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Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Hindustan Construction Company Limited

Qualified Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of **Hindustan Construction Company Limited** and its joint operations (together referred to as 'the Company') (Refer Annexure 1 for the list of joint operations included in the Statement) for the year ended **31 March 2022**, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'). Attention is drawn to the fact that Note 3 to the accompanying Statement regarding 'total balance value of work on hand as at 31 March 2022', as included in the Statement has been approved by the Board of Directors but has not been subjected to audit or review.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors as referred to in paragraph 13 below, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, except for the possible effects of the matters described in paragraph 3 below; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2022 except for the possible effects of the matters described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in:
 - (i) Note 10 to the accompanying Statement, the Company's investments in subsidiaries as at 31 March 2022 includes non-current investment and current investments in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 350 crore, stated at cost and considered fully recoverable by the management on the basis of factors stated in the aforesaid note including a valuation performed by an independent valuer.

Hindustan Construction Company Limited

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The subsidiary's consolidated net worth as at 31 March 2022 is substantially eroded and during the current year, there has been significant decline in the actual results of certain key underlying assumptions considered for valuation purposes in earlier periods. The management believes that such decline is temporary in nature which does not have any material adverse impact on the fair valuation of such investment determined as above as at 31 March 2022. However, in the absence of sufficient appropriate evidence to support management's estimates of such future assumptions, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid investment and consequential impact, if any, on the accompanying Statement.

Our review report dated 3 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021 was also qualified in respect of this matter.

- (ii) Note 5 to the accompanying Statement, the Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Company aggregating ₹ 41.07 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 197 has not been obtained by the Company.

Our audit report dated 23 June 2021 on the standalone financial results of the Company for the year ended 31 March 2021 and review report dated 3 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021, were also qualified in respect of this matter.

- (iii) Note 6 to the accompanying Statement, the Company's current borrowings, other current financial liabilities and liabilities of disposal group held for sale as at 31 March 2022 include balances amounting to ₹ 49.67 crore, ₹ 320.55 crore and ₹ 2.85 crore, respectively, in respect of which confirmations from the respective banks/ lenders have not been received. Further, confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ deposits with banks (included under bank balances other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 0.95 crore, respectively. In the absence of such confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.

Our audit report dated 23 June 2021 on the standalone financial results of the Company for the year ended 31 March 2021 and review report dated 3 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021, were also qualified in respect of this matter.

- (iv) Note 12 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 741.74 crore as at 31 March 2022 mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Company and pending the implementation of the resolution plan as referred to in Note 8 of the accompanying Statement, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2022.

Our audit report dated 23 June 2021 on the standalone financial results of the Company for the year ended 31 March 2021 and review report dated 3 February 2022 on the standalone financial results of the Company for the quarter and nine month ended 31 December 2021, were also qualified in respect of this matter.

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4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditors, in terms of their reports referred to in paragraph 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

5. We draw attention to Note 4 to the accompanying Statement, regarding uncertainties relating to recoverability of unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and current trade receivables amounting to ₹ 909.12 crore, ₹ 223.43 crore and ₹ 277.03 crore, respectively, as at 31 March 2022, which represent various receivables in respect of closed/ substantially closed/ suspended/ terminated projects. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale) as at 31 March 2022 includes receivables of ₹ 187.59 crore, ₹ 487.14 crore and ₹ 2,283.06 crore, representing claims awarded in arbitration (including interest thereon) in favour of the Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables. Our conclusion is not modified in respect of the above matter.

Responsibilities of Management and Those Charged with Governance for the Statement

6. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
7. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

9. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
10. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company, of which we are the independent auditors. For the joint operations included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

13. We did not audit the annual financial statements/ financial information of seven (7) joint operations included in the Statement, whose financial statement/ financial information reflects total assets of ₹ 159.41 crore as at 31 March 2022, and total revenues of ₹ 195.07 crore, total net loss after tax of ₹ 2.18 crore, and total comprehensive loss of ₹ 2.18 crore, and cash flows (net) of ₹ 3.48 crore for the year then ended, as considered in the Statement. These annual financial statements/ financial information have been audited by the other auditors, whose audit reports have been furnished to us by the management, and our opinion, in so far as it relates to the balances and affairs of these joint operations, is based solely on the audit reports of such other auditors.

Further, of these joint operations, four (4) joint operations whose annual financial statements/ financial information have been prepared in accordance with the accounting standards ('AS') issued by the ICAI. The Company's management has converted the annual financial statements/ financial information of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Company's management. Our opinion, in so far as it relates to the balances and affairs of these joint operations is based on the audit report of other auditors, and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

14. The Statement includes the annual financial information of one (1) joint operation, which have not been reviewed/ audited, and whose annual financial information reflects total assets of ₹ 0.13 crore as at 31 March 2022, and total revenues of ₹ 0.07 crore, total net profit after tax of ₹ 0.04 crore, total comprehensive income of ₹ 0.04 crore, and cash flows of ₹ 0.04 crore for the year then ended, as considered in the Statement. This annual financial information has been furnished to us by the Company's management. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unreviewed/ unaudited financial information. According to the information and explanations given to us by the management, this financial information is not material to the Company.

Our opinion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

15. The Statement includes the financial results for the quarter ended 31 March 2022, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

SHASHI
TADWALKAR

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SHASHI TADWALKAR
Date: 2022.05.12
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Shashi Tadwalkar
Partner
Membership No:101797

UDIN:22101797AIVQWF3832

Place: Pune
Date: 12 May 2022

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Annexure 1

List of joint operations included in the Statement

Sr. No.	Name of the entity
1.	Kumagai-Skanska-HCC-Itochu Group
2	HCC-L & T Purulia Joint Venture
3	Alpine - Samsung - HCC Joint Venture
4	Alpine - HCC Joint Venture
5	HCC Samsung Joint Venture CC 34
6	Nathpa Jhakri Joint Venture
7	HCC - VCCL Joint Venture
8	HCC- HDC Joint Venture

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022

Sr. No.	Particulars	₹ in crore except earnings per share data				
		Quarter ended			Year ended	
		31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
	Unaudited (Refer Note 13)	Unaudited	Unaudited (Refer Note 13)	Audited	Audited	
1	Income					
	(a) Income from operations					
	(b) Other Income	1,571.40	1,155.23	865.07	4,666.28	2,589.74
	Total Income (a+b)	2.61	14.40	28.62	80.24	52.64
		1,574.01	1,169.63	893.69	4,746.52	2,642.38
2	Expenses					
	(a) Cost of materials consumed	251.78	241.10	205.73	665.07	525.56
	(b) Subcontracting expenses	831.05	447.06	422.37	2,263.26	1,054.05
	(c) Construction expenses	71.25	71.19	90.82	291.51	244.94
	(d) Employee benefits expense	93.10	83.29	79.16	345.92	323.74
	(e) Finance costs	243.81	247.13	225.02	948.80	829.89
	(f) Depreciation and amortisation expense	24.05	22.69	24.14	93.64	91.06
	(g) Other expenses	35.81	28.72	38.24	111.80	141.83
	Total expenses (a+b+c+d+e+f+g)	1,550.65	1,141.18	1,085.28	4,919.80	3,211.07
3	Profit/ (Loss) before exceptional items and tax (1-2)	23.36	28.45	(191.59)	(173.28)	(568.69)
4	Exceptional Items - Gain / (Loss) (Refer note 11)	-	-	52.80	-	(274.03)
5	Profit/ (Loss) before tax (3+4)	23.36	28.45	(138.79)	(173.28)	(842.72)
6	Tax expense					
	(a) Current tax	4.40	0.70	(2.00)	5.96	3.34
	(b) Deferred tax (Refer note 12)	(2.68)	-	(46.60)	(26.14)	(279.61)
		1.72	0.70	(48.60)	(20.18)	(276.27)
7	Profit/ (Loss) for the period/ year (5-6)	21.64	27.75	(90.19)	(153.10)	(566.45)
8	Other comprehensive Income / (loss)					
	(a) Items not to be reclassified subsequently to profit or loss (net of tax)					
	- Gain/ (loss) on fair value of defined benefit plans as per actuarial valuation	1.83	(0.31)	1.38	0.73	1.29
	- Gain/ (loss) on fair value of equity instruments	(1.18)	6.24	(0.95)	7.13	5.60
	(b) Items to be reclassified subsequently to profit or loss	-	-	-	-	-
	Other comprehensive Income for the period/ year, net of tax (a+b)	0.64	5.93	0.43	7.86	6.89
9	Total comprehensive income/ (loss) for the period/ year, net of tax (7+8)	22.28	33.68	(89.76)	(145.24)	(559.56)
10	Paid up equity share capital (Face value of ₹ 1 each)	151.31	151.31	151.31	151.31	151.31
11	Other equity (excluding revaluation reserves)				317.02	460.55
12	Earnings / (Loss) per share (Face value of ₹ 1 each)					
	(a) Basic EPS (not annualised) (In ₹)	0.14	0.18	(0.60)	(1.01)	(3.74)
	(b) Diluted EPS (not annualised) (In ₹)	0.14	0.18	(0.60)	(1.01)	(3.74)
	See accompanying notes to the standalone financial results					



Hindustan Construction Co Ltd

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AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars	₹ In crore	
	As at 31 March 2022 Audited	As at 31 March 2021 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	370.52	478.45
Right-of-use assets	1.60	1.33
Capital work-in-progress	0.68	1.61
Intangible assets	0.20	0.64
Financial assets		
Investments in subsidiaries (Refer note 10)	1,315.03	1,672.03
Investments	19.67	12.64
Trade receivables	187.59	-
Loans	184.46	178.97
Other financial assets	2.23	2.95
Deferred tax assets (net)	741.74	715.99
Income tax assets (net)	47.14	90.26
Other non-current assets	67.90	74.50
Total non-current assets	2,938.76	3,229.27
Current assets		
Inventories		
Financial assets	175.83	187.75
Investments in subsidiaries (Refer note 10)	350.00	-
Trade receivables (Refer note 9)	1,764.13	4,398.21
Cash and cash equivalents	237.86	228.17
Bank balances other than cash and cash equivalents	304.00	94.16
Other financial assets	207.38	180.20
Unbilled work-in-progress (contract assets) (Refer note 9)	2,390.23	2,269.24
Other current assets	257.72	178.24
Assets of a disposal group held for sale (Refer note 9)	5,687.13	7,535.97
Total current assets	2,642.46	6.49
TOTAL ASSETS	11,268.35	10,771.73
EQUITY AND LIABILITIES		
Equity		
Equity share capital		
Other equity	151.31	151.31
Total equity	317.02	480.55
Liabilities	468.33	611.66
Non-current liabilities		
Financial liabilities		
Borrowings	964.90	1,197.33
Other financial liabilities	1,505.06	1,457.89
Provisions	37.11	42.02
Total non-current liabilities	2,507.07	2,697.24
Current liabilities		
Financial liabilities		
Borrowings (Refer note 9)	379.12	2,754.48
Lease liabilities	1.70	1.36
Trade payables (Refer note 9)	79.06	48.00
- Total outstanding dues of micro enterprises and small enterprises	1,747.33	1,601.90
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Other financial liabilities (Refer note 9)	1,067.84	978.68
Other current liabilities	1,742.51	1,938.36
Provisions	333.35	139.85
Liabilities of a disposal group held for sale (Refer note 9)	5,350.81	7,462.63
Total current liabilities	2,942.04	-
TOTAL EQUITY AND LIABILITIES	11,268.35	10,771.73

See accompanying notes to the standalone financial results



STATEMENT OF AUDITED STANDALONE CASH FLOW STATEMENT

₹ In crore

Particulars	Year ended	
	31 March 2022	31 March 2021
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(173.28)	(842.72)
Adjustments for		
Depreciation and amortisation expense	93.64	91.08
Finance costs	948.80	829.89
Interest income	(32.15)	(29.10)
Gain on settlement of debt	(28.25)	-
Loss provision towards arbitration awards and claims	-	274.03
Dividend income	(0.04)	(0.03)
Unrealised foreign exchange gain (net)	(1.39)	(0.81)
Profit on disposal of property, plant and equipment (net)	(2.36)	(12.93)
Provision no longer required written back	(6.33)	(22.70)
	971.92	1,129.41
Operating profit before working capital changes	798.64	286.69
Adjustments for changes in working capital:		
Decrease in inventories	11.92	4.08
(Increase)/ decrease in trade receivables	163.43	(106.46)
(Increase)/ decrease in current/ non-current financial and other assets, and unbilled work in progress (contract assets)	(572.09)	251.63
Increase/ (decrease) in trade payables, other financial liabilities and other liabilities	17.05	(690.53)
Increase in provisions	188.59	17.75
Cash generated from/ (used in) operations	607.54	(236.84)
Net direct taxes refund	37.16	139.64
Net cash generated from/ (used in) operating activities	644.70	(97.20)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances/ payables)	(9.19)	(67.74)
Proceeds from sale of property, plant and equipment and assets held for sale (Including advance received)	34.31	12.19
Proceeds from repayment of inter-corporate deposits	7.00	3.25
Net investments in bank deposits	(208.95)	(11.88)
Interest received	20.18	22.12
Dividend received	0.04	0.03
Net cash used in investing activities	(158.61)	(42.03)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(6.05)	(160.04)
Proceeds from/ (repayment of) short-term borrowings (net)	(124.55)	741.62
Interest and other finance charges	(345.85)	(296.99)
Payment of finance lease obligations	(1.82)	(2.96)
Net cash generated from/ (used in) financing activities	(478.27)	281.63
Net increase in cash and cash equivalents (A+B+C)	9.82	142.40
Cash and cash equivalents at the beginning of the year	228.17	85.92
Unrealised foreign exchange gain/ (loss)	(0.13)	(0.15)
Cash and cash equivalents at the end of the year	237.86	228.17

The above statement of cash flow has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.



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Notes:

- The standalone audited financial results of Hindustan Construction Company Limited (the 'Company' or 'HCC') have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, as amended from time to time. These results have been reviewed and recommended to the Board of Directors by the Audit Committee of the Company and subsequently approved by the Board of Directors of the Company at their respective meetings held on 12 May 2022.
- The Company is engaged in a single business segment viz. "Engineering and Construction", which is substantially seasonal in character. Further, the Company's margins in the quarterly results vary given the nature of its business and consequent to receipt of awards/ claims or events which may lead to revision in cost to completion. Accordingly, the quarterly results may vary and may not be indicative of annual results.
- The total balance value of work on hand as at 31 March 2022 is ₹ 15,967 crore (31 March 2021: ₹ 17,914 crore).
- Unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group as held for sale) and current trade receivables includes ₹ 909.12 crore, ₹ 223.43 crore and ₹ 277.03 crore, respectively, outstanding as at 31 March 2022 representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended/ terminated projects. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale) as at 31 March 2022 includes receivables of ₹ 187.59 crore, ₹ 487.14 crore and ₹ 2,283.08 crore (net of advances of ₹ 3,238.33 crore), respectively, representing claims awarded in arbitration, including interest thereon, in favour of the Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables.
- The Company has accrued/ paid managerial remuneration to Chairman and Managing Director ('CMD') and Whole Time Director ('WTD') for the period 1 April 2019 to 31 March 2022 in excess of the limits prescribed under sec 197 of the Act as follows:

Financial Years	Remuneration accrued	Remuneration paid	(₹ in crore)	
			Excess remuneration accrued / paid	Excess remuneration paid held in trust
2019-20				
2020-21	13.57	3.75	13.57	3.75
2021-22	13.50	1.44	13.50	1.44
Total	41.07	6.99	41.07	6.99

While the approval for payment of the aforementioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from lenders are yet to be obtained, which the Company expects to obtain along side implementation of the resolution plan. In absence of the requisite approval from lenders for remuneration accrued/ paid to CMD/ WTD for the aforementioned years, the statutory auditors report is modified in respect of this matter.

- In respect of below balances, direct confirmations from lenders have not been received:

Particulars	(₹ in crore)		
	As at		
	31 March 2022	31 December 2021	31 March 2021
Current borrowings			
Other current financial liabilities	49.67	52.79	2.10
Liabilities of a disposal group held for sale	320.55	653.27	616.09
Total	2.85	106.22	-
	373.07	812.28	618.19

In the absence of confirmations/ statements from lenders, the Company has provided for interest (including penal interest) based on the interest rate specified in the agreement or latest communication available from the respective lenders. The Company's management believes that amount payable will not exceed the liability provided in the financial results in respect of these borrowings.

Further, balances with banks (included under cash and cash equivalents) and earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 include balances amounting to ₹ 2.18 crore (31 December 2021: ₹ 0.93 crore and 31 March 2021: ₹ 2.10 crore) and ₹ 0.95 crore (31 December 2021: ₹ 0.95 crore and 31 March 2021: ₹ 10.91 crore), respectively, for which confirmations/ statements from banks have not been received. In the absence of such direct confirmations and alternate evidences, if any, statutory auditors report is modified in respect of this matter.



- 7 The Company's operations have significantly recovered from the impact of COVID-19 pandemic and there are no significant continuing impact on the operations and financial statements of the Company as at 31 March 2022. The Management continues to closely monitor the current developments and possible effects of COVID-19 pandemic on its financial condition, liquidity and operations.
- 8 The Company has incurred net loss of ₹ 153.10 crore during the year ended 31 March 2022 and as of that date has accumulated losses aggregating ₹ 2,485.10 crore, which has resulted in substantial erosion of its net worth. The Company continues to default on payment to lenders along with overdue to operational creditors. Certain operational creditors have also applied before the National Company Law Tribunal ("NCLT") for debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far. The above factors indicate that events or conditions exist, which may cast significant doubt on the entity's ability to continue as a going concern.
As per the resolution plan with lenders of the Company, including resolution of debts of an erstwhile subsidiary, whose liabilities were taken over by the Company in earlier years, economic and beneficial interest of a portion of the arbitration awards and claims of the Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Company (Also refer note 8 below). As at date, the resolution plan has been approved by the respective Board/ Committees of 100% lenders making the resolution plan binding on all lenders. The resolution plan is expected to be implemented by July 2022. Based on the expected successful implementation of the resolution plan with lenders as well as the Company's business plans, the management is confident of time-bound monetisation of assets including arbitration awards, claims and other assets and is confident of meeting the obligations as they fall due. Accordingly, the Management considers it appropriate to prepare these financial results on a going concern basis.
- 9 Pursuant to the proposed resolution plan with lenders, which has become binding due to receipt of requisite majority approvals, the economic and beneficial interest of certain arbitration awards and claims of the Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Company. The Board of Directors and shareholders of the Company have approved the resolution plan at their meetings held on 27 May 2021 and 29 June 2021, respectively. In accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations, the assets (represented by arbitration award and claims) and liabilities (represented by debt and accrued interest / charges) qualify as assets and liabilities of a disposal group held for sale. Consequently, as at 31 March 2022, trade receivables and unbilled work-in-progress (contract assets) aggregating ₹ 2,283.08 crore and ₹ 359.40 crore, respectively, have been classified as assets of a disposal group held for sale. Similarly, as at 31 March 2022, current borrowings, trade payables and other current financial liabilities amounting to ₹ 2,448.94 crore, ₹ 22.30 crore and ₹ 470.80 crore, respectively, have been classified as liabilities of a disposal group held for sale.
- 10 As at 31 March 2022, the Company has investments in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,564.65 crore (classified as non-current investment ₹ 1,214.65 crore and current investment of ₹ 350 crore). HICL has further investments in special purpose vehicles (SPVs) engaged in various infrastructure projects. The consolidated net worth of HICL as at 31 March 2022 has been substantially eroded. The management has obtained valuation report of HICL from an independent valuation expert which includes fair valuation of underlying investment/ assets represented by cash flows from proposed sale of subsidiary (including earn-out considerations and share of future revenues) and favorable arbitration awards etc. During the current year, there has been a decline in the actual results of certain key underlying assumptions used for valuation purposes in earlier periods. The management believes such decline is temporary in nature and does not expect any material adverse impact on the fair valuation of such underlying investments / assets. Accordingly, based on future business plans and valuation report from an independent valuer, the management believes that the recoverable amount of investment in HICL is higher than its carrying value. Statutory auditors report is modified in respect of this matter.

11 Exceptional Items

Particulars	Quarter ended					Year ended	
						₹ in crore	
	31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021		
Gain/ (loss) on settlement with a customer	-	-	52.80	-	(274.03)		

- 12 As at 31 March 2022, the Company has recognised net deferred tax assets amounting to ₹ 741.74 crore (31 December 2021: ₹ 739.28 crore and 31 March 2021: ₹ 715.99 crore) mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. While the Company is confident of taxable profits being available against which unused tax losses can be utilized, the Company has not recognized deferred tax asset on the losses incurred effective 1 July 2021. Further, the Company is still evaluating the benefits of exercising the non-reversible option of paying further corporate tax at reduced rates in accordance with section 115BAA of the Income Tax Act, 1961. Based on the expected profits from the unexecuted orders on hand/ future projects, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of claims/ arbitration awards with customers, the Company's management is confident that sufficient future taxable income will be available against which such net deferred tax assets recognised as at 31 March 2022 will be realized. Statutory auditors report is modified in respect of this matter.
- 13 Figures for the quarters ended 31 March 2022 and 31 March 2021 are the balancing figures between the audited financial statements for the year ended on that date and the year-to-date figures upto the end of third quarter of the respective financial year.
- 14 Figures for the previous period/ year have been regrouped/ reclassified to conform to the current period/year presentation, wherever considered necessary.



15 Additional disclosures as per Clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	Quarter ended			Year ended	
	31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
	Unaudited (Refer Note 13)	Unaudited	Unaudited (Refer Note 13)	Audited	Audited
Outstanding redeemable preference shares (₹ In crore)	-	-	-	-	-
Debenture Redemption reserve (₹ In crore)	54.99	54.99	54.99	54.99	54.99
Net Worth (₹ In crore) (Equity Share Capital + other equity less capital reserves)	453.14	429.48	596.67	453.14	596.67
Net Profit/ (Loss) after tax (₹ In crore)	21.64	27.75	(90.19)	(153.10)	(566.45)
Basic earnings/(loss) per share (Not annualised)	0.14	0.18	(0.60)	(1.01)	(3.74)
Diluted earnings/(loss) per share (Not annualised)	0.14	0.18	(0.60)	(1.01)	(3.74)
Debt Equity ratio (times): (Total Debt* / Equity Share Capital + other equity)	8.37	8.82	6.62	8.37	6.62
Debt Service Coverage ratio (times): (Earnings before Interest ^a , depreciation and amortisation, exceptional items and tax) / (Interest ^a on debt ^a for the period/year + Principal repayment of long-term debt ^a and lease liabilities within one year) - Annualised	0.59	0.60	(0.08)	0.39	0.04
Interest Service Coverage ratio (times): [(Earnings before interest ^a , depreciation and amortisation, exceptional items and tax) / Interest expenses ^a] - Annualised	1.30	1.33	(0.13)	0.87	0.09
Current Ratio (times): (Current assets / Current liabilities)	1.00	0.97	1.01	1.00	1.01
Long-term debt to working capital (times): [(Non-current Borrowings* + Current maturities of long-term debt*) / Net working capital]	50.13	(7.37)	24.50	50.13	24.50
Bad debts to accounts receivable ratio (%): (Bad debts / Average trade receivables)	-	-	-	-	-
Current liability ratio (times): (Current liabilities / Total liabilities)	0.77	0.76	0.73	0.77	0.73
Total debts to total assets ratio (times): [(Non-current Borrowings*+Current Borrowings*)/Total Assets]	0.34	0.35	0.37	0.34	0.37
Debtors Turnover (times): [(Revenue from operations / Average trade receivable)] - Annualised	1.48	1.12	0.78	1.08	0.58
Inventory Turnover (times): [(Cost of Goods Sold / Average Inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses + Construction expenses	25.39	16.09	15.15	18.81	9.61
Operating Margin (in %): [(Earnings before finance costs, depreciation and amortisation, exceptional items and tax - Other Income) / Revenue from operations]	18.37%	24.57%	3.73%	16.91%	11.57%
Net Profit / (Loss) Margin (%): [Profit (Loss) after tax / Revenue from operations]	1.38%	2.40%	-10.40%	-3.28%	-21.87%

The Company continue to maintain 100% asset cover for the NCD issued by it.

* Debt exclude financial liabilities of an erstwhile subsidiary taken over by the Company.

^a Excludes interest expenses on financial liabilities of an erstwhile subsidiary taken over by the Company and interest on advance from customers.

for Hindustan Construction Company Limited



Ajit Gulabchand
Chairman & Managing Director

Mumbai, Dated : 12 May 2022



Annexure I			
Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Standalone)			
Statement on Implications of Audit Qualifications for the Financial Year ended 31 March 2022			
(See Regulation 235(2) of the SEBI (LODR) Amendment Regulations, 2015)			
Sr. No.	Particulars	Audited Figures (As reported before adjusting for qualifications)	Adjusted Figures (Amount in Rupees) (Adjusted figures after adjusting for qualifications)
1	Revenue/Total Income		
2	Total Expenditure	4,748.32	Not ascertainable (Refer notes 4 (a)(i) to (iv) below)
3	Exceptional Items	4,940.00	Not ascertainable (Refer notes 4 (a)(v) to (ix) below)
4	Net Profit/(Loss) for the year after tax	-	Not ascertainable (Refer notes 4 (a)(x) to (xii) below)
5	Earnings/(Loss) per Share	(153.15)	Not ascertainable (Refer notes 4 (a)(xiii) to (xiv) below)
6	Total Assets	11,889.25	Not ascertainable (Refer notes 4 (a)(xv) to (xvii) below)
7	Total Liabilities	18,298.29	Not ascertainable (Refer notes 4 (a)(xviii) to (xx) below)
8	Net Worth	690.95	Not ascertainable (Refer notes 4 (a)(xxi) to (xxii) below)
9	Any other financial ratios (as set out in the Schedule)		
B. Audit Qualifications			
a. Details of Audit Qualification:			
<p>(i) Note 12 to the accompanying Statement, the Company's investments in subsidiaries as at 31 March 2022 included non-current investment and current investments in HCC Infrastructure Company Limited (HICL), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 356 crore, by an independent valuer. The valuer's consolidated report as at 31 March 2022 is substantially correct and during the current year, there has been significant decline in the actual results of certain key underlying assumptions considered for valuation purposes in earlier periods. The investment determined as above as at 31 March 2022. However, in the absence of sufficient appropriate evidence to support management's estimates of such fair value, the valuer has issued a disclaimer, if any, that are related to the carrying value of the aforesaid investment and consequential impact, if any, on the accompanying Statement.</p> <p>(ii) Note 5 to the accompanying Statement, the Company has advanced for non-current investments in various joint venture companies (including Construction Management Services) of the Company amounting to ₹ 46.97 crore for the financial year ended 31 March 2021, 31 March 2020 and 31 March 2019, as a result of the work completed under Section 107 of the Act, in respect of which specific firm valuations have been obtained as prescribed, however prior approval from the lenders of the Company in accordance with Section 107 has not been obtained by the Company.</p> <p>(iii) Note 6 to the accompanying Statement, the Company's current receivables, other current financial liabilities and liabilities of financial guarantees for the year ended 31 March 2022 relate to various contracts, amounting to ₹ 4,147 crore, ₹ 230.84 crore and ₹ 2.84 crore, respectively, in respect of which confirmations have been received from the counterparties. Further, confirmations from banks have also been received for outstanding bank balances (including under cash and bank overdrafts) and unsecured liabilities (including bank balances) included under bank balances, other than confirmed balances or cash overdrafts) as at 31 March 2022 amounting to ₹ 2.84 crore and ₹ 9.98 crore, respectively. In the absence of such confirmations from the banks or customers and appropriate alternate audit evidence, we are unable to comment on the adjustments, if any, that may be required to the carrying value of the financial liabilities in the accompanying Statement.</p> <p>(iv) Note 12 to the accompanying Statement, the Company has advanced and advanced for assets amounting to ₹ 141.74 crore as at 31 March 2022 mainly on approval of assets based upon the loans, credit facilities and other funds borrowed by the Company on the basis of expected realizable value based on the liquidation of assets estimated on simple. However, liquidation of the aforesaid loans received by the Company and appropriate audit evidence (as stated in the accompanying Statement), we are unable to comment on the adjustments, if any, that may be required to the carrying value of the assets reported in the accompanying Statement as at 31 March 2022.</p>			
b. Type of Audit Qualification:		Qualified Opinion	
c. Frequency of Qualification:		Qualification 2(a)(i) - included in the interim report for the quarter ended 31 December 2021. Qualification 2(a)(ii) and 2(a)(iii) - included in the interim report for the quarter ended 31 March 2022. Qualification 2(a)(iv) - included in the interim report for the quarter ended 31 December 2021.	
d. For Audit Qualifications where the impact is quantified by the auditor, management views:		Not Applicable	

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For Audit Opinions where the impact is not qualified by the auditor

(a) Management's estimate of the impact of such qualification:

Not ascertainable

(b) Management is unable to estimate the impact, reasons for the same:

8 (a) (i) As at 31 March 2022, the Company has investments in its wholly owned subsidiary HCC Infrastructure Company Limited (HICL) aggregating to ₹ 1,06,400 crore (including the investment of ₹ 1,24,440 crore and current investment of ₹ 200 crore). HCC, its wholly owned subsidiary in special purpose vehicles (SPVs) engaged in various infrastructure projects. The consolidated net worth of HICL as at 31 March 2022 has been substantially eroded. The management has adopted valuation approach of 100% from the independent valuation agency which includes fair value of underlying investments under estimated by such firms than present rate of subsidiary (including current contributions and those of future investments) and during the audit period, there has been a decline in the actual results of certain key operating corporations used for valuation purposes in each period. The management believes such decline is temporary in nature and does not impact any material adverse impact on the fair value of such underlying investments. Accordingly, report on future business plans and valuation report based on independent valuer, the management believes that the reasonable amount of investment in HICL is higher than the corresponding.

8 (a) (ii) The Company has additional paid managerial remuneration to Chairman and Managing Director (CMD) and Whole Time Director (WTD) for the period 1 April 2020 to 31 March 2022 in excess of the limit prescribed under section 197 of the Act as follows:

Financial Years	Remuneration received	Remuneration paid	Excess remuneration paid (₹ in crore)	
			Excess remuneration received (paid)	Excess remuneration paid (paid in trust)
2019-20	13.67	3.75	13.67	3.75
2020-21	13.50	1.64	25.89	1.44
2021-22	14.00	1.80	14.00	1.80
Total	41.07	6.99	41.07	6.99

While the approval for payment of the above-mentioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from members was not in compliance, which the Company expects to obtain along with implementation of the resolution plan, in absence of the requisite approval from members for remuneration received paid to CMD/WTD for the above-mentioned years.

8 (a) (iii) Movement of below balances, should conformations from lenders have not been received:

Particulars	As at (₹ in crore)		
	31 March 2021	31 December 2021	31 March 2022
Current borrowings	49.87	62.76	2.74
Other current financial liabilities	324.63	663.27	618.00
Liabilities of a disposal group held for sale	2.13	308.32	-
Total	376.63	1034.35	620.74


In the absence of confirmation of statements from lenders, the Company has provided for interest (including interest) based on the interest rate specified in the agreement or based on market rates available from the respective lenders. The Company's management believes that interest payable will not exceed the liability provided in the financial results in respect of these borrowings. Further, interest on borrowings provided under cash and cash equivalents and deposits (including fixed deposits) (including under bank balances) more than cash and cash equivalents as at 31 March 2022 include interest amounting to ₹ 2.30 crore (31 December 2021: ₹ 0.83 crore and 31 March 2021: ₹ 5.16 crore) and ₹ 6.50 crore (31 December 2021: ₹ 0.06 crore and 31 March 2021: ₹ 10.31 crore), respectively, for which confirmations/ statements from lenders have not been received. In the absence of such confirmations and statutory statements, if any.

8 (a) (iv) As at 31 March 2022, the Company has recognized net deferred tax assets amounting to ₹ 261.74 crore (31 December 2021: ₹ 29.26 crore and 31 March 2021: ₹ 713.08 crore) mainly on account of earned interest payable for losses, unutilized credits and other credits temporary differences. While the Company is confident of profits before being available against which interest payable can be allowed, the Company has not recognized deferred tax assets on the basis incurred effective 1 July 2021. Further, the Company is still evaluating the benefits of carrying forward available option of paying further corporate tax of undistributed dividends with credit (11 March of the Income Tax Act, 1961). Hence, as the expected profits from the unutilized portion of fixed assets projects, existence of the carrying forward with lenders for availing of same will depend on the outcome of the final outcome of the projects, the Company's management is confident that sufficient provisions/ income will be available against which such not deferred tax assets recognized as at 31 March 2022 will be realized.


(b) Auditors' comments on (a) or (b)

Inclusive as details of auditor's qualifications stated above

For Walker Chandok & Co LLP
SHASHI TADWALKAR
 Digitally signed by SHASHI TADWALKAR
 Date: 2022.05.12 17:49:32 +05'30'
 Shashi Tadwalkar
 Partner
 Membership No: 19779

For Hindustan Construction Company Limited

 Ajit Gulabchand
 Chairman & Managing Director


 Mahendra Singh Bhatia
 Audit Committee Chairman


 Rajat Rao
 Chair/Principal Officer
 Place, Mumbai
 Date: 12 May 2022



Walker Chandiook & Co LLP

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Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Hindustan Construction Company Limited

Qualified Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of **Hindustan Construction Company Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates, joint ventures and joint operations for the year ended **31 March 2022**, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements/ financial information of the subsidiaries, associates, joint ventures and joint operations, as referred to in paragraphs 14 and 15 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, except for the possible effects of the matters described in paragraph 3 below; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, its associates, joint ventures and joint operations, for the year ended 31 March 2022 except for the possible effects of the matters described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in:
 - (i) Note 6 to the accompanying Statement, the Holding Company has accounted for managerial remuneration paid/ payable to Whole Time Directors (including Chairman and Managing Director) of the Holding Company aggregating ₹ 41.07 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed, however prior approval from the lenders of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.

Hindustan Construction Company Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Our audit report dated 23 June 2021 on the consolidated financial results for the year ended 31 March 2021 and review report dated 3 February 2022 on the consolidated financial results for the quarter and nine months ended 31 December 2021, were also qualified in respect of this matter.

- (ii) Note 9 to the accompanying Statement, the Holding Company's current borrowings, other current financial liabilities and liabilities of disposal group held for sale as at 31 March 2022 include balances amounting to ₹ 49.67 crore, ₹ 320.55 crore and ₹ 2.85 crore, respectively, in respect of which confirmations from the respective banks/ lenders have not been received. Further, confirmations from banks have not been received for balances with banks (included under cash and cash equivalents) and earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 0.95 crore, respectively. In the absence of such confirmations from the banks/ lenders or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments if any, that may be required to the carrying value of the aforementioned balances in the accompanying Statement.

Our audit report dated 23 June 2021 on the consolidated financial results for the year ended 31 March 2021 and review report dated 3 February 2022 on the consolidated financial results for the quarter and nine months ended 31 December 2021, were also qualified in respect of this matter.

- (iii) Note 5 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.74 crore as at 31 March 2022 mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences on the basis of expected availability of future taxable profits for utilization of such deferred tax assets. However, in view of the continued losses incurred by the Holding Company and pending the implementation of the resolution plan as referred to in Note 8 of the accompanying Statement, we are unable to obtain sufficient appropriate audit evidence with respect to the current projections prepared by the management and therefore, are unable to comment on any adjustments that may be required to the carrying value of aforesaid net deferred tax assets as at 31 March 2022.

Our audit report dated 23 June 2021 on the consolidated financial results for the year ended 31 March 2021 and review reports dated 3 February 2022 on the consolidated financial results for the quarter and nine months ended 31 December 2021, respectively, were also qualified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, its associates, joint ventures and joint operations, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 and 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to:
- (i) Note 2 to the accompanying Statement, regarding uncertainties relating to recoverability of unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group held for sale) and current trade receivables amounting to ₹ 909.12 crore, ₹ 223.43 crore and ₹ 277.03 crore, respectively, as at 31 March 2022, which represent various receivables in respect of closed/ substantially closed/ suspended/ terminated projects. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale)

Hindustan Construction Company Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

as at 31 March 2022 includes receivables of ₹ 187.59 crore, ₹ 487.14 crore and ₹ 2,283.06 crore, representing claims awarded in arbitration (including interest thereon) in favour of the Holding Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables. Our conclusion is not modified in respect of the above matter.

- (ii) Note 4 to the accompanying Statement, pertaining to matter on which following emphasis of matter has been included in the audit report dated 2 May 2022 on the financial statements of HREL Real Estate Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, which is relevant to our conclusion on the consolidated financial results of the Group, and reproduced by us as under:

"Note XX to the accompanying financial statements, the Company had provided corporate guarantees and put options aggregating ₹ 6,069.65 crore (previous year: ₹ 5,764.70 crore) to the lenders of its erstwhile subsidiaries, Lavasa Corporation Limited (LCL) and Warasgaon Assets Maintenance Limited (WAML) in respect of amounts borrowed by these entities. LCL and WAML were admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 20 December 2018, respectively and Resolution Professionals (RP) were been appointed by the Committee of Creditors (CoC) of the lenders of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with Resolution Professional and have also invoked the corporate guarantee/ put options issued by the Company. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. The Resolution Professional is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of the Company shall be determined once the debts due to these lenders are settled by Resolution Professional upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been made in the financial statements by the management stating that the impact, if any is currently unascertainable."

- (iii) Note 11 to the accompanying Statement, pertaining to matter on which following emphasis of matter included in the audit report dated 9 May 2022 on the financial statements of Raiganj-Dalkhola Highways Limited, a step-down subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, on matters which are relevant to our conclusion on the consolidated financial results of the Group, and reproduced by us as under:

"Note XX and XX of notes to accounts, the Company had taken term loans from consortium of banks and financial institution. The Company borrowings have been classified as non-performing assets by the lenders due to defaults in payment of related dues. Balances of outstanding borrowings from the lenders including interest thereon, except borrowings from Yes Bank, as recorded in books of accounts of Company are unconfirmed."

Our conclusion is not modified in respect of the above matters.

Responsibilities of Management and Those Charged with Governance for the Statement

6. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group including its associates, joint ventures and joint operations in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group and its associates, joint ventures and joint operations, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates, joint ventures and joint operations, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
7. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations, are responsible for assessing the ability of the Group and of its associates, joint ventures and joint operations, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates, joint ventures and joint operations.

Auditor's Responsibilities for the Audit of the Statement

9. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
10. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Hindustan Construction Company Limited

Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates, joint ventures and joint operations, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates, joint ventures and joint operations to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, and its associates, joint ventures and joint operations, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

14. We did not audit the annual financial statements/ financial information/ financial results of thirty (30) subsidiaries included in the Statement, whose financial information (before eliminating inter-company transactions and balances) reflects total assets of ₹ 5,738.08 crore as at 31 March 2022, total revenues of ₹ 6,224.96 crore, total net profit after tax of ₹ 266.79 crore, total comprehensive income of ₹ 338.13 crore, and cash flows (net) of ₹ 81.93 crore for the year ended on that date, as considered in the Statement. These annual financial statements/ financial information have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

Our opinion is not modified in respect of this matters with respect to our reliance on the work done by and the reports of the other auditors.

Hindustan Construction Company Limited

Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

15. We did not audit the annual financial statements/ financial information of seven (7) joint operations included in the Statement, whose financial statements/ financial information reflects total assets of ₹ 159.41 crore as at 31 March 2022, total revenues of ₹ 195.07 crore, total net loss after tax of ₹ 2.18 crore total comprehensive loss of ₹ 2.18 crore, and cash flows (net) of ₹ 3.48 crore for the year ended on that date, as considered in the Statement. The annual financial statements/ financial information also includes the Group's share of net profit after tax of ₹ 2.57 crore and total comprehensive income of ₹ 2.57 crore for the year ended 31 March 2022, in respect of four (4) associates and two (2) joint ventures, whose annual financial statements/ financial information have not been audited by us. These annual financial statements/ financial information have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates, joint ventures, and joint operations is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

Further, of these joint operations, four (4) joint operations whose annual financial statements/ financial information have been prepared in accordance with the accounting standards ('AS') issued by ICAI. The Holding Company's management has converted the financial statements / financial information of such joint operation in accordance with Ind AS. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of these joint operations, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

16. The Statement includes the annual financial information of one (1) joint operation, which have not been reviewed/ audited, whose annual financial information reflect total assets of ₹ 0.13 crore as at 31 March 2022, total revenues of ₹ 0.07 crore, total net profit after tax of ₹ 0.04 crore, total comprehensive income of ₹ 0.04 crore for the year ended 31 March 2022, and cash flow of ₹ 0.04 crore for the year then ended, as considered in the Statement These financial information have been furnished to us by the Group's management. Our opinion, in so far as it relates to the balances and affairs included in respect of aforesaid joint operation, is based solely on such unreviewed /unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion is not modified in respect of this matters with respect to our reliance on the information certified by the the Management.

17. The Statement includes the consolidated financial results for the quarter ended 31 March 2022, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

SHASHI
TADWALKAR

Digitally signed by
SHASHI TADWALKAR
Date: 2022.05.12
17:58:34 +05'30'

Shashi Tadwalkar

Partner

Membership No:101797

UDIN:22101797AIVRBZ9176

Place: Pune

Date: 12 May 2022

Hindustan Construction Company Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant
to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1

List of entities included in the Statement

Subsidiary Companies	
HCC Contract Solutions Limited (Formerly know as HCC Construction Limited)	HCC Aviation Limited
Western Securities Limited	Steiner AG
HREL Real Estate Limited	Dhule Palesner Operations & Maintenance Limited
Panchkutir Developers Limited	HCC Power Limited
HCC Mauritius Enterprises Limited	HCC Realty Limited
Highbar Technologies Limited	HCC Operation and Maintenance Limited
HCC Infrastructure Company Limited	HCC Energy Limited
HCC Mauritius Investments Limited	Steiner Promotions et Participations SA
HRL Township Developers Limited	Steiner (Deutschland) GmbH
HRL (Thane) Real Estate Limited	VM + ST AG
Nashik Township Developers Limited	Steiner Leman SAS
Maan Township Developers Limited	Steiner India Limited
Manufakt8048 AG	Powai Real Estate Developer Limited
HCC Concessions Limited *	Prolific Resolution Private Limited (w.e.f. 8 March 2021)
Narmada Bridge Tollways Limited *	Baharampore-Farakka Highways Limited *
Badarpur Faridabad Tollways Limited *	Raiganj-Dalkhola Highways Limited *

Associates	
Highbar Technocrat Limited	Projektentwicklungsges.Parking Kunstmuseum AG (upto 31 March 2021)
Evostate AG	Evostate Immobilien AG
MCR Managing Corp. Real Estate	

Joint Venture / Joint Operations	
Kumagai-Skanska-HCC-Itochu Group	Farakka-Raiganj Highways Limited (upto 22 September 2020)
HCC-L&T Purulia Joint Venture	Alpine - HCC Joint Venture
Alpine - Samsung - HCC Joint Venture	HCC Samsung Joint Venture CC 34
Nathpa Jhakri Joint Venture	ARGE Prime Tower, Zürich
HCC- HDC Joint Venture	Werkarena Basel AG

* The aforementioned entities were Joint Venture of the Group and effective 20 August 2021 have become subsidiaries of the Holding Company.

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022

₹ in crore except earnings per share data

Sr. No.	Particulars	Quarter ended				
		31 March 2022			31 March 2021	
		Unaudited (Refer Note 18)	Unaudited	Unaudited (Refer Note 15)	Audited	Audited
1	Income					
	(a) Income from operations	2,920.60	2,680.14	2,354.18	10,609.73	8,248.42
	(b) Other Income	24.86	21.95	44.20	152.13	66.57
	Total Income (a+b)	2,945.46	2,602.09	2,398.38	10,821.86	8,334.99
2	Expenses					
	(a) Cost of construction materials consumed	317.97	178.68	205.74	865.06	525.57
	(b) Subcontracting expense	1,790.98	1,888.12	1,848.38	7,112.78	5,834.87
	(c) Changes in Inventories	16.51	(22.07)	(11.59)	(17.14)	(16.51)
	(d) Construction expenses	78.21	73.55	94.75	308.04	260.76
	(e) Employee benefits expense	237.14	232.38	253.84	931.54	954.85
	(f) Finance costs	293.75	263.30	329.99	1,030.47	1,001.06
	(g) Depreciation and amortisation expense	62.80	34.07	32.84	136.34	135.51
	(h) Other expenses	100.99	59.77	64.53	278.82	297.84
	Total expenses (a+b+c+d+e+f+g+h)	2,884.35	2,507.88	2,618.48	10,645.92	8,993.78
3	Profit/ (loss) before exceptional items, share of profit/ (loss) of associates and joint ventures, and tax (1-2)	60.81	94.13	(220.10)	175.94	(658.78)
4	Exceptional items - Gain/ (loss) (Refer note 10)	-	-	52.80	108.10	(274.03)
5	Profit/ (loss) before share of profit of associates and joint ventures and tax (3+4)	60.81	94.13	(167.30)	282.04	(932.79)
6	Share of profit of associates and joint ventures (net)	1.30	(0.88)	281.43	224.04	65.44
7	Profit/ (loss) before tax (5+6)	62.11	93.28	124.13	506.08	(867.35)
8	Tax expense/ (credit)					
	(a) Current tax	(4.28)	46.79	(1.19)	48.83	8.96
	(b) Deferred tax	35.51	(23.36)	(31.96)	39.80	(295.29)
		31.23	22.43	(33.15)	88.43	(257.33)
9	Profit/ (loss) for the period/ year (7-8)	30.88	70.85	157.28	419.65	(610.02)
10	Discontinued Operations (Refer note 12)					
	Profit/ (Loss) from discontinued operations	(1.89)	(6.42)	-	(7.02)	-
	Tax expense of discontinued operations	(13.67)	-	-	(13.67)	-
	Profit/ (Loss) from discontinued operations (after tax)	(14.98)	(6.42)	-	(20.69)	-
11	Other comprehensive Income/ (loss)					
	(a) Items not to be reclassified subsequently to profit or loss (net of tax)					
	- Gain/ (loss) on fair value of defined benefit plans	99.51	(4.33)	37.05	82.49	24.86
	- Gain/ (loss) on fair value of equity instruments	(1.18)	6.23	(2.00)	7.09	5.70
	(b) Items to be reclassified subsequently to profit or loss					
	- Translation gain/ (loss) relating to foreign operations	(0.67)	(0.06)	4.21	(4.51)	28.27
	Other comprehensive Income/ (loss) for the period/ year, net of tax (a+b)	97.69	1.81	39.26	85.07	58.93
12	Total comprehensive Income/ (loss) for the period/ year, net of tax (9+10+11)	113.61	66.24	196.54	484.63	(551.09)
	Profit/ (loss) for the period attributable to:					
	Owners of the parent	30.88	70.85	157.28	419.65	(610.02)
	Non - controlling interest	0.00*	(0.00)*	0.00*	0.00*	(0.00)*
	Other comprehensive Income/ (loss) for the period/ year attributable to:					
	Owners of the parent	97.69	1.81	39.26	85.07	58.93
	Non - controlling interest	0.00*	(0.00)*	0.00*	0.00*	(0.00)*
	Total comprehensive Income/ (loss) for the period/ year attributable to:					
	Owners of the parent	128.57	72.66	196.54	484.63	(551.09)
	Non - controlling interest	0.00*	(0.00)*	0.00*	0.00*	(0.00)*
13	Paid up equity share capital (Face value of ₹ 1 each)	181.31	151.31	151.31	151.31	151.31
14	Other equity (excluding revaluation reserves)				(935.98)	(1,468.90)
15	Earnings/ (Loss) per share (Face value of ₹ 1 each) - for continuing operations					
	(a) Basic EPS (not annualised) (in ₹)	0.20	0.47	1.04	2.77	(4.03)
	(b) Diluted EPS (not annualised) (in ₹)	0.00	0.00	0.00	0.00	0.00
	Earnings/ (Loss) per share (Face value of ₹ 1 each) - for discontinued operations					
	(a) Basic EPS (not annualised) (in ₹)	(0.10)	(0.04)	-	(0.06)	-
	(b) Diluted EPS (not annualised) (in ₹)	(0.10)	(0.04)	-	(0.06)	-
	Earnings/ (Loss) per share (Face value of ₹ 1 each) - for total operations					
	(a) Basic EPS (not annualised) (in ₹)	0.10	0.43	1.04	2.69	(4.03)
	(b) Diluted EPS (not annualised) (in ₹)	0.10	0.43	1.04	2.69	(4.03)

* represents amount less than ₹ 1 lakh
See accompanying notes to the consolidated financial results

Hindustan Construction Co Ltd

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CIN : L45200MH1926PLC001228



AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		
Particulars	₹ In crore	
	As at 31 March 2022	As at 31 March 2021
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	436.23	540.58
Right-of-use assets	217.61	245.77
Capital work-in-progress	0.68	1.61
Investment property	2.79	2.67
Goodwill	3.38	3.38
Other Intangible assets	62.54	64.14
Financial assets		
Investments in associates and joint ventures	20.47	402.91
Investments	37.90	15.11
Trade receivables	235.75	-
Loans	57.32	67.44
Other financial assets	42.65	36.76
Deferred tax assets (net)	743.15	751.36
Income tax assets (net)	93.53	143.77
Other non-current assets	67.90	74.50
Total non-current assets	2,021.90	2,389.98
Current assets		
Inventories	484.84	479.60
Financial assets		
Investments	0.66	0.15
Trade receivables (Refer note 8)	2,090.98	4,501.79
Cash and cash equivalents	720.97	642.13
Bank balances other than cash and cash equivalents	821.42	619.49
Other financial assets	284.24	92.04
Unbilled work-in-progress (contract assets) (Refer note 8)	3,729.03	3,826.12
Other current assets	322.68	254.04
Total current assets	8,455.10	10,415.36
Assets classified as held for sale (Refer note 8)	3,719.00	6.49
Total current assets	12,174.10	10,421.85
TOTAL ASSETS	14,196.00	12,760.83
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	151.31
Other equity	(935.95)	(1,468.90)
Equity attributable to owners of the parent	(784.64)	(1,317.59)
Non-controlling interest	(0.00)*	0.00*
Total Equity	(784.64)	(1,317.59)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,178.47	1,408.28
Lease liabilities	225.12	216.98
Other financial liabilities	1,554.89	1,508.17
Provisions	124.05	189.31
Deferred tax liabilities (net)	145	-
Total non-current liabilities	3,113.98	3,321.74
Current liabilities		
Financial liabilities		
Borrowings (Refer note 8)	612.81	3,124.93
Lease liabilities	1.70	27.70
Trade payables (Refer note 8)		
- Total outstanding dues of micro enterprises and small enterprises	80.00	48.02
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,986.50	2,999.40
Other financial liabilities (Refer note 8)	1,407.32	1,294.10
Other current liabilities	2,444.92	3,028.89
Current tax liabilities	99.20	0.74
Provisions	467.10	252.91
Total current liabilities	8,099.55	10,776.88
Liabilities of a disposal group held for sale (Refer Note 8)	3,767.11	-
Total current liabilities	11,866.66	10,776.88
TOTAL EQUITY AND LIABILITIES	14,196.00	12,760.83

* represents amount less than ₹ 1 lakh
See accompanying notes to the consolidated financial results

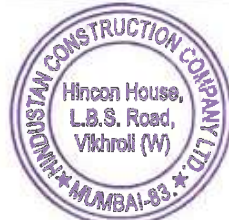


STATEMENT OF AUDITED CONSOLIDATED CASH FLOW STATEMENT

₹ In crore

Particulars	Year ended	
	31 March 2022	31 March 2021
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax	506.08	(867.35)
Adjustments for:		
Depreciation and amortisation expense	138.34	135.51
Finance costs	1,030.47	1,001.08
Interest income	(33.02)	(27.10)
Gain on settlement of debt	(134.35)	-
Loss on settlement with customer	-	274.03
Share of profit of associates and joint ventures	(224.04)	(65.44)
Dividend income	(1.14)	(1.05)
Unrealised foreign exchange loss/ (gain) (net)	(3.92)	5.95
Profit on disposal of property, plant and equipment (net)	(2.36)	(12.93)
Provision no longer required written back	(24.05)	(23.32)
	745.93	1,286.71
Operating profit before working capital changes	1,252.01	419.36
Adjustments for changes in working capital:		
Increase in Inventories	(5.24)	(12.43)
Increase in trade receivables	(37.64)	(134.46)
(Increase) / decrease in current/ non-current financial assets and other assets and unbilled work in progress (contract assets)	97.42	(181.71)
(Increase) / decrease in trade payables, other financial liabilities and other liabilities and provisions	(574.60)	123.21
Cash generated from operations	731.95	233.97
Direct taxes refund/ (paid) (net)	20.73	113.93
Net cash generated from operating activities	752.68	347.90
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances/ payables)	(89.25)	(74.81)
Proceeds from sale of property, plant and equipment and assets held for sale (including advance received)	34.30	14.14
Proceeds from sale of investments	-	9.00
Investments in bank deposits	(201.04)	(53.06)
Interest received	30.60	29.11
Dividend received	1.14	1.05
Net cash used in investing activities	(224.25)	(74.57)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(55.84)	(89.72)
Proceeds from/ (repayment of) short-term borrowings (net)	(158.99)	648.65
Repayment of finance lease obligations	(19.01)	(34.72)
Interest and other finance charges	(426.01)	(423.39)
Net cash generated from/ (used in) financing activities	(659.85)	100.82
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	(131.42)	374.15
Cash and cash equivalents at the beginning of the period	642.13	276.11
Impact of business combination (net of discontinued operations)	193.07	0.00
Unrealised foreign exchange (loss)/ gain	17.19	(8.13)
Cash and cash equivalents at the end of the period	720.97	642.13

The above statement of cash flow has been prepared under the "Indirect method" set out in Ind AS 7 - Statement of Cash Flows.



Notes:

- 1 Hindustan Construction Company Limited (the 'Holding Company') and its subsidiaries are together referred to as 'the Group' in the following notes. These consolidated financial results have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time. The above consolidated financial results have been reviewed and recommended to the Board of Directors by the Audit Committee of the Holding Company and subsequently approved by the Board of Directors of the Holding Company at their respective meetings held on 12 May 2022.
- 2 Unbilled work-in-progress (contract assets), unbilled work-in-progress (included under assets of a disposal group as held for sale) and current trade receivables includes ₹ 909.12 crore, ₹ 223.43 crore and ₹ 277.03 crore, respectively, outstanding as at 31 March 2022 representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended/ terminated projects. Further, non-current trade receivables, current trade receivables and trade receivables (included under assets of a disposal group held for sale) as at 31 March 2022 includes receivables of ₹ 187.59 crore, ₹ 487.14 crore and ₹ 2,283.06 crore (net of advances of ₹ 3,238.33 crore), respectively, representing claims awarded in arbitration, including interest thereon, in favour of the Holding Company which have been challenged by the customers in higher courts. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which the Holding Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management is confident of recovery of these receivables.
- 3 The Groups Company's operations have significantly recovered from the impact of COVID-19 pandemic and there are no significant continuing impact on the operations and financial statements of the Company as at 31 March 2022. The Management continues to closely monitor the current developments and possible effects of COVID-19 pandemic on its financial condition, liquidity and operations.
- 4 HREL Real Estate Limited ('HREL'), a subsidiary company, has provided corporate guarantees and put options to the lenders of its erstwhile subsidiaries namely Lavasa Corporation Limited ('LCL') and Warasgaon Assets Maintenance Limited ('WAML') in respect of amounts borrowed by these subsidiaries, the aggregate liability in respect of which as at 31 March 2022 stands at ₹ 6,089.65 crore. LCL and WAML have been admitted under the Corporate Insolvency and Resolution Process in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated 30 August 2018 and 20 December 2018, respectively, and Resolution Professionals ('RP') have been appointed by the Committee of Creditors (CoC) of respective companies. The lenders, to whom these corporate guarantees and put options were furnished, have filed their claims with RP which is presently under the IBC process and have also invoked the corporate guarantees/ put options issued by the HREL. The National Company Law Tribunal, Mumbai Bench vide its order dated 26 February 2020, have approved the request of lenders of LCL and WAML to consolidate LCL, WAML and Dasve Convention Centre Limited (a subsidiary of LCL) and thereby get better valuation on liquidation. RP is in the process of formulating a resolution plan including identifying potential resolution applicant. The liability of HREL shall be determined once the debts due to these lenders are settled by RP upon completion of the IBC process. Pending the outcome of the resolution process, no provision has been considered necessary in the consolidated financial results as at and for the quarter and year ended 31 March 2022, as impact, if any, is currently unascertainable.
- 5 As at 31 March 2022, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.74 crore (31 December 2021: ₹ 739.28 crore and 31 March 2021: ₹ 715.99 crore) mainly on account of carried forward unused tax losses, unused tax credits and other taxable temporary differences. While the Holding Company is confident of taxable profits being available against which unused tax losses can be utilized, the Holding Company has not recognized deferred tax asset on the losses incurred effective 1 July 2021. Further, the Holding Company is still evaluating the benefits of exercising the non-reversible option of paying further corporate tax at reduced rates in accordance with section 115BAA of the Income Tax Act, 1961. Based on the expected profits from the unexecuted orders on hand/ future projects, outcome of the ongoing discussion with lenders for restructuring of loans and expected settlement of claims/ arbitration awards with customers, the Holding Company's management is confident that sufficient future taxable income will be available against which such net deferred tax assets recognised as at 31 March 2022 will be realized. Statutory auditors report is modified in respect of this matter.



6 The Holding Company has accrued/ paid managerial remuneration to Chairman and Managing Director ('CMD') and Whole Time Director ('WTD') for the period 1 April 2019 to 31 March 2022 in excess of the limits prescribed under sec 197 of the Act as follows:

Financial Years	Remuneration accrued	Remuneration paid	Excess remuneration accrued / paid	(₹ In crore)
				Excess remuneration paid held in trust
2019-20	13.57	3.75	13.57	3.75
2020-21	13.50	1.44	13.50	1.44
2021-22	14.00	1.80	14.00	1.80
Total	41.07	6.99	41.07	6.99

While the approval for payment of the aforementioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from lenders are yet to be obtained, which the Holding Company expects to obtain along side implementation of the resolution plan. In absence of the requisite approval from lenders for remuneration accrued/ paid to CMD/ WTD for the aforementioned years, the statutory auditors report is modified in respect of this matter.

7 As at 31 March 2022, the Group has accumulated losses aggregating ₹ 3,690.70 crore which has resulted in full erosion of its net worth. The Holding Company continues to default on payment to lenders along with overdue to operational creditors. Certain operational creditors have also applied before the National Company Law Tribunal ('NCLT') for debt resolution under the Insolvency and Bankruptcy Code, 2016, none of which has been admitted so far. The above factors indicate that events or conditions exist, which may cast significant doubt on the entity's ability to continue as a going concern. As per the resolution plan with lenders of the Holding Company, including resolution of debts of an erstwhile subsidiary, whose liabilities were taken over by the Holding Company in earlier years, economic and beneficial interest of a portion of the arbitration awards and claims of the Holding Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Holding Company (Also refer note 8 below). As at date, the resolution plan has been approved by the respective Board/ Committees of 100% lenders making the resolution plan binding on all lenders. The resolution plan is expected to be implemented by July 2022. Based on the expected successful implementation of the resolution plan with lenders as well as the Holding Company's business plans, the management is confident of time-bound monetisation of assets including arbitration awards, claims and other assets and is confident of meeting the obligations as they fall due. Accordingly, the Management considers it appropriate to prepare these financial results on a going concern basis.

8 Pursuant to the proposed resolution plan with lenders, which has become binding due to receipt of requisite approval by lenders, the economic and beneficial interest of certain arbitration awards and claims of the Holding Company along with liabilities, represented by debt and accrued interest, will be transferred to a wholly owned subsidiary of the Holding Company. The Board of Directors and shareholders of the Holding Company have approved the resolution plan at their meetings held on 27 May 2021 and 29 June 2021, respectively. In accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations, the assets (represented by arbitration award and claims) and liabilities (represented by debt and accrued interest / charges) qualify as assets and liabilities of a disposal group held for sale. Consequently, as at 31 March 2022, trade receivables and unbilled work-in-progress (contract assets) aggregating ₹ 2,283.06 crore and ₹ 359.40 crore, respectively, have been classified as assets of a disposal group held for sale. Similarly, as at 31 March 2022, current borrowings, trade payables and other current financial liabilities amounting to ₹ 2,448.94 crore, ₹ 22.30 crore and ₹ 470.80 crore, respectively, have been classified as liabilities of a disposal group held for sale.

9 In respect of below balances, direct confirmations from lenders has not been received:

Particulars	(₹ In crore)		
	As at		
	31 March 2022	31 December 2021	31 March 2021
Current borrowings	49.67	52.79	2.10
Other current financial liabilities	320.55	653.27	618.09
Liabilities of a disposal group held for sale	2.85	108.22	-
Total	373.07	812.28	618.19

In the absence of confirmations/ statements from lenders, the Holding Company has provided for interest (including penal interest) based on the interest rate specified in the agreement or latest communication available from the respective lenders. The Holding Company's management believes that amount payable will not exceed the liability provided in the financial results in respect of these borrowings.

Further, balances with banks (included under cash and cash equivalents) and earmarked balances/ fixed deposits (included under bank balances other than cash and cash equivalents) as at 31 March 2022 include balances amounting to ₹ 2.18 crore (31 December 2021: ₹ 0.93 crore and 31 March 2021: ₹ 2.10 crore) and ₹ 0.95 crore (31 December 2021: ₹ 0.95 crore and 31 March 2021: ₹ 10.91 crore), respectively, for which confirmations/ statements from banks have not been received. In the absence of such direct confirmations and alternate evidences, if any, statutory auditors report is modified in respect of this matter.



10 Exceptional Items

Particulars	(₹ crore)				
	Quarter ended			Year ended	
	31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
Loss on settlement with a customer	-	-	52.80	-	(274.03)
Gain on one-time settlement of debt	-	-	-	106.10	-
Total gain/ (loss)	-	-	52.80	106.10	(274.03)

11 Short term borrowings and other current financial liabilities of Raiganj Dalkhola Highways Limited ('RDHL'), as at 31 March 2022 includes ₹ 52.95 crore and ₹ 50.25 crore, respectively in respect of which, in the absence of confirmation from the lenders/ bankers, RDHL has provided for interest and other penal charges based on the latest communication available from the lenders/ bankers at the interest rate specified in the agreements. RDHL's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings.

12 HCC Concessions Limited ('HCON'), on 1 February 2022, has entered into a binding term sheet for 100% stake sale of its subsidiary i.e. Baharampore Farakka Highways Limited (BFHL), for an equity consideration of ₹ 600 crores subject to closing adjustments and requisite approvals. Additionally, HCON would be entitled to certain earn-outs (contingent on traffic/ revenue projections) and share of certain future revenue share from BFHL over the concessions period, which is expected to be material.

Pursuant to the above, BFHL has been presented as discontinued operations in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. The requisite disclosures in accordance with Ind AS 106 are given below:

Particulars	(₹ crore)				
	Quarter ended			Year ended	
	31 March 2022	31 December 2021	31 March 2021 *	31 March 2022	31 March 2021 *
Income from operations	86.15	90.56	-	249.12	-
Other income	2.82	3.24	-	10.55	-
Total income	88.98	93.80	-	259.67	-
Total expenses	90.87	100.22	-	266.69	-
Loss before tax	(1.89)	(6.42)	-	(7.02)	-
Tax expense on profit on sale of discontinued operation	(13.07)	-	-	(13.07)	-
Loss from sale of discontinued operations, net of tax	(14.96)	(6.42)	-	(20.09)	-

* In accordance with Ind AS 105, disclosures for prior period are also required to be presented in respect of discontinuing operations. However, as BFHL has become subsidiary of the Group effective 20 August 2021 (Refer note 13 below), requisite disclosures under Ind AS 105 have been presented effective 20 August 2021.

13 Pursuant to the Securities Purchase Agreement entered between Xander Investment Holding XXVI Limited ('Xander') and Holding Company along with certain group entities, Xander's holding (14.55%) in HCC Concessions Limited ('HCL') a joint venture of the Group, has been bought back by the Group on 20 August 2021. Consequent to the buy back, effective 20 August 2021, HCL ceases to be a joint venture and became a wholly owned subsidiary of the Group and resultant HCL's financial results from 20 August 2021 are being consolidated along with the financial results for the Group as a subsidiary which was hitherto consolidated as joint venture. Accordingly, the financial results for the quarter and year ended are strictly not comparable with the other comparable reporting periods included in the financial results.

14 The Board of Directors of HCC Infrastructure Company Limited ('HICL'), a wholly owned subsidiary, at its meeting held on 18 November 2021 approved a Scheme of Merger by absorption ('the Scheme') of HCC Concessions Limited, HCC Power Limited, HCC Energy Limited and Dhule Palesner Operations and Maintenance Limited (together referred to as the 'transferor companies') with HICL. The appointed date proposed is 1 April 2021. The shareholders of the transferor companies have approved the Scheme at their separate meetings and the said Scheme is pending for requisite approval from Mumbai Bench of the National Company Law Tribunal.

15 Figures for the quarters ended 31 March 2022 and 31 March 2021 are the balancing figures between the audited financial statements for the year ended on that date and the year to date figures upto the end of third quarter of the respective financial year.

16 Figures for the previous period/ year have been regrouped/ reclassified to conform to the current period/year presentation, wherever considered necessary.



CONSOLIDATED SEGMENT-WISE REVENUE, PROFIT AND LOSS, ASSETS AND LIABILITIES						
Sr No.	Particulars	Quarter ended			Year ended	
		31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Segment revenue					
	Engineering and construction	2,765.70	2,641.14	2,361.61	10,621.73	8,212.11
	Infrastructure	1.63	29.30	5.45	54.07	36.11
	Real estate	0.06	-	-	0.07	-
	Others	(0.11)	0.81	4.75	5.01	10.63
	Less: Inter segment revenue	(9.54)	(0.55)	(7.63)	(11.15)	(9.33)
	Revenue from continuing operations	2,767.64	2,670.70	2,354.18	10,668.73	8,246.42
	Revenue from discontinued operations (Refer note 12)	86.15	90.56	-	249.12	-
	Total revenue from total operation	2,843.79	2,761.26	2,354.18	10,918.85	8,246.42
2	Segment results					
	Engineering and construction	277.64	354.55	104.08	1,141.22	313.14
	Infrastructure	(6.05)	19.36	1.03	26.16	10.91
	Real estate	0.07	(0.03)	(2.36)	(0.08)	(0.12)
	Others	(0.70)	(0.29)	(0.37)	(1.92)	(1.48)
	Less: Unallocable expenditure (net of unallocable income)	(208.15)	(279.46)	(322.48)	(989.44)	(981.21)
	Profit/ (loss) before exceptional items, share of profit/(loss) of associates and joint ventures, and tax from continuing operations	60.81	94.13	(220.10)	175.94	(658.76)
	Exceptional items - Gain/ (Loss)					
	- Engineering and construction	-	-	62.80	-	(274.03)
	- Infrastructure	-	-	-	106.10	-
	Profit/ (loss) before share of profit of associates and joint ventures and tax from continuing operations	60.81	94.13	(167.30)	282.04	(932.76)
	Profit/ (loss) before tax from discontinued operations (Refer note 12)	(1.69)	(6.42)	-	(7.02)	-
	Profit/ (loss) from total operations	59.12	87.71	(167.30)	275.02	(932.76)
3	Segment assets					
	- Engineering and construction	11,928.66	12,081.41	11,366.66		
	- Infrastructure	234.03	204.95	47.12		
	- Real estate	41.63	41.68	39.28		
	- Others	19.40	24.88	22.41		
	- Unallocable assets	895.74	913.84	1,315.14		
	Assets from continuing operations	13,119.46	13,266.70	12,780.63		
	Assets from discontinued operations	1,076.54	1,109.35	-		
	Total assets from continuing and discontinued operations	14,196.00	14,376.05	12,780.63		
4	Segment Liabilities					
	- Engineering and construction	10,317.26	10,728.71	7,731.86		
	- Infrastructure	419.66	41.14	273.36		
	- Real estate	56.95	58.83	66.88		
	- Others	4.14	8.03	7.08		
	- Unallocable liabilities	3,357.57	3,905.52	6,029.26		
	Liabilities from continuing operations	14,155.57	14,741.23	14,098.42		
	Liabilities from discontinued operations	825.07	534.76	-		
	Total liabilities from continuing and discontinued operations	14,980.64	15,275.99	14,098.42		



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17 Additional disclosures as per Clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	Quarter ended			Year ended	
	31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
	Unaudited (Refer Note 16)	Unaudited	Unaudited (Refer Note 16)	Audited	Audited
Outstanding redeemable preference shares (₹ in crore)	-	-	-	-	-
Debt Redemption reserve (₹ in crore)	54.99	54.99	54.99	54.99	54.99
Net Worth (₹ in crore) (Equity Share Capital + other equity less capital reserves)	(816.13)	(931.43)	(1,349.07)	(816.13)	(1,349.07)
Net Profit/ (Loss) after tax (₹ in crore)	30.88	70.85	157.29	419.65	(610.02)
Basic earnings/(loss) per share (Not annualised)	0.20	0.47	1.04	2.77	(4.03)
Diluted earnings/(loss) per share (Not annualised)	0.20	0.47	1.04	2.77	(4.03)
Debt Equity ratio (times): (Total Debt* / Equity Share Capital + other equity)	(6.03)	(5.27)	(3.36)	(6.03)	(3.36)
Debt Service Coverage ratio (times) : (Earnings before interest ^a , depreciation and amortisation, exceptional items and tax) / (Interest ^a on debt ^a for the period/year + Principal repayment of long-term debt ^a and lease liabilities within one year) - Annualised	0.72	0.77	0.75	0.74	0.26
Interest Service Coverage ratio (times) : (Earnings before interest ^a , depreciation and amortisation, exceptional items and tax) / Interest expenses ^a - Annualised	1.43	1.52	1.33	2.30	0.52
Current Ratio (times) : (Current assets / Current liabilities)	1.03	1.02	0.97	1.03	0.97
Long-term debt to working capital (times) : [(Non-current Borrowings* + Current maturities of long-term debt*) / Net working capital]	7.10	13.88	(6.99)	7.10	(6.99)
Bad debts to accounts receivable ratio (%) : (Bad debts / Average trade receivables)	0.00%	0.00%	0.00%	0.00%	0.00%
Current liability ratio (times) : (Current liabilities / Total liabilities)	0.79	0.74	0.76	0.79	0.76
Total debts to total assets ratio (times) : [(Non-current Borrowings*+ Current Borrowings*)/Total Assets]	0.35	0.34	0.36	0.35	0.35
Debtors Turnover (times) : [(Revenue from operations / Average trade receivable)] - Annualised	2.56	2.39	2.07	2.34	1.81
Inventory Turnover (times) : [(Cost of Goods Sold / Average Inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses + Construction expenses	18.25	15.62	16.37	17.14	13.95
Operating Margin (In %) : [(Earnings before finance costs, depreciation and amortisation, exceptional items and tax - Other Income) / Revenue from operations]	12.31%	13.55%	15.90%	12.65%	4.97%
Net Profit/(Loss) Margin (%) : [Profit/(Loss) after tax / Revenue from operations]	1.06%	2.75%	6.68%	3.93%	-7.40%

The Company continues to maintain 100% asset cover for the NCD issued by it.

* Debt exclude financial liabilities of an erstwhile subsidiary taken over by the Company.

^a Excludes interest expenses on financial liabilities of an erstwhile subsidiary taken over by the Company and interest on advance from customers.



for Hindustan Construction Company Limited

Ajit Gulabchand

Ajit Gulabchand
Chairman & Managing Director

Mumbai, Dated : 12 May 2022

Annexure I				
Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Consolidated)				
Statement of Implication of Audit Qualifications for the Financial Year ended 31 March 2022				
(See Regulation 22(8) of the BSM/LOD/CA Amendment Regulations, 2012)				
(Amount in Rupees)				
L	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (adjusted figures after adjusting for qualifications)
	1	Turnover/Total Income	10,821.06	Not ascertainable (Refer notes 8(a) to (d) below)
	2	Total Expenditure	18,044.92	Not ascertainable (Refer notes 8 (a) to (d) below)
	3	Equity/Net Worth	106.19	Not ascertainable (Refer notes 8 (a) to (d) below)
	4	Net Profit/(Loss) for the year after tax	458.08	Not ascertainable (Refer notes 8 (a) to (d) below)
	5	Earnings/(Loss) per Share	8.77	Not ascertainable (Refer notes 8 (a) to (d) below)
	6	Total Assets	14,588.08	Not ascertainable (Refer notes 8 (a) to (d) below)
	7	Total Liabilities	14,694.84	Not ascertainable (Refer notes 8 (a) to (d) below)
	8	Net Worth	(784.64)	Not ascertainable (Refer notes 8 (a) to (d) below)
	9	Any other financial ratio(s) (to the extent appropriate to the management)		
B. Audit Qualification				
a. Details of Audit Qualification:				
<p>(i) Note 6 to the accompanying Statement, the Holding Company is dissatisfied in respect of managerial remuneration paid payable to Mr. V. S. Chavan, Chairman and Managing Director of the Holding Company aggregating ₹ 41.87 crore for the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022, in excess of limits prescribed under Section 197 of the Act, in respect of which appropriate approvals have been obtained as permitted, however prior approval from the members of the Holding Company in accordance with Section 197 has not been obtained by the Holding Company.</p> <p>(ii) Note 8 to the accompanying Statement, the Holding Company's current borrowings, other current financial liabilities and liability of deposit given held for sale as at 31 March 2022 include balances amounting to ₹ 48.87 crore, ₹ 258.98 crore and ₹ 2.88 crore, respectively, in respect of which realizations from the respective banks/financing firms and loans provided, payable, and redemption from banks/financing firms and loans provided for balance sheet books (included under cash and cash equivalents and accounts receivable) and deposits (included under bank balances, other than cash and cash equivalents) as at 31 March 2022 amounting to ₹ 2.18 crore and ₹ 8.98 crore, respectively, in the absence of such contributions from the banks/financing firms and appropriate advance credit facilities, we are unable to ascertain on the adjustments if any, that may be required to the carrying value of the above-said deposits in the accompanying Statement.</p> <p>(iii) Note 9 to the accompanying Statement, the Holding Company has recognised intangible intangible assets amounting to ₹ 74.74 crore as at 31 March 2022 mainly an intangible asset of certain network of users, content, and other intangible assets on the basis of expected availability of future income profits for utilization of such intangible assets. However, in view of the uncertain future income profits of the Holding Company and pending the implementation of the resolution plan as referred to in Note 8 of the accompanying Statement, we are unable to obtain sufficient appropriate audit evidence with respect to the current valuations prepared by the management and auditors, and unable to comment on any adjustments that may be required to the carrying value of intangible assets as at 31 March 2022.</p>				
b. Type of Audit Qualification:		Qualified Opinion		
c. Frequency of Qualification:		Qualification 8 (a) (i) - Included in the annual report for the quarter ended 31 December 2019; Qualification 8 (a) (ii) and (b) - Included in the annual report for the quarter and year ended 31 March 2020;		
d. For Audit Qualifications where the impact is qualified by the auditor, Management views:		Not Applicable		

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For Audit Qualifications where the impact is not quantified by the auditor

Management's estimate of the impact of audit qualification: **Not ascertainable**

Is it envisaged to enable to mitigate the impact, reasons for the same:

(1) (a) (i) The Holding Company has accrued paid managerial remuneration to Chairman and Managing Director (CMD) and Whole Time Director (WTD) for the period 1 April 2020 to 31 March 2022 in excess of the limits prescribed under one 107 of the Act as follows:

Financial Years	Remuneration approved	Remuneration paid	Excess remuneration accrued / paid	Excess remuneration paid held in trust
2019-20	13.57	0.75	13.57	5.75
2020-21	13.00	1.44	18.50	1.44
2021-22	14.00	1.80	14.00	1.80
Total	41.07	6.99	41.07	6.99

While the approval for payment of the aforementioned managerial remuneration has been obtained from the shareholders, the requisite prior approval from lenders are yet to be obtained, which the Holding Company expects to obtain during this implementation of the resolution plan. In absence of the requisite approval from lenders for remuneration amount paid to CMD/WTD by the aforementioned years.

(1) (a) (ii) In respect of below balances, direct contributions from lenders have not been received:

Particulars	As at		
	31 March 2022	31 December 2021	31 March 2021
Current borrowings	40.07	38.79	3.39
Other current financial liabilities	332.89	433.27	616.00
Liabilities of a disposal group held for sale	2.85	108.22	-
Total	375.81	580.28	619.39

In the absence of contractual arrangements from lenders, the Holding Company has provided for interest (including penal interest) based on the market rate specified in the agreement or latest communication available from the respective lenders. The Holding Company's management believes that recovery possible will not exceed the liability reported in the financial results by way of these borrowings.

Further, in relation with loans provided under staff and work departmental and operational interest free deposits provided under bank balances other than overdraft and cash equivalents as at 31 March 2022 include balances amounting to ₹ 2.38 crore (31 December 2021: ₹ 0.03 crore) and 31 March 2021: ₹ 2.50 crore) and ₹ 0.80 crore (31 December 2021: ₹ 0.00 crore and 31 March 2021: ₹ 0.01 crore), respectively, for which contractual arrangements have been not been received. In the absence of such direct contributions and payments received, if any.

(1) (a) (iii) As at 31 March 2022, the Holding Company has recognized net deferred tax assets amounting to ₹ 761.24 crore (31 December 2021: ₹ 730.26 crore and 31 March 2021: ₹ 715.88 crore) mainly on account of carried forward losses (tax losses, unearned tax profits and other taxable temporary differences). While the Holding Company is confident of taxable profits being available against which unearned tax losses can be utilized, the Holding Company has recognized deferred tax asset on the losses incurred effective 4 July 2021. Further, the Holding Company is still evaluating the benefits of amending the non-volatile system of paying further deposits for all contributions in accordance with section 115BAA of the Income Tax Act, 1961.

Given as the expected profits from the structured value-added future projects, outcome of the ongoing discussion with lenders for restructuring of loans and improved performance of overall solution towards debt systems, the Holding Company's management is confident that sufficient future taxable income will be available against which such net deferred tax assets recognized as at 31 March 2022 can be realized.

(1) (b) Summary description as to the nature of the audit qualification: **Included in details of auditor's qualifications stated above**

Signatures:

For Walker Chandok & Co LLP

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2022.05.12 17:59:23 +05'30'

Shashi Tadwalkar
Partner
Membership No.: 101797

For Hindustan Construction Company Limited

[Signature]
Ajit Gulabchand
Ajith Gulabchand
Chairman & Managing Director

[Signature]
Hakimul Haq
Hakimul Haq
Joint Committee Chairman

[Signature]
Rohit Rao
Rohit Rao
Chief Financial Officer

Place: Mumbai
Date: 12 May 2022

