. Shalaka Gulabchand Dhawan – Whole-time Director and Mr. Arjun Dhawan, Group CEO & Whole-time Director of the Company being relatives of Mr. Ajit Gulabchand are deemed to be directly / indirectly concerned or interested in the resolutions at Item Nos. 6 (A) & (B).

Save and except as above, none of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item Nos. 6 (A) & (B) of this Notice, except to the extent of their respective shareholding in the Company, if any.

Item No. 7

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on February 2, 2017 appointed Mr. Arjun Dhawan as Group Chief Executive Officer (CEO) in accordance with the provisions of Section 203 of the Companies Act, 2013) & also as an Additional Director and subject to approval of the Members of the Company, as the Group CEO & Whole-time Director of the Company for a period of 5 years w.e.f. April 1, 2017, in accordance with Section 196 of the Companies Act, 2013, including payment of an overall remuneration of a sum of ₹ 6,00,00,000 per annum to Mr. Arjun Dhawan, for a period of three years from April 1, 2017 to March 31, 2020, subject to Section 197 read with Schedule V of the Companies Act, 2013 ('Act').

It is hereby clarified that, notwithstanding the aforesaid overall remuneration, during the currency of the aforesaid three years of the tenure of Mr. Dhawan, where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Arjun Dhawan as the Whole-time Director, in each of the above mentioned three year(s), shall be as per the limit of remuneration (exactly doubled) in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, subject to the approval of the Members vide Special Resolution.

In accordance with Schedule V of the Companies Act, 2013, the managerial remuneration payable to Mr. Arjun Dhawan for FY 2017-18, is stated in the Resolution No. 7 of the Notice.

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

The terms and conditions of his remuneration may be revised, amended, altered and / or varied from time to time by the Board and / or Nomination and Remuneration Committee in such manner as may be permitted in accordance with the provisions of the Act and / or to the extent as may be required, by the concerned authority, if any, while according approvals, if any.

In accordance with Section 196, 197 read with Schedule V to the Act, Members approval vide Special Resolution is sought for the appointment and payment of the aforesaid remuneration per annum to Mr. Dhawan for a period of three years, subject to the limit of remuneration (exactly doubled) for the respective financial years, as laid down in Schedule V of the Act which is specified in the resolution at Item No. 7.

It is clarified that, upon approval of the Members at the ensuing Annual General Meeting, further approval for payment of remuneration to Mr. Arjun Dhawan shall be sought for the remaining period of two years of his term of appointment in due course of time, in terms of the provisions of the Act.

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

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

The Board of Directors of the Company felt that considering the expertise and immense contribution that would be brought in by Mr. Arjun Dhawan to the business, the aforementioned remuneration payable to him is commensurate with the remuneration package paid to similarly placed persons, in other Companies in the same Industry, subject to the limit of remuneration whenever applicable, in accordance with the Act and therefore recommends the resolution at Item No. 7 of the accompanying notice for your approval.

Mr. Arjun Dhawan is interested to the extent of remuneration payable to him under Resolution No. 7. Mr. Ajit Gulabchand, Chairman & Managing Director and Ms. Shalaka Gulabchand Dhawan – Whole-time Director being relatives of Mr. Arjun Dhawan are deemed to be directly / indirectly concerned or interested in the resolution at Item No. 7.

Save and except as above, none of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 7 of this Notice, except to the extent of their respective shareholding in the Company, if any.

This Explanatory Statement alongwith Annexure A to the Notice, may also be regarded as a disclosure under Regulation 36(3) of the SEBI Listing Regulations.

In terms of compliance, inter alia, with the conditions stipulated in Section II of Part II of Schedule V to the Act, information has been furnished for Item No. 6 (A) & (B) and 7 together as under :

I. GENERAL INFORMATION:

- | | | |
|-----|---|-------------------------------|
| (1) | Nature of Industry | Engineering and Construction. |
| (2) | Date of Commencement of commercial Production | Not Applicable |
| (3) | In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the Prospectus in the Prospectus | Not Applicable |
| (4) | Financial Performance: | |

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

(₹ in Crore)

Sr. No.	Particulars	Financial Year				
		2012-13	2013-14	2014-15	2015-16	2016 -17
1	Paid-up Capital	60.67	60.67	64.59	77.92	101.07
2	Reserves and Surplus	1,102.11	1,186.73	1322.86	1784.91	2588.9
3	Turnover *	3,838.65	4,113.49	4,301.14	4,190.90	4195.94
4	Net Profit / (Loss) after tax as per Schedule III	(137.64)	80.64	81.65	84.97	80.92
5	Net Profit as per Sec 198 of the Companies Act, 1956 / Companies Act, 2013	(523.08)	(510.29)	(370.75)	(297.64)	(195.06)

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

- (5) Export Performance, Net Foreign Exchange

Earnings and Collaborations:

During the year 2016-17, the accrued value of exported goods or services on F.O.B. Basis and work bills realized on contracts is ₹ 115.15 crore. The Company has no foreign collaboration.

- (6) Foreign Investments or Collaborators, if any :

As of March 31, 2017, the aggregate number of Equity Shares held by Foreign Institutional Investors (FIIs) and Foreign Portfolio Investment (FPIs) is 10,93,22,394 Equity Shares of ₹ 1 each which constitutes 10.82% of the Paid up Equity Share Capital of the Company.

There is no foreign collaboration for any investment.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background details:

Mr. Ajit Gulabchand:

Mr. Ajit Gulabchand, Chairman & Managing Director is B.Com (Hons) and aged 68 years. He has over three decades of enriched experience in construction business and has served the Board of HCC, as Managing Director from April 1, 1983 and was elevated as the Chairman of the Company in May 1994. Since then, he has been re-appointed from time to time, for a period of 5 years each. His present tenure of re-appointment as Managing Director designated as Chairman & Managing Director of the Company was approved by the Board of Directors of the Company at their meeting held on March 28, 2013 for the period of five years w.e.f. April 1, 2013 and the same was also approved by the Members at the Annual General Meeting of the Company held on June 21, 2013.

Mr. Arjun Dhawan:

Mr. Dhawan has an MBA from Harvard Business School and holds a Bachelor's (Hons) degree in Mathematics & Economics from Middlebury College.

Prior to his appointment to the Board, Mr. Arjun Dhawan was President & CEO of HCC Infrastructure since November 2009 where he led the incubation of the concessions business which has successfully developed and operated over ₹ 5,500 crore of National Highway assets through Public Private Partnership with the Indian Government.

Prior to starting his career at HCC, Mr. Dhawan acquired global expertise in the area of investment management across various businesses and industries. Earlier, Mr. Dhawan was the Managing Director of Arya Capital Management in Mumbai and formerly was with Trellus Management Company, a \$1.6 billion hedge fund in New York, where he oversaw material portfolios of equity investments. With Banc of America Securities, he had helped build a proprietary investment group that oversaw \$400 million of capital focused on distressed strategic assets. Mr. Dhawan began his career as an Investment Banker in the Leveraged Finance Groups of Donaldson, Lufkin & Jenrette and Credit Suisse First Boston. His \$6 billion of transaction experience cover large leveraged buyout, high yield, M&A and equity transactions across multiple industries and geographies.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on February 2, 2017 has approved the appointment of Mr. Arjun Dhawan as the Group CEO & Whole-time Director with effect from April 1, 2017 for a period of 5 years (including terms of remuneration for 3 years), subject to the approval of the Members of the Company.

(2) Past Remuneration:**Mr. Ajit Gulabchand:**

The details of Salary, Perquisites and Allowances and other retiral benefits paid / payable to Chairman & Managing Director in the last four financial years i.e. 2013-14, 2014-15, 2015-16 and 2016-17 are as given below:

(Amount in ₹)

Period		Annual Salary, Perquisites, Allowances and Retirals
From	To	
01/04/2013	31/03/2014	* 10,65,60,000
01/04/2014	31/03/2015	** 10,65,60,000
01/04/2015	31/03/2016	** 10,65,60,000
01/04/2016	31/03/2017	*** 3,56,85,226

* In respect of FY 2013-14, Company has filed a representation to the Ministry of Corporate Affairs (MCA) requesting the Ministry to reconsider their approval and the matter is pending.

** In respect of FY 2014-15 and FY 2015-16, approval is awaited for the Company's application made to MCA in this regard.

*** Subject to Members approval at the ensuing Annual General Meeting of the Company.

Mr. Arjun Dhawan:

Mr. Arjun Dhawan was appointed on April 1, 2017 as Group CEO & Whole-time Director subject to Members approval. Therefore the past remuneration given below was paid to him, purely while in employment and not as a managerial person. The details of remuneration paid to him in the last three financial years i.e. 2014-15, 2015-16 and 2016-17 are as given below :

(Amount in ₹)

Period		Annual Salary, Perquisites, Allowances, Performance Linked Pay and Retirals
From	To	
01/04/2014	31/03/2015	2,92,40,004
01/04/2015	31/03/2016	3,34,95,647
01/04/2016	31/03/2017	2,87,89,349

(3) Recognition / Awards:

Mr. Ajit Gulabchand's Global Engagements:

Mr. Ajit Gulabchand has received several global recognitions and accolades during his tenure as Chairman and Managing Director. Alongside his responsibilities at HCC, Mr. Gulabchand holds leadership positions in several key industry bodies. He is the member of the Governor's Steering Board of the Infrastructure and Urban Development Community at the World Economic Forum, Geneva and co-chaired the community in 2016. A regular participant at the World Economic Forum (WEF) for over two decades, Mr. Gulabchand was the first Asian to Chair the Governor's Steering Board of the Engineering & Construction Community at WEF in Davos, 2011. He also served as a Co-Chair at the WEF's India Economic Summit in 2010. He Chaired the Disaster Resource Partnership, formed in coordination between the World Economic Forum's Engineering and Construction community along with Humanitarian organizations in 2015 and 2016. He is also the founder member and Chair of Disaster Resource Network, India. He is member of Steering Boards of initiatives of World Economic Forum like Future of Urban Development Services, Partnering Against Corruption Initiative and Future of Construction. He is member of the Private Sector Alliance for Disaster Resilient Societies (ARISE) of United Nations International Strategy for Disaster Risk Reduction (UNISDR) and member of UK India Business Council (UKIBC) Advisory Council. He is Member of Board of Trustees – New Cities Foundation and has been the Past President of International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) in 2011-12.

He is the Chairman of the Governing Council of the Construction Skills Development Council of India. He is member of CII National Council and President of the Construction Federation of India. Mr. Gulabchand is also the first Asian signatory to endorse the United Nations' Global Compact's CEO Water Mandate. He is signatory member of Caring for Climate, United Nation's action platform for business and Signatory member of WEF's CEO Climate Leaders. He is Executive Committee Member of TERI's (The Energy and Resources Institute) Council for Business Sustainability (2015-18). He is Chairman of the Board of Governors and Board of Trustees of the National Institute of Construction Management and Research (NICMAR) and Chairman of the Administrative Council of the Walchand College of Engineering.

Mr. Arjun Dhawan:

As part of the Senior management team, Mr. Dhawan has been an integral part of key decision making at HCC, including group strategy, divestment decisions, and finalisation of terms of the recently concluded restructuring process. He has represented HCC and the construction industry at all levels of Government including the PMO and various heads of state & government agencies. Mr. Dhawan's role at HCC has extended to managing relationships with all stakeholders, including those with customers, lenders and institutional investors.

As the Chairman of Board, HCC Concessions Ltd., Mr. Dhawan led a large team comprising project development, finance and operations & maintenance. Since 2009, Mr. Dhawan grew a fledging company within the HCC Group from one operational asset and invested capital of ₹150 crore to a material subsidiary with six SPVs (four of which are operational, two divested) with over ₹1,000 crore of invested capital, achieving a material out performance in his portfolio relative to benchmarks. In successfully developing and operating over ₹ 5,500 crore of National Highway assets, he has built group expertise in asset management that extends from pricing of risk and project finance, to construction management and O&M.

Mr. Dhawan was responsible for executing the acquisition of Karl Steiner AG, the second largest Swiss real estate contractor, for the HCC Group. He also led the divestment of 14.5% stake in HCC Concessions to The Xander Group in 2011. HCC's Corporate Social Responsibility and Sustainability programs remain an important priority for Mr. Dhawan and he has made significant contributions to Water, Sanitation and Education initiatives.

Mr. Dhawan is an active member of the World Economic Forum and the Confederation of Indian Industry. Within the WEF's Strategic Infrastructure Initiative, he is involved in helping develop actionable frameworks and best practices to resolve global infrastructure bottlenecks, with the ultimate goal of increasing the supply of well-structured bankable infrastructure projects globally.

(4) Job Profile and Suitability:

Mr. Ajit Gulabchand:

Mr. Ajit Gulabchand is the Chairman & Managing Director of our Company having more than 3 decades of rich experience in construction industry. He functions under the control, superintendence and direction of the Board of Directors. Under his able leadership, the Company which was primarily engaged in the Construction sector has since then executed a wide range of construction projects in diverse segments such as transportation, hydro power, nuclear projects, oil & gas pipeline, irrigation & water supply and urban Infrastructure and thus the Company has established itself as a leading Engineering & Construction (or "E&C") and Infrastructure development Company in India.

With his unstinted contribution, the Company has invested in cutting-edge technologies, adopted best work practices and stressed on global operational standards to promote responsible infrastructure development in India. The Company has executed a majority of India's landmark infrastructure projects, having constructed 25% of India's Hydel Power generation and over 50% of India's Nuclear Power generation capacities, over 3,100 lane km of Expressways and Highways, more than 200 km of complex Tunneling and over 324 Bridges. The Company's landmark projects include the Bandra Worli Sea Link, Mumbai – India's first and longest open sea cable-stayed bridge; the Kolkata Metro, Farakka Barrage and India's largest nuclear power plant at Kudankulam - Tamil Nadu, to name a few.

In the present challenging business environment, the duties and responsibilities of Mr. Ajit Gulabchand, Chairman & Managing Director, has continued to grow manifold and is increasingly complexed. There is an imperative need for formulation of competitive strategies and ongoing review for successful implementation in order to provide an impetus to the growth prospects of the Company. This enduring process necessitates his continued focus and higher involvement in managing the overall affairs of the Company.

Needless to say, in these tough times, the Company ought to be continuously guided and led under the able leadership of Mr. Ajit Gulabchand with whose rich and dynamic experiential background, the Company can remain oriented and look forward to steer through the challenging times and bounce back on the growth trajectory.

Mr. Arjun Dhawan:

Mr. Arjun Dhawan was President & CEO of HCC Infrastructure since November 2009. HCC Infrastructure, through its subsidiaries, develops and operates large infrastructure assets through public private partnership (PPP) with the Indian Government.

As the Chairman of Board, HCC Concessions Ltd., Mr. Dhawan led a large team comprising project development, finance and operations & maintenance and has built group expertise in asset management that extends from pricing of risk and project finance, to construction management and O&M.

Considering his valuable contribution to the HCC Group, he has been appointed by the Board of Directors as a Group CEO & Whole-time Director with effect from April 1, 2017, subject to the approval of the Members of the Company.

In a highly competitive industry, as the Group CEO & Whole-time Director, Mr. Arjun Dhawan shall be engaged with increased responsibilities. There is a continuous need to formulate appropriate business policies and formalize business decisions which have a competitive edge over others. As the Group CEO and Whole-time Director, his dedicated and holistic involvement for the entire operations of the Company is necessitated.

In his new role, he has to discharge multi- faceted responsibilities and with his enriched talent it is firmly believed that he will provide able guidance and contribution, in order to translate the business prospects into successful business ventures and the Company will benefit immensely from his experience and have a reinforced direction to steer through the challenging times.

(5) **Remuneration proposed:**

Mr. Ajit Gulabchand:

Details of the total remuneration comprising, inter alia, Salary, Perquisites and Allowances together with Retirals, which are proposed to be paid to Mr. Ajit Gulabchand, Chairman & Managing Director for FY 2016-17 (revised remuneration) and FY 2017-18, subject to limit of remuneration computed in accordance with Schedule V of the Companies Act, 2013 have been fully set out in the Special Resolution at Item No. 6 (A) & (B).

Mr. Arjun Dhawan:

Details of his overall remuneration which would comprise inter alia, Salary, Perquisites and Allowances together with Retirals, which are proposed to be paid to Mr. Arjun Dhawan as Group CEO & Whole-time Director, subject to the limit of remuneration computed in accordance with Schedule V of the Companies Act, 2013, whenever applicable, have been fully set out in the Special Resolution at Item No. 7.

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

Mr. Ajit Gulabchand:

Due to the unstinted efforts and contribution of Mr. Ajit Gulabchand, Chairman & Managing Director of the Company, the Company has been able to reach a prominent position in the Construction Industry and has been acclaimed as one of the leading global engineering and construction player and pioneer in urban infrastructure development sector. His unflinching contribution has ensured the long term survival and sustainability of our Company and thus the Nomination and Remuneration Committee and the Board of Directors felt that he should continue to lead the Company and be paid remuneration, as per the provisions of the Act.

Although the Company does not have adequate profits for payment of managerial remuneration as per Section 197 of the Act, considering the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, the business acumen and dynamism expected in discharge of the role of the Chairman & Managing Director and considering Mr. Gulabchand's competence and invigorating leadership provided to the Company for more than 3 decades which has resulted in sustained growth for the Company, the Board felt that it is utmost befitting that Mr. Ajit Gulabchand be paid remuneration, in accordance with Schedule V of the Act, as stated in Resolution No. 6.

The payment of aforesaid remuneration stated at resolution no. 6, although lower to the prevailing levels in the industry, is within the limit of remuneration computed as per the Act and thereby is more than justified for payment to him.

Mr. Arjun Dhawan:

The Nomination and Remuneration Committee and the Board of Directors had approved his appointment considering the competence, subject matter expertise, enriched experience and considering his contribution to the HCC Group, it is more than appropriate that Mr. Arjun Dhawan be appointed as the Group CEO & Whole-time Director of the Company in order to drive the operations of the Company in the face of the challenging business environment which will enable the Company to emerge successful.

Therefore the payment of aforesaid remuneration stated at resolution No.7 is reasonable and comparable to the remuneration paid to Directors in the Industry and hence justified. However the same shall be subject to the limit of remuneration as per Schedule V of the Act, in the respective years, whenever applicable.

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

Mr. Ajit Gulabchand:

Mr. Ajit Gulabchand, Chairman & Managing Director is related to the other managerial personnel in the Company viz., Ms. Shalaka Gulabchand Dhawan (relative - father) and Mr. Arjun Dhawan (relative – father-in-law).

Mr. Ajit Gulabchand does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out in the resolution at Item No. 6 and except to the extent of the Promoter shareholdings in the Equity Share Capital of the Company.

Mr. Arjun Dhawan:

Mr. Arjun Dhawan, Group CEO & Whole-time Director, is related to the other managerial personnel in the Company viz., Mr. Ajit Gulabchand (relative – son-in-law) and Ms. Shalaka Gulabchand Dhawan (relative - wife). Mr. Arjun Dhawan does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out in the resolution at Item No. 7.

III OTHER INFORMATION:

(1) Reasons for loss or inadequate profits:

The infrastructure sector is at the heart of growth of India. Estimates suggest that the country needs close to ₹ 31,000 billion to be spent on infrastructure development over the next five years, with 70% of funds needed for power, roads and urban infrastructure segments. Despite this need, India's rank on infrastructure development in the Global Competitive Index was at 68 in 2016-17 — an improvement of only 19 places compared to 2014-15. Notwithstanding an enormous demand for physical infrastructure, the sector is facing significant challenges, as the developers, the financial community and the government grapple with stalled projects, non-performing loans and widening gap between performance and targets.

Consequently, India's construction growth in GDP terms has tapered off substantially since 2011-12. The slowdown in construction activities has adversely affected Engineering, Procurement and Construction (EPC) companies across India. The sector is plagued with significant cost overruns, regulatory bottlenecks and aggressive bidding positions taken by a few market players resulting in financial losses. Another important element is the massive build-up of claims that are receivable from various government entities. These are on account of several factors, such as change of scope of work (quantity variation or extra items), idling of resources like manpower and overheads, compensation beyond the original stipulated contract period, change in statute and loss of opportunity. The entire claims resolution mechanism has been substantially delayed and, consequently, blocked up large amounts of cash severely affecting liquidity across the value chain.

In the present business environment, owing to the existing high levels of debt, the construction companies are left with limited opportunity to raise further capital to fuel growth.

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

The Central Government has finally managed to break the choke-hold of stalled projects, by giving faster clearances and closely monitoring them at the highest levels.

To revive the construction sector, the Cabinet Committee on Economic Affairs has approved a series of initiatives, which are expected to help in improving liquidity in the short run and reform the contracting regime in the long run. These include:

- PSUs / departments may seek the consent of the contractors / concessionaires to transfer the arbitration cases initiated under the pre-amended Arbitration Act to the amended Arbitration Act, wherever possible.
- In case of claims where the PSU / departments has challenged the Arbitration Award, 75% of the award amount may be paid by the PSU to the contractor / concessionaire against margin-free bank guarantee.
- All PSUs / departments issuing public contracts may consider setting up Conciliation Committees / Councils comprising independent subject experts in order to ensure speedy disposal of pending or new cases.
- Item-rate contracts, may be substituted by EPC (turnkey) contracts, and PSUs / Departments may adopt the model EPC contracts for construction works.
- Department of Financial Services, in consultation with the Reserve Bank of India (RBI), is formulating a one-time package for the construction sector which is expected to be announced shortly.

These initiatives are expected to infuse appropriate liquidity into the construction sector and other infrastructure projects, which have been stranded and support the entire process of dispute resolution in relation to construction and real estate.

While dealing with legacy issues, the central government has also laid emphasis on pushing a new round of infrastructure development. This includes a slew of measures related to award of contracts, regulatory approvals, funding and exit mechanism for developers.

As a result, the infrastructure sector has been showing incipient signs of recovery, which is likely to further acquire momentum in the medium term with the positive proposals in the Union Budget 2017-18. Total outlay for the sector is up by 10% to ₹ 3,96,135 crore in 2017-18 over 2016-17, with roads, bridges and railways seeing higher allocations of 7%-8% each.

In this business environment, HCC adopted a two-pronged strategic approach. On the one hand, it looked inwards to create a more competitive and resilient enterprise with clear focus on developing processes, people and a strong performance driven organisation culture. On the other, it leveraged the best mix of revised policy and regulatory measures to streamline cash flows and create a suitable platform for continuing business operations efficiently and servicing market opportunities.

On enhancing internal efficiencies, HCC has adopted a management ethos that focuses on achieving a clear set of objectives. The goals include:

- Further enhancing efficiencies in operations across all lines of business including related group companies.
- Addressing the cash flow situation in the core engineering and construction business and also charting a clear strategic and financial blueprint for key investments like Lavasa and HCC Infrastructure.
- Translating strategic intent to on-ground commitment of delivering high quality products for all customers.
- Growing the order book with a well distributed portfolio across various segments of the infrastructure industry.
- Emphasising effective deployment of resources for greater productivity and cost optimisation.

By adopting these broad management goals, HCC expects to leverage the collective spirit of its people to chart the Company's turnaround over the next few years. With a new executive leadership in place, the platform to embark on this journey has been laid out in 2016-17.

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

HCC continued with its efforts at securing new orders and maintain a healthy order book. However, pressures on working capital did affect execution. Consequently revenues remained flat in 2016-17. Even so, considerable efforts have been made on increasing productivity and cost optimisation across projects at the sites. These have borne positive results, and are now engrained as a part of its continuous improvement mechanism.

In parallel to the efforts on strengthening its internal capabilities, HCC laid major emphasis on the financial restructuring of the Company and release as much cash as possible to sustain and grow operations.

In 2012, the banks had sanctioned HCC a complete restructuring package under the aegis of the 'Corporate Debt Restructuring (CDR)' scheme. However, the financial state of the Company remained under stress due to a further slowdown in the industry, difficulties and consequential delays in divestment and the slow pace of claims recovery from customers. Recognising the need for a more definitive solution, the joint lender's forum in its meeting held on July 12, 2016 passed to resolve the HCC account under the recent Reserve Bank of India (RBI) guidelines of 'Scheme for Sustainable Structuring of Stressed Assets' (S4A). In fact, HCC became the first company in India to adopt S4A.

HCC secured all necessary clearances including approval from Members at an Extraordinary General Meeting (EGM) held on January 5, 2017, and the S4A scheme has been implemented.

For HCC, the salient features of the S4A scheme implementation are :

- The entire funded exposure of ₹ 5,107 crore was divided into two debt classifications: sustainable debt of ₹ 2,681 crore and unsustainable debt of ₹ 2,426 crore.
- A portion of the unsustainable debt was converted into equity share capital so as to allow lenders to jointly own around 23.6 % of the expanded share capital of your Company.
- OCDs have a repayment period over 10 years and will carry a coupon of 0.01 % p.a with yield to maturity of 11.5%.

This has substantially reduced interest outgo and repayment obligations and the scheme provides your Company much needed breathing space for its cash management.

In addition, the Cabinet Committee for Economic Affairs (CCEA) announced a slew of initiatives through the Niti Ayog to deal with claims of players in the construction industry vis-a-vis major government bodies and public sector undertakings. The key aspect of the measures for construction companies was the directive to release 75% of award arbitration amount against bank guarantee.

HCC has secured favourable arbitration awards which will yield a cash inflow of ₹ 2,599 crore as 75% of the awarded amount. As on date, ₹ 380 crore were received of the above amount.

Additionally, there will be further cash inflow once awards for pending claims are settled. The Company is aggressively working on completing formalities towards obtaining approvals from lenders for sanction of bank guarantees and opening escrow accounts. It is also pursuing with clients for issue of sanction letters for the balance amounts.

To summarise, 2016-17 saw certain concrete steps being taken to create the basis for providing interim cash flow relief, and free up the Company to pursue and promote its existing operations and turnaround the business.

While applying an element of caution with focus on optimising the preservation of cash, HCC continued leverage its core strengths to push for new orders. This was essential for a company of HCC's size, because it is only through a sizable order backlog that it can be assured of the revenues and returns needed to service its debt while creating greater corporate value.

- During 2016-17, HCC secured ₹ 5,375 crore worth of new orders and the order backlog grew by 12.5% from ₹ 18,123 crore at the end of 2015-16 to ₹ 20,390 crore by the end of 2016-17.
- As of March 31, 2017, HCC was also L1 in orders worth ₹ 2,804 crore, much of which will translate into new orders in the near future.

Infrastructure development in India during 2016-17 centred on new projects primarily in the transportation sector including roads, railways and airports. HCC's order backlog, is in line with market dynamics that has a large emphasis on the transportation sector.

From the facts and position explained in the preceding paragraphs, it would be appreciated that the situation faced by the Company has been due to macro economic factors and reasons beyond the control of management.

As mentioned above, the management has already taken and is continuing to undertake diligent efforts to step up the performance of the Company and it is expected that the reinforced and concerted efforts would certainly bring about an improvement in the operational growth in future.

IV DISCLOSURES:

- (1) The Members of the Company have been informed of the remuneration payable to Mr. Ajit Gulabchand and Mr. Arjun Dhawan in the resolution at Item Nos. 6 (A) & (B) and 7 respectively, in the following manner:

Mr. Ajit Gulabchand:

Details of the total remuneration comprising, inter alia, Salary, Perquisites and Allowances together with Retirals, which are proposed to be paid to Mr. Ajit Gulabchand, Chairman & Managing Director for FY 2016-17 (revised remuneration) and FY 2017-18, subject to the limit of remuneration computed in accordance with Schedule V of the Companies Act, 2013 have been fully set out in the Special Resolution at Item No. 6 (A) & (B).

Mr. Arjun Dhawan:

Details of the overall remuneration which would comprise inter alia, Salary, Perquisites and Allowances together with Retirals, which is proposed to be paid to Mr. Arjun Dhawan as Group CEO & Whole-time Director, subject to the limit of remuneration computed in accordance with Schedule V of the Companies Act, 2013, whenever applicable, has been fully set out in the Special Resolution at Item No. 7.

- (2) Disclosures on remuneration to the Directors of the Company including details of Stock Options issued by the Company have been made in the Corporate Governance Report which forms a part of the Report of the Board of Directors in the Annual Report of the Company for FY 2016-17.

Item No. 8

The Board of Directors of the Company on the recommendation of the Audit Committee, had approved the appointment and remuneration of M/s Joshi Apte & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2017.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration paid/ payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2016-17 as set out in the Resolution for the aforesaid services rendered by them.

The Board of Directors recommends the Ordinary Resolution set out at Item No 8 of the Notice for approval by the Members.

None of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 8 of this Notice except to the extent of their respective shareholding in the Company, if any.

Item No. 9

During the year under review, the various Scheduled Commercial Banks/ Institutions ('Lenders') had undertaken to restructure the financial facilities ("Existing Facilities") availed earlier in FY 2012-13 by the Company under the Corporate Debt Restructuring ("CDR") mechanism, pursuant to the Scheme introduced by Reserve Bank of India for Sustainable Structuring of Stressed Assets ("S4A Scheme"). On July 12, 2016 (Reference Date) the Joint Lenders Forum Meeting (JLF) adopted to resolve the Company's debt account under S4A Scheme and thereafter the same was agreed by JLF on September 7, 2016 and the Overseeing Committee of the Lenders (OC) constituted by RBI, approved the S4A Scheme for implementation by the Company on November 4, 2016. In terms of the said Scheme and the Agreements executed between the Lenders and the Company ('S4A Agreements'), as a standard condition of such debt restructuring, it has been stipulated therein, that in the event of default of the payment of Part A Debt, i.e. Sustainable Debt portion, the Lenders shall have Conversion Rights for Part A Outstanding Debt, into Equity Shares of the Company, at a price to be determined in accordance with the Applicable Laws.

After the implementation of the S4A Scheme, the Company has availed/shall avail Non fund based limits (NFB) from the lenders for receipt of Arbitration monies in terms of Cabinet Committee on Economic Affairs (CCEA) Directives. Further, for the purpose of its business, subject to limits approved by the shareholders under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Company may avail Working Capital Facilities comprising fund based and non-fund based facilities, from Lenders, from time to time ('Additional Facilities') in terms of the sanction documents/ agreements ('Facility Agreements') entered between the Company and the Lenders in such regard. The said Facility Agreements may provide the Lenders with Conversion Rights for Facility related Outstanding Borrowings, in the event of default of the payment of the Outstanding amounts availed under the various facilities, into fully paid-up Shares and/or Optionally Convertible Debentures (OCDs), at a price to be determined in accordance with the Applicable Laws.

Pursuant to the provisions of Section 62(3) of the Companies Act, 2013 and the Rules framed thereunder, in order to enable the Lenders to exercise the option to convert the Outstanding Borrowings, at their discretion, into Equity Shares and/or Optionally Convertible Debentures of the Company, approval vide Special Resolution has to be sought from the Members of the Company.

The Option to convert the Outstanding Borrowings in terms of the above referred Conversion rights into Equity shares and/ or OCDs would be exercisable by the Lenders strictly in terms of the stipulations in the S4A Agreements and/or Facility Agreements, as the case may be and shall be subject to applicable provisions under the Companies Act, 2013, and the extant regulations of SEBI in force.

In view of the above, the Board had at its meeting held on May 4, 2017 approved the proposal for seeking the Members approval vide Special resolution, in accordance with the requirements of Section 62(3) of the Companies Act, 2013, which will be an enabling authorization by Members to permit Conversion rights to the Lenders as per the stipulation in the respective agreements entered / to be entered with the Company, in accordance with the applicable laws.

Therefore, it is necessary to pass an enabling Special resolution under Item No. 9 in order to provide the Lenders with the conversion rights as explained above.

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

None of the Directors, Key Managerial Persons (KMPs) or their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 9 of this Notice, except to the extent of their respective shareholding in the Company, if any.

Item No. 10

The Company had availed certain financial facilities ("**Facilities**") under the Reserve Bank of India Corporate Debt Restructuring ("**CDR**") mechanism whereby the debt obligations of the Company were restructured on the terms and conditions set out in the Master Restructuring Agreement dated June 29, 2012 executed amongst the ICICI Bank (as the Monitoring Institution), the Lenders and the Company ("**CDR MRA**").

Despite availing the restructuring of the Facilities under the CDR mechanism, the Company was facing liquidity issues and

challenges in debt servicing due to inter alia slower than envisaged recovery in the economy and infrastructure sector and increased interest cost for the Company due to increase in the working capital requirement and non-realization of claims / receivables. This has resulted in a gap of cashflow timing mismatch between claims realization (including interest) and debt servicing. If such cash gap is left unaddressed, the Company will face challenges in the execution of its order book and also in servicing of its debt.

Accordingly, in order to bridge the aforementioned cashflow timing mismatch, on July 12, 2016 (Reference Date) the Joint Lenders Forum Meeting (JLF) adopted to resolve the Company's debt account under S4A Scheme and thereafter the same was agreed by JLF on September 7, 2016 and the Overseeing Committee of the Lenders (OC) constituted by RBI, approved the S4A Scheme for implementation by the Company on November 4, 2016 ("HCC S4A Scheme"). Pursuant to the requirements for implementation of the said Scheme, Lenders had agreed to convert part of their entire debt exposure ("**Part B Debt of HCC S4A Scheme**") to Equity shares and Optionally Convertible Debentures (OCDs) in accordance with and as specified in the financing documents entered by the Company with, inter alia, the Lenders (hereinafter referred to as the "**S4A Agreements / S4A Documents**").

In terms of the the S4A Agreements / Documents executed between Company and the Lenders and pursuant to Members approval at the Extra ordinary General Meeting (EGM) held on January 5, 2017, in respect of Lenders who had completed the process of conversion of Part B debt into Equity Shares and / or Optionally Convertible Debentures (OCDs) of the Company under the HCC S4A Scheme, the Company has issued and allotted 23,15,44,729 Equity shares of ₹ 1 each, in aggregate, representing 22.91% of the Expanded Capital of the Company, at an issue price of ₹ 34.92 per Equity Share (including premium of ₹ 33.92 per Equity Share) for an amount aggregating ₹ 809 crore and 1,44,14,874 Optionally Convertible Debentures (OCDs) of face value ₹ 1000 each, in aggregate, for an amount aggregating ₹ 1441 crore to 27 Lenders under the HCC S4A Scheme, in two tranches, on January 6 and 19, 2017, in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI ICDR Regulations") and Section 42, 62 of the Companies Act, 2013 and the rules made thereunder.

The remaining lenders who are yet to subscribe to the S4A scheme and the unsubscribed portion of each lender towards Equity Shares and OCD, based on their lending exposure has been specified in the Resolution at Item No. 10.

Section 62 of the Act, SEBI ICDR Regulations, the provisions of the SEBI LODR Regulations provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing Members of the Company in the manner laid down in Section 62 unless the Members of the Company in general meeting decide otherwise.

Further, as per Sections 42 and 71 of the Act, the issue of debentures with option to convert such debentures into shares, wholly or partly, requires to be approved by a special resolution passed at a general meeting.

The special resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the above mentioned proposed allottees / Lenders, on a preferential basis, who may or may not be the existing members of the Company.

Since the proposed Special Resolution at Item No. 10 would result in issue of Securities of the Company to proposed allottees/ Lenders on a preferential basis, who may or may not be the members of the Company, in the manner laid down under Section 62 of the Companies Act, 2013, the consent of the Members is being sought pursuant to the provisions of Section 62, 42, 71 and all other applicable provisions of the Act, SEBI ICDR Regulations, the Listing Agreement and the SEBI LODR Regulations.

Accordingly, the Board recommends the resolution as set out in Item No. 10, to enable the Lenders, in terms of the lending arrangements, executed, and as may be specified under the financing documents already executed in respect of the Financial Assistance availed, at their option, to convert the whole or part of their respective outstanding Financial Assistances into equity shares and OCDs of the Company, and to permit the Company to issue the said Securities otherwise than to the members of the Company in the manner and upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the SEBI Regulations.

Equity Shares to be issued and allotted (including arising from conversion of OCDs), would be listed on BSE and NSE, subject to obtaining necessary regulatory approvals, if any.

In terms of the provisions of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, SEBI ICDR Regulations and other applicable provisions of the law, relevant disclosures / details are given below:

a) Objects of the Issue:

Pursuant to implementation of the S4A Scheme for the Company, the proposed Lenders, have the right to convert part of their entire debt exposure ('Part B Debt of HCC S4A Scheme') to Equity shares and Optionally Convertible Debentures (OCDs) of the Company on the terms contained in the HCC S4A Scheme. Hence it is proposed to issue these securities

on a preferential basis, in accordance with the HCC S4A Scheme and the applicable laws in force including extant regulations to these Lenders, who had not subscribed to the Securities earlier, at the time of implementation of the HCC S4A Scheme in January 2017.

b) Securities to be issued:

The resolution set out in the accompanying notice authorizes the Board to offer, issue and allot from time to time in one or more tranches, on preferential basis;

- i) Upto such number of Equity Shares of the Company not exceeding **1,23,60,383** (One Crore Twenty Three Lakh Sixty Thousand Three Hundred and Eighty Three Only) Equity shares of the Company of face value ₹ 1 each, in one or more tranches, inter alia, to the proposed allottees / Lenders as mentioned below in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Scheme approved for implementation by the Company pursuant to the RBI S4A Scheme and the S4A Circulars (hereinafter 'HCC S4A Scheme'), based on the respective Individual Lender's subscription to the Equity Shares of the Company, at an issue price not lower than the price as on the **Relevant Date i.e June 6, 2017** (which date is 30 days prior to the Annual General Meeting date, July 6, 2017), being ₹ **41.61** per Equity share (including premium of ₹ 40.61 per Equity share) determined in accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations
- ii) Upto such number of Optionally Convertible Debentures (OCDs) of the Company not exceeding **10,73,008** (Ten Lakh Seventy Three Thousand and Eight Only) OCDs of face value ₹ 1000 each, in one or more tranches, inter alia, to the proposed allottees / Lenders as below, which OCDs shall be issued in separate series as per the existing security structure, in such manner and on such terms and conditions as may be determined by the Board in accordance with the S4A Scheme approved for implementation by the Company pursuant to the HCC S4A Scheme, based on the respective Individual Lender's subscription to the OCDs of the Company, entitling the debenture holder, on the date which shall be any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the HCC S4A Scheme but before the expiry of 18 (eighteen) months from the date of allotment of such OCDs ("**Entitlement Date**"), subject to the continuation / subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per HCC S4A Scheme as on the Entitlement Date, to apply for such number of fully paid equity shares of the Company of face value ₹ 1 each, at an issue price not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations (hereinafter Equity Shares and OCDs collectively referred to as "**the S4A Securities / Securities**")

Sr. No.	Names of Lenders#	Proposed Equity Shares (*)	Proposed OCDs (**)
1	DBS Bank Ltd	28,85,539	2,64,145
2	LIC of India	47,15,553	2,89,042
3	Standard Chartered Bank	-	2,31,267
4	Vijaya Bank	47,59,291	2,88,554
	Total	1,23,60,383	10,73,008

(*) Upto 1,23,60,383 Equity Shares of face value ₹1 each are proposed to be allotted to Lenders in aggregate. The Proposed Equity Shares shown in the respective row against each Individual Lender is the maximum quantity of Equity Shares proposed as per S4A Scheme. The actual quantity of Equity Shares to be allotted may vary and is subject to the maximum quantity indicated.

(**) Upto 10,73,008 OCDs of face value ₹ 1000 each are proposed to be allotted to Lenders in aggregate. The Proposed OCDs shown in the respective row against each Individual Lender is the maximum quantity of OCDs proposed as per S4A Scheme. The actual quantity of OCDs to be allotted to each Lender may vary and is subject to the maximum quantity indicated.

c) Proposal of the Promoters, Directors, Key Managerial Personnel of the Company to Subscribe to the Offer:

The preferential issue of the Equity Shares and OCDs to the above lenders will not be subscribed by the Promoters and / or Promoter Group, Directors and Key Managerial Personnel of the Company.

d) Relevant Date:

1. The 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the abovementioned Equity Shares has been reckoned as per Regulation 71(a) which is June 6, 2017 being the date 30 days prior to the date of Annual General Meeting scheduled to be held on July 6, 2017.
2. The 'Relevant Date' under SEBI ICDR Regulations for the purpose of determination of issue price of the Equity Shares arising on conversion of OCDs, has been reckoned as per Regulation 71(b) which shall be 30 days prior to the Entitlement Date (ie. which date is any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the S4A Agreements but before the expiry of 18 (eighteen) months from the date of allotment of such OCDs) subject to the continuation / subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per S4A Agreements as on the Entitlement Date.

e) Pricing of Preferential Issue:

In accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations, the Equity Shares to be issued and allotted (including as a result of conversion of securities) on a preferential basis shall be made at a price not less than the higher of the following as on the respective Relevant Date:

- a. The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on the recognized stock exchange during twenty six weeks preceding the Relevant Date; or
- b. The average of the weekly high and low of the volume weighted average prices of the related shares quoted on a recognized stock exchange during two weeks preceding the Relevant Date.

Since the Company's Equity shares are listed on both BSE and NSE, the trading volume of equity shares of the Company on both the stock exchanges will be considered to determine the highest trading volume for computation of issue price.

The upfront equity shares shall be issued at a price not lower than the price as on the Relevant Date ie. June 6, 2017, being ₹ 41.61 per equity share (including premium of 40.61 per equity share), determined in accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

The equity shares (arising out of conversion of OCDs) shall be issued at an issue price (including premium) not lower than the price as on the Relevant Date (which date shall be 30 days prior to the Entitlement Date) determined in accordance with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

(f) Terms for Issue of the Equity Shares of the Company as per the S4A Documents executed by the Company:

- The Lenders may subscribe upto 1,23,60,383 Equity Shares of the Company of face value ₹ 1 each at a price not lower than the price as determined in accordance with SEBI ICDR Regulations, towards part satisfaction of a portion of Part B Debt by the Company, in terms of the HCC S4A Scheme.
- Promoters of the Company shall have the Right of First Refusal (ROFR) to acquire the shares issued to the Lenders pursuant to the HCC S4A Scheme as per extant regulations. ROFR to apply upon expiry of the lock-in period set out under the SEBI ICDR Regulations.
- Once the agenda for general meeting is circulated by the Company (wherein support from the Lenders in their capacity as Members is required), the Lenders shall convene a Joint Lenders Forum (JLF) to decide on such agenda item.
- Lenders have agreed on a best efforts basis to not sell shares of the Company exceeding 10% of its increased share capital to a single entity / group of single entities / or persons acting in concert (as defined under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011)

(g) Terms for Issue of OCDs of the Company as per the S4A Documents executed by the Company:

- The balance portion of Part B Debt of the Company as per the terms of HCC S4A Scheme, may be converted into Optionally Convertible Debenture (OCD) of face value ₹ 1000 each which shall be issued in separate series as per the existing security structure.
- The OCDs will carry a coupon @ 0.01% p.a. with Yield to Maturity (YTM) @ 11.50%, compounded quarterly which shall be paid alongwith the principal instalment payments.
- Debenture holders will have a right to convert into Equity Shares, upto a period of 18 months from the date of allotment in accordance with the SEBI ICDR Regulations, subject to the Conversion option mentioned below.
- In case of any event of default or default of payment of Part A or Part B by the Company, the holders of OCD will be entitled to apply, on the date, which shall be any date on or after the date of occurrence of any event of default or default of payment of Part A or Part B debt by the Company as specified in the S4A Agreements but before the expiry of 18 (eighteen) months from the date of allotment of such OCD ("Entitlement Date"),

subject to the continuation / subsistence of the event of default or default of payment of Part A or Part B debt by the Company due to the respective debenture holder as per S4A Agreements as on the Entitlement Date, for such number of fully paid equity shares of the Company of face value ₹ 1 each, at an issue price (including premium) as on the Relevant Date (which shall be) 30 days prior to the Entitlement Date, being the price determined in accordance with Regulation 71(b) read with Regulation 76 of Chapter VII of the SEBI ICDR Regulations.

- If the OCDs are not converted into Equity shares, the same shall be repaid over a tenor of 10 years. The repayment of the OCDs shall be in five equal annual instalments starting at the end of 6th year from the date of allotment.
- Promoter to have the right to buy OCDs / Equity shares (if converted) in case the lenders decide to sell in the open market as per extant regulations.
- Existing security of the Company to continue as per the terms of debt (being converted into OCD) with the respective lenders subject to the terms of the S4A Agreements executed / to be executed by the Company.
- SEBI registered Trustee (already appointed) for the OCD holders shall represent as the Debenture Trustee for and on behalf of the above Lenders.

h) Shareholding Pattern of the Company (Pre and Post Preferential Allotment of the Securities)

Sr. No.	Category	Proposed Allottee pre-Shareholding	Proposed Allottee pre-Shareholding %	Pre Issue (as on 05-05-2017)		Proposed Allottee post-Shareholding	Proposed Allottee post-Shareholding %	Post Issue (##)	
				No. of Shares held	% of Shareholding			No. of Shares held	% of Shareholding
A	Promoters Holding								
1	Indian								
	Individual	-	-	21,27,294	0.21	-	-	21,27,294	0.21
	Bodies Corporate	-	-	2,78,87,786	27.59	-	-	2,78,87,786	27.26
	Sub Total	-	-	28,10,15,080	27.80	-	-	28,10,15,080	27.47
2	Foreign Promoters	-	-	-	-	-	-	-	-
	Sub Total (A)	-	-	28,10,15,080	27.80			28,10,15,080	27.47
B	Non Promoters Holding	-	-	-	-	-	-	-	-
1	Institutional Investors	-	-	-	-	-	-	-	-
a	Ins Comp	-	-	83,82,144	0.83	-	-	1,30,97,697	1.28
#	Life Insurance Corporation of India	59,40,480	0.59	-	-	1,06,56,033	1.04	-	-
c	Mut Funds/UTI	-	-	8,96,72,616	8.87	-	-	8,96,72,616	8.77
d	National Bank/Foreign Bank/Other Bank	-	-	22,29,70,827	22.06	-	-	23,06,15,657	22.54
#	DBS Bank Limited	18,05,028	0.18	-	-	46,90,567	0.46	-	-
#	Standard Chartered Bank	68,51,654	0.68	-	-	68,51,654	0.67	-	-
#	Vijaya Bank	-	-	-	-	47,59,291	0.47	-	-
e	Foreign Institutional Investors	-	-	12,14,28,454	12.01	-	-	12,14,28,454	11.87
f	Financial Institutions	-	-	98,79,817	0.98	-	-	98,79,817	0.97
2	Non Institution	-	-	-	-	-	-	-	-
a	Bodies Corporate	-	-	5,69,64,121	5.64	-	-	5,69,64,121	5.57
b	Director and Relatives	-	-	1,17,000	0.01	-	-	1,17,000	0.01

Sr. No.	Category	Proposed Allottee pre-Shareholding	Proposed Allottee pre-Shareholding %	Pre Issue (as on 05-05-2017)		Proposed Allottee post-Shareholding	Proposed Allottee post-Shareholding %	Post Issue (##)	
				No. of Shares held	% of Shareholding			No. of Shares held	% of Shareholding
c	Indian Public	-	-	21,21,46,735	21.00	-	-	21,21,46,735	20.73
d	NRIs / NROs	-	-	81,26,841	0.80	-	-	81,26,841	0.79
	SubTotal (B)	-	-	72,96,88,555	72.20	-	-	74,20,48,938	72.53
	GRANDTOTAL	-	-	1,01,07,03,635	100.00	-	-	1,02,30,64,018	100.00

(#) The proposed allottees / remaining Lenders who may subscribe to the securities.

(##) The above post-issue shareholding assumes subscription of the entire upfront equity shares and allotment thereof, by the Company but does not include the conversion of the OCDs by the Lenders as the price as on the Entitlement Date for conversion of the OCDs into Equity Shares, is a future price based on Relevant Date which shall be 30 days prior to the Entitlement Date, to be determined as per the extant regulations and such price shall decide the ratio of conversion of OCDs into Equity Shares of the Company. Upon Lenders exercising their right to convert the OCDs into Equity Shares, the above post- issue shareholding pattern, would undergo change accordingly.

i) Proposed time within which allotment will be completed:

As required under the SEBI ICDR Regulations, the Company shall complete the allotment of Securities on or before the expiry of 15 days from the date of passing of this resolution by the Members of the Company or where allotment of securities requires any approval(s) from any regulatory authority or the Central Government, the said allotment will be completed within 15 days from the date of such approval(s) as the case may be applicable.

j) The identity of the natural persons who are the ultimately beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and changes in control, if any, in the Company consequent to the preferential issue:

In terms of the proviso to Regulation 73(e) of Chapter VII of the SEBI ICDR Regulations, no further disclosure is necessary in respect of chain of ownership of the proposed allottee(s), if the said allottee(s) are listed companies, mutual fund, bank and insurance company.

As the proposed allottees are, inter alia, Lenders of the Company, comprising Banks and Insurance Company pursuant to the interpretation of the above proviso, no further disclosure is required.

Please note that the percentage of post preferential issue capital consequent to the issue and allotment of upfront Equity Shares (excluding those arising upon conversion of OCDs), on preferential basis has already been provided above which assumes subscription of the entire upfront equity shares and allotment thereof, by the Company but does not include the conversion of the OCDs by the Lenders as explained under (h) above.

There shall be no change in the management or control of the Company pursuant to the issue and allotment of the upfront equity shares of the Company as per the HCC S4A Scheme.

(k) The proposed allottees shall also be entitled to any future bonus / right issues of equity shares or other securities convertible into equity shares by the Company in the same proportion and manner as any other Members of the Company for the time being, upon allotment of the securities.

(l) The Equity shares to be issued and allotted (including as a result of conversion of OCDs), shall be subject to the Memorandum and Articles of association of the Company and the terms of the issue and shall rank pari-passu in all respects with, and carry the same rights including dividend, as the then existing Equity Shares of the Company and the Company shall, at all times, maintain sufficient un-issued equity shares for the above purpose.

m) Auditor's Certificate:

It is proposed to obtain a certificate from M/s Walker Chandiook & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company, certifying that the proposed preferential issue of the Securities is being made in accordance with the requirements contained in Chapter VII of the SEBI ICDR Regulations and the same shall be placed before the Members at the Annual General Meeting.

n) Undertaking of the Company:

The Company hereby undertakes that it shall re-compute the price of the Securities specified above in terms of the provisions of the SEBI ICDR Regulations, 2009, where it is required to do so.

o) Lock-in

The Equity Shares to be issued and allotted as a result of conversion of Securities, shall be subject to lock-in in accordance with Chapter VII of SEBI ICDR Regulations.

In addition, the pre-preferential shareholding of the proposed allottee(s), if any, shall be under lock-in from the Relevant Date ie June 6, 2017 upto a period of six months from the date of trading approval of Securities.

- p)** During the year under review, the Company has not made any preferential issue of securities. During FY 2016-17, in terms of the the S4A Scheme implemented by the Company and pursuant to Members approval at the Extra ordinary General Meeting (EGM) of the Company held on January 5, 2017, in respect of Lenders who had completed the process of conversion of Part B debt into Equity Shares and / or Optionally Convertible Debentures (OCDs) of the Company under the HCC S4A Scheme, the Company has issued and allotted 23,15,44,729 Equity shares of ₹ 1 each, in aggregate, representing 22.91% of the Expanded Capital of the Company, at an issue price of ₹ 34.92 per Equity Share (including premium of ₹ 33.92 per Equity Share) for an amount aggregating ₹ 809 crore and 1,44,14,874 Optionally Convertible Debentures (OCDs) of face value ₹ 1000 each, in aggregate, for an amount aggregating ₹ 1441 crore to 27 Lenders under the HCC S4A Scheme, in two tranches, on January 6 and 19, 2017, in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI ICDR Regulations") and Section 42, 62 of the Companies Act, 2013 and the rules made thereunder.
- q)** As the allotment of securities with respect to the offer / invitation made earlier to the lenders under the S4A Scheme has been completed within the statutory time period of 15 days from the date of members approval dated January 5, 2017, in terms of Section 42(3) of the Companies Act, 2013, the Company is eligible to proceed with a fresh offer / invitation to the remaining lenders who have not participated in the S4A Scheme so far, subject to Members approval.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Special Resolution mentioned at Item No. 10 of this Notice except to the extent of their respective shareholding in the Company, if any.

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

Item No. 11

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

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

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

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

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

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

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

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

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Special Resolution mentioned at Item No. 11 of this Notice except to the extent of their respective shareholding in the Company, if any.

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

Venkatesan Arunachalam
Company Secretary

Registered Office:
Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai 400 083

Place: Mumbai
Date: May 9, 2017

Annexure A (for Item Nos. 2, 4, 5 and 7 of the Notice)

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting in pursuance of Regulation 36(3) of the SEBI Listing Regulations

Name of the Director	Mr. N. R. Acharyulu
Date of Birth	May 22, 1944
Qualification	B.E. (Mechanical)
Date of Appointment	May 2, 2016
Brief Resume	As provided in the Annexure to the Notice under Item No. 2
Relationship with Directors	None
Expertise in specific functional areas	Wide Experience in Project Management
Directorship held in other Companies as on March 31, 2017	Eco Carbon Private Ltd
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	Nil
Number of Shares held in the Company as on March 31, 2017	Nil

Name of the Director	Mr. Ram P. Gandhi
Date of Birth	March 15, 1952
Qualification	Bachelors Degree in Commerce and Diploma Holder in Financial Management.
Date of Appointment	August 26, 1999
Brief Resume	As provided in the Explanatory Statement under Item No. 4
Relationship with Directors	None
Expertise in specific functional areas	Is a leading businessman and was the Ex-President of the Indian Merchants' Chamber.
Directorship held in other Companies as on March 31, 2017	Beacons Pvt. Ltd, Pravinchandra Pvt. Ltd, Youngbuzz India Ltd, HCC Construction Ltd, Western Securities Ltd, Hincon Finance Ltd, Hincon Holdings Ltd, The States People Pvt. Ltd Edufuel Pvt. Ltd,
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	Hincon Holdings Ltd Stakeholders Relationship Committee - Chairman
Number of Shares held in the Company as on March 31, 2017	48,000

Name of the Director	Mr. Sharad Kulkarni
DIN	00003640
Date of Birth	January 9, 1939
Qualification	Bachelor's Degree in Engineering (B. E.) from University of Pune and a Fellow of the Institute of Engineers, India. Also a Fellow of Institution of management, UK and a Fellow of Institute of Directors, UK.
Date of Appointment	August, 10, 2001
Brief Resume	As provided in the Explanatory Statement under Item No. 5
Relationship with Directors	None
Expertise in specific functional areas	He is a Business Advisor and Management Consultant. His areas of expertise includes Business Development, International Alliance Management, Strategic Planning, Management and Technology Institutions of learning, Venture funding and Corporate Governance.
Directorship held in other Companies as on March 31, 2017	Bayer Crop Science Ltd, Camlin Fine Sciences Ltd, KEC International Ltd, Navin Fluorine International Ltd, J.M. Financial Trustee Company Pvt. Ltd and Raychem RPG Pvt. Ltd

Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	<p>Bayer Crop Science Ltd Audit Committee – Chairman Stakeholders Relationship Committee – Member Nomination and Remuneration Committee – Member</p> <p>KEC International Ltd Audit Committee – Member Nomination and Remuneration Committee – Member</p> <p>Navin Fluorine International Ltd Audit Committee – Member Nomination and Remuneration Committee – Member</p> <p>Camlin Fine Chemicals Ltd Audit Committee – Chairman Nomination and Remuneration Committee – Member</p> <p>J.M. Financial Trustee Co. Pvt. Ltd Audit Committee - Member</p>
Number of Shares held in the Company as on March 31, 2017	20,000

Name of the Director	Mr. Arjun Dhawan
DIN	00011094
Date of Birth	July 19, 1976
Qualification	MBA from Harvard Business School and BA in Mathematics and Economics from Middlebury College
Date of Appointment	April 1, 2017
Brief Resume	As provided in the Explanatory Statement under Item No. 7
Relationship with Directors	Relative of Mr. Ajit Gulabchand Chairman & Managing Director & Ms. Shalaka Gulabchand Dhawan, Whole-time Director.
Expertise in specific functional areas	Global experience in the area of investment management across various businesses and industries. He has also built group expertise in asset management that extends from pricing of risk and project finance, to construction management, O&M and monetization.
Directorship held in other Companies as on March 31, 2017	Bahampore-Farakka Highways Ltd, Farakka-Raiganj Highways Ltd, Raiganj-Dalkhola Highways Ltd, HCC Concessions Ltd, HCC Real Estate Ltd, Arya Capital Management Pvt. Ltd, Maharani Guest House Pvt. Ltd, AVG Hotels Pvt. Ltd, Laguna Farms Pvt. Ltd and Dhawan Management Pvt. Ltd
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2017	<p>HCC Concessions Ltd Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Chairman</p> <p>Bahampore – Farakka Highways Ltd – Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Chairman</p> <p>Farakka-Raiganj Highways Ltd Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee – Chairman</p> <p>Raiganj-Dalkhola Highways Ltd Nomination and Remuneration Committee – Member</p>
Number of Shares held in the Company as on March 31, 2017	Nil

ROUTE MAP TO REACH THE AGM VENUE

Venue of the Annual General Meeting of the Company to be held on
Thursday, July 6, 2017 at 11.00 a.m.

Venue Address

Walchand Hirachand Hall, Indian Merchants' Chamber,
Indian Merchants' Chamber Marg,
Churchgate, Mumbai 400 020

