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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 2023**, 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 2023', 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 14 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 recognition and measurement principles laid down in 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 profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023 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 Company's investments in subsidiaries as at 31 March 2023 includes non-current investment and current investment in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 220 crore, respectively, stated at cost. The subsidiary's consolidated net-worth as at 31 March 2023 is substantially eroded but, the said investment is considered fully recoverable by the management on the basis of factors stated in the aforesaid note including a valuation report obtained from an independent valuer.



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However, in the absence of sufficient appropriate audit evidence to support the significant judgements and estimates relating to underlying assumptions applied by the management in the aforementioned valuation report, 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 audit report dated 12 May 2022 on the standalone financial results for the year ended 31 March 2022 and review report dated 2 February 2023 on the standalone unaudited financial results for the quarter and nine months ended 31 December 2022 were also qualified in respect of this matter.

- (ii) Note 7 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 741.93 crore as at 31 March 2023, which includes deferred tax assets on 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 history of losses recorded by the Company, we are unable to obtain sufficient appropriate audit evidence with respect to the projections for future taxable profits 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 2023.

Our audit report dated 12 May 2022 on the standalone financial results for the year ended 31 March 2022 and review report dated 2 February 2023 on the standalone unaudited financial results for the quarter and nine months ended 31 December 2022 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 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), current trade receivables and non-current trade receivables amounting to ₹ 602.33 crore, ₹ 255.69 crore and ₹ 57.52 crore, respectively, as at 31 March 2023, which represent receivables in respect of closed/ substantially closed/ suspended/ terminated projects. The Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation in respect of the aforementioned receivables. 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 opinion 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 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.
 - 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 an 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 Board of Directors.
 - Conclude on the appropriateness of the Board of Directors' 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.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its 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 the Company and such joint operations included in the Statement, 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.
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. The Statement includes the financial results for the quarter ended 31 March 2023, 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.
14. We did not audit the annual financial statements of eight (8) joint operations included in the Statement, whose financial information reflects total assets of ₹ 265.14 crore as at 31 March 2023 and total revenues of ₹ 362.09 crore, total net loss after tax of ₹ 0.57 crore, and total comprehensive loss of ₹ 0.57 crore, and cash outflows (net) of ₹ 8.08 crore for the year ended as on date, as considered in the Statement. These annual financial statements 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.

Further, of these joint operations, the annual financial statements of five (5) joint operations have been prepared in accordance accounting principles generally accepted in India, including accounting standards issued by the ICAI. The Company's management has converted the annual financial statements 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 amounts and disclosures included in respect 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Shashi Tadwalkar

Partner

Membership No:101797

UDIN:23101797BGXEZZ9546

Place: Mumbai

Date: 18 May 2023

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Hindustan Construction Company Limited

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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 - HDC Joint Venture
8.	HCC - VCCL Joint Venture



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

Sr. No.	Particulars	₹ in crore except earnings per share				
		Quarter ended			Year ended	
		31-Mar-23 Unaudited (Refer Note 8)	31-Dec-22 Unaudited	31-Mar-22 Unaudited (Refer Note 8)	31-Mar-23 Audited	31-Mar-22 Audited
1	Income					
	(a) Revenue from operations	1,844.76	1,155.45	1,571.40	5,222.01	4,666.28
	(b) Other income	19.34	11.68	2.61	61.22	80.24
	Total income (a+b)	1,864.10	1,167.13	1,574.01	5,283.23	4,746.52
2	Expenses					
	(a) Cost of materials consumed	250.74	266.68	251.78	1,009.66	865.07
	(b) Subcontracting expenses	1,159.78	536.17	831.05	2,727.99	2,263.26
	(c) Employee benefits expense	83.29	81.55	93.10	323.78	345.92
	(d) Finance costs	145.53	138.43	243.81	663.97	948.80
	(e) Depreciation and amortisation expense	18.88	18.91	24.05	78.05	93.64
	(f) Other expenses	139.85	99.62	106.86	448.19	403.11
	Total expenses (a+b+c+d+e+f)	1,798.07	1,141.36	1,550.65	5,251.64	4,919.80
3	Profit/ (Loss) before exceptional items and tax (1-2)	66.03	25.77	23.36	31.59	(173.28)
4	Exceptional item - gain (Refer note 5)	-	-	-	223.30	-
5	Profit/ (Loss) before tax (3+4)	66.03	25.77	23.36	254.89	(173.28)
6	Tax expense/ (credit)					
	(a) Current tax	0.01	0.58	4.40	1.66	5.96
	(b) Deferred tax	(0.19)	-	(2.68)	(0.19)	(26.14)
	Total tax expense (a+b)	(0.18)	0.58	1.72	1.47	(20.18)
7	Net profit/ (loss) for the period/ year (5-6)	66.21	25.19	21.64	253.42	(153.10)
8	Other comprehensive income/ (loss)					
	(a) Items that will not be reclassified subsequently to statement of profit or loss (net of tax)					
	- Gain on remeasurement of defined benefit plans	0.55	0.43	1.83	1.86	0.73
	- Gain/ (loss) on fair value of equity instruments	2.61	(1.88)	(1.19)	(1.20)	7.13
	(b) Items that will be reclassified subsequently to statement of profit or loss	-	-	-	-	-
	Other comprehensive income/ (loss) for the period/ year, net of tax (a+b)	3.16	(1.45)	0.64	0.66	7.86
9	Total comprehensive income/ (loss) for the period/ year, net of tax (7+8)	69.37	23.74	22.28	254.07	(145.24)
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)				569.61	317.02
12	Earnings/ (Loss) per equity share of face value of ₹ 1 each (Not annualised for the quarters)					
	(a) Basic (in ₹)	0.44	0.17	0.14	1.67	(1.01)
	(b) Diluted (in ₹)	0.44	0.17	0.14	1.67	(1.01)
	See accompanying notes to the standalone audited financial results					



Hindustan Construction Co Ltd

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AUDITED STANDALONE BALANCE SHEET AS AT 31 MARCH 2023		
₹ in crore		
Particulars	As at 31 March 2023	As at 31 March 2022
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	299.32	370.52
Right-of-use assets	0.37	1.60
Capital work-in-progress	0.12	0.68
Intangible assets	0.09	0.20
Financial assets		
Investments in subsidiaries	1,353.50	1,315.03
Other investments	18.47	19.67
Trade receivables	621.96	187.59
Loans	222.57	184.46
Other financial assets	0.42	2.23
Deferred tax assets (net)	741.93	741.74
Non-current tax assets (net)	43.56	47.14
Other non-current assets	54.81	67.90
Total non-current assets	3,357.12	2,938.76
Current assets		
Inventories	170.43	175.83
Financial assets		
Investments in subsidiaries	220.00	350.00
Trade receivables	2,052.92	1,764.13
Cash and cash equivalents	216.30	237.86
Bank balances other than cash and cash equivalents	47.00	304.00
Other financial assets	236.78	208.99
Unbilled work-in-progress (contract assets)	1,892.23	2,390.23
Other current assets	191.29	257.72
	5,026.95	5,688.76
Assets held for sale	2.19	2,642.46
Total current assets	5,029.14	8,331.22
TOTAL ASSETS	8,386.26	11,269.98
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	151.31
Other equity	569.61	317.02
Total equity	720.92	468.33
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,785.45	964.90
Other financial liabilities	1,399.45	1,505.06
Provisions	21.26	25.10
Total non-current liabilities	3,206.16	2,495.06
Current liabilities		
Financial liabilities		
Borrowings	171.07	379.12
Lease liabilities	0.41	1.70
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	134.00	79.06
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,721.02	1,747.33
Other financial liabilities	518.01	1,069.47
Other current liabilities	1,419.75	1,742.51
Provisions	494.92	345.36
	4,459.18	5,364.55
Liabilities of a disposal group held for sale	-	2,942.04
Total current liabilities	4,459.18	8,306.59
TOTAL EQUITY AND LIABILITIES	8,386.26	11,269.98

See accompanying notes to the standalone audited financial results



AUDITED STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

₹ in crore

Particulars	Year ended	
	31-Mar-23	31-Mar-22
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	254.89	(173.28)
Adjustments for		
Depreciation and amortisation expense	78.05	93.64
Finance costs	663.97	948.80
Interest income	(27.42)	(32.15)
Gain on settlement of debt	-	(28.25)
Gain on implementation of resolution plan	(223.30)	-
Dividend income	-	(0.04)
Unrealised exchange gain on foreign currency translation (net)	(2.75)	(1.39)
Profit on disposal of property, plant and equipment (net)	(2.89)	(2.36)
Loss allowance on financial assets	27.72	-
Provision no longer required written back	(49.27)	(6.33)
	464.11	971.92
Operating profit before working capital changes	719.00	798.64
Adjustments for changes in working capital:		
Decrease in inventories	5.40	11.92
(Increase)/ Decrease in trade receivables	(441.81)	163.43
Increase in financial assets, other assets and unbilled work-in-progress	(44.73)	(573.72)
(Decrease)/ increase in trade payables, other financial liabilities, other liabilities and provisions	(161.84)	207.27
Cash generated from operations	76.02	607.54
Refund of direct taxes (net of paid)	1.91	37.16
Net cash generated from operating activities	77.93	644.70
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13.82)	(9.19)
Proceeds from sale of property, plant and equipment	9.47	34.31
Investment in subsidiary	(0.05)	-
Proceeds from repayment of inter-corporate deposits (deemed investment)	130.00	7.00
Net proceeds from/ (investments in) bank deposits	257.27	(208.95)
Interest received	18.88	20.18
Dividend received	-	0.04
Net cash generated from/ (used in) investing activities	401.75	(156.61)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(171.82)	(6.05)
Repayment of short-term borrowings (net)	(37.89)	(124.55)
Finance costs paid	(290.75)	(345.85)
Repayment of lease liabilities	(1.29)	(1.82)
Net cash used in financing activities	(501.75)	(478.27)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(22.07)	9.82
Cash and cash equivalents at the beginning of the year	237.86	228.17
Unrealised foreign exchange gain/ (loss)	0.51	(0.13)
Cash and cash equivalents at the end of the year	216.30	237.86



Notes:

- 1 The above standalone financial results of Hindustan Construction Company Limited (the 'Company' or 'HCC') for the quarter and year ended 31 March 2023 ('the Statement') 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 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (as amended). These results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 18 May 2023.
- 2 The Company is engaged in a single business segment viz. "Engineering and Construction", which is substantially seasonal in character. The Company's chief operating decision makers monitor and review the operating result of the Company as a whole. Therefore, there are no reportable segments for the Company as per requirements of Ind AS 108 'Operating Segment'. 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 strictly comparable.
- 3 The total balance value of work on hand as at 31 March 2023 is ₹ 14,772 crore (31 March 2022: ₹ 15,967 crore).
- 4 Unbilled work-in-progress (contract assets), current trade receivables and non current trade receivable includes ₹ 602.33 crore, ₹ 255.69 crore and ₹ 57.52 crore, respectively, outstanding as at 31 March 2023, 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. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, deviation in design and change in scope of work; for which Company is at various stages of negotiation/ discussion with the clients or under arbitration/ 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.
- 5 During the current year, the Company has successfully novated specified debt of lenders aggregating ₹ 2,855.69 crore to Prolific Resolution Private Limited ('PRPL'), a wholly owned subsidiary of the Company, with the consideration being the assignment of beneficial interest in the specified arbitration awards and claims with a carrying value of ₹ 2,894.11 crore in favor of PRPL. The Company has furnished a Corporate Guarantee in favor of the PRPL's lenders for debt novated. Further, the revision in terms of facilities with respect to repayment terms, rate of interest and waiver of penal interest by lenders resulted in a gain of ₹ 223.30 crore which has been presented as an exceptional item for the year ended 31 March 2023. Consequently, the Company is no longer in default in repayment of dues to its lenders as at 31 March 2023.
Based on the above and considering the future business plans, including time-bound monetization of assets, the management 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.
- 6 As at 31 March 2023, the Company has investments in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,434.65 crore classified as non-current investment ₹ 1,214.65 crore and current investment of ₹ 220 crore. The consolidated net worth of HICL as at 31 March 2023 has been substantially eroded. The management has obtained valuation report of HICL from an independent valuation expert. The valuation report includes significant judgements and estimates relating to underlying assumptions in respect of future business plans, cash flows from earn-out considerations, expected share of future revenues of subsidiaries sold and favourable arbitration awards in a subsidiary. Accordingly, based on aforementioned valuation report, the management believes that the recoverable amount of investment in HICL is higher than its carrying value as at 31 March 2023. Statutory auditors report is modified in respect of this matter.
- 7 As at 31 March 2023, the Company has recognised net deferred tax assets amounting to ₹ 741.93 crore (31 December 2022: ₹ 741.74 crore, 31 March 2022: ₹ 741.74 crore), which includes deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Company is confident of generating taxable profits from the unexecuted orders on hand/ future projects and expected realisation of claims/ arbitration awards. Accordingly, the management believes it is probable that sufficient future taxable profits will be available against which such deferred tax assets can be utilised. Statutory auditors report is modified in respect of this matter.
- 8 Figures for the quarter ended 31 March 2023 and 31 March 2022 are the balancing figures between the audited standalone figures for the year ended on that date and the published unaudited year-to-date figures up to the nine months period ended 31 December 2022 and 31 December 2021, respectively, which were subjected to limited review by the statutory auditors.
- 9 Figures for the previous period/ year have been regrouped/ reclassified to conform to the current period's presentation, wherever considered necessary. The impact of such regroupings/ reclassifications is not material to these financial results.



10 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-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Unaudited	Unaudited	Unaudited	Audited	Audited
Debt Equity ratio (times): Total Debt/ (Equity Share Capital + Other equity less capital reserve)	2.77	3.35	8.37	2.77	8.37
Debt Service Coverage ratio (times) : (Earnings before interest [^] , depreciation and amortisation, exceptional items and tax)/ (Interest [^] on debt for the period/year + Principal repayment of borrowings and lease liabilities within one year) - Annualised	1.32	1.01	0.54	0.91	0.36
Interest Service Coverage ratio (times) : [(Earnings before interest [^] , depreciation and amortisation, exceptional items and tax)/ Interest expenses [^] on debt for the period/ year]	1.94	1.46	1.30	1.23	0.87
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)	705.73	636.34	453.14	705.73	453.14
Net Profit/ (Loss) after tax (₹ in crore)	66.22	25.19	21.64	253.42	(153.10)
Basic earnings/ (loss) per share (Not annualised for the quarter)	0.44	0.17	0.14	1.67	(1.01)
Diluted earnings/ (loss) per share (Not annualised for the quarter)	0.44	0.17	0.14	1.67	(1.01)
Current Ratio (times) : (Current assets/ Current liabilities)	1.13	1.18	1.00	1.13	1.00
Long-term debt to working capital (times) : [(Non-current borrowings + Current maturities of long-term debt)/ Net working capital]	3.41	2.78	74.58	3.41	74.58
Bad debts to accounts receivable ratio (%) : (Bad debts/ Average trade receivables)	-	-	-	-	-
Current liability ratio (times) : (Current liabilities/ Total liabilities)	0.58	0.55	0.77	0.58	0.77
Total debts to total assets ratio (times) : [(Non-current borrowings + Current borrowings)/ Total assets]	0.23	0.25	0.34	0.23	0.34
Debtors Turnover (times) : [(Revenue from operations / Average trade receivable)] - Annualised	2.88	1.92	1.53	1.51	1.08
Inventory Turnover (times) : [(Cost of Goods Sold / Average inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses	33.57	18.27	23.47	21.59	17.21
Operating Margin (in %) : [(Earnings before finance costs, depreciation and amortisation, exceptional items and tax - Other Income)/ Revenue from operations]	11.44%	14.84%	18.37%	13.64%	16.91%
Net Profit / (Loss) Margin (%) : [Profit/ (Loss) after tax/ Revenue from operations]	3.59%	2.18%	1.38%	4.85%	-3.28%

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

[^] Excludes interest expenses on interest on advance from customers.

for Hindustan Construction Company Limited

Ajit Gulabchand

Ajit Gulabchand
Chairman

Mumbai, Dated : 18 May 2023





Annexure I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Standalone)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2023 (See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016)]			
₹ in crore except earnings per share			
I	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)
	1	Turnover/ Total Income	5,283.23
	2	Total Expenditure	5,251.64
	3	Exceptional items	223.30
	4	Net Profit for the year after tax	253.41
	5	Earnings per share (amount in ₹)	1.67
	6	Total Assets	8,386.26
	7	Total Liabilities	7,665.34
	8	Net Worth	720.92
	9	Any other financial item(s) (as felt appropriate by the management)	-
Adjusted Figures (audited figures after adjusting for qualifications)			
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
			Not ascertainable [Refer notes II (a) (i) to (ii) below]
II Audit Qualifications			
a.	Details of Audit Qualification:	<p>(i) Note 6 to the accompanying Statement, the Company's investments in subsidiaries as at 31 March 2023 includes non-current investments and current investments in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,214.65 crore and ₹ 220 crore, respectively, stated at cost. The subsidiary's consolidated net-worth as at 31 March 2023 is substantially eroded but, the said investment is considered fully recoverable by the management on the basis of factors stated in the aforesaid note including a valuation report obtained from an independent valuer.</p> <p>However, in the absence of sufficient appropriate audit evidence to support the significant judgements and estimates relating to underlying assumptions applied by the management in the aforementioned valuation report, we are unable to comment upon the adjustments, if any, that are required to the carrying value of the aforesaid investments and consequential impact, if any, on the accompanying Statement.</p> <p>(ii) Note 7 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 741.93 crore as at 31 March 2023, which includes deferred tax assets on 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 history of losses recorded by the Company, we are unable to obtain sufficient appropriate audit evidence with respect to the projections for future taxable profits 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 2023.</p>	
b.	Type of Audit Qualification (Qualified/ Disclaimer of opinion/ Adverse):	Qualified Opinion	
c.	Frequency of Qualification:	Qualification II (a) (i) - Appeared in continuation since the quarter/ period ended 31 December 2021; Qualification II (a) (ii) - Appeared in continuation since the quarter and year ended 31 March 2020;	
d.	For Audit Qualifications where the impact is quantified by the auditor, Management views:	Not applicable as the impact is unquantified	



e. For Audit Qualifications where the impact is not quantified by the auditor:	
i) Management's estimation on the impact of audit qualification:	Not ascertainable
ii) If management is unable to estimate the impact, reasons for the same:	<p>ii (a) (i) As at 31 March 2023, the Company has investments in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,434.65 crore classified as non-current investment ₹ 1,214.65 crore and current investment of ₹ 220 crore. The consolidated net worth of HICL as at 31 March 2023 has been substantially eroded. The management has obtained valuation report of HICL from an independent valuation expert. The valuation report includes significant judgements and estimates relating to underlying assumptions in respect of future business plans, cash flows from earn-out considerations, expected share of future revenues of subsidiaries sold and favourable arbitration awards in a subsidiary. Accordingly, based on aforementioned valuation report, the management believes that the recoverable amount of investment in HICL is higher than its carrying value as at 31 March 2023</p> <p>ii (a) (ii) As at 31 March 2023, the Company has recognised net deferred tax assets amounting to ₹ 741.93 crore, which includes deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Company is confident of generating taxable profits from the unexecuted orders on hand/ future projects and expected realisation of claims/ arbitration awards. Accordingly, the management believes it is probable that sufficient future taxable profits will be available against which such deferred tax assets can be utilised.</p>
iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above

III Signatories:	
For Walker Chandlok & Co LLP	For Hindustan Construction Company Limited
 Shashi Tadwalkar Partner Membership No.: 101797  Place: Mumbai Date: 18 May 2023	<div style="display: flex; justify-content: space-around;"> <div>  Jaspreet Bhullar CEO and Managing Director Place : Mumbai Date: 18 May 2023  Rahul Rao Chief Financial Officer Place : Mumbai Date: 18 May 2023 </div> <div>  Mahendra Singh Mehta Audit Committee Chairman Place : Mountain View, California Date: 18 May 2023  </div> </div>

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** and its joint operations ('the Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures for the year ended **31 March 2023**, 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 of the subsidiaries, associates, joint ventures and joint operations, as referred to in paragraphs 17 and 18 of the Other Matters section 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 recognition and measurement principles laid down in 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 loss and other financial information of the Group, its associates and joint ventures, for the year ended 31 March 2023 except for the possible effects of the matters described in paragraph 3 below.



Basis for Qualified Opinion

3. Note 3 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.93 crore as at 31 March 2023, which includes deferred tax assets on 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 history of losses recorded by the Holding Company, we are unable to obtain sufficient appropriate audit evidence with respect to the projections for future taxable profits 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 2023.

Our audit report dated 12 May 2022 on the consolidated audited financial results for the year ended 31 March 2022 and review report dated 2 February 2023 on the consolidated unaudited financial results for the quarter and nine months ended 31 December 2022 was 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 and joint ventures, 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 paragraphs 17 and 18 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to Note 4 to the accompanying Statement, regarding uncertainties relating to recoverability of unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivables amounting to ₹ 602.33 crore, ₹ 255.69 crore and ₹ 57.52 crore, respectively, as at 31 March 2023, which represent receivables in respect of closed/ substantially closed/ suspended/ terminated projects. The Holding Company is at various stages of negotiation/ discussion with the clients or under arbitration/ litigation in respect of the aforementioned receivables. Considering the contractual tenability, progress of negotiations/ discussions/ arbitration/ litigations and as legally advised in certain contentious matters, the management of Holding Company is confident of recovery of these receivables.
6. In relation to the matter described in Note 6 to the Statement and the following Material Uncertainty Related to Going Concern paragraph included in the audit report on the consolidated financial statements of Steiner AG, a step-down subsidiary of the Holding Company, audited by an independent firm of Chartered Accountants, vide their audit report dated 27 April 2023, which is reproduced by us as under:

"We draw attention to the note XX of the consolidated financial statements describing the performance of the company given its challenging business situations and resulting liquidity difficulties it faced as at 31 March 2023. Furthermore, the company's syndicated bank guarantee agreement is valid up to 15 May 2023. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. The company's ability to continue as a going concern depends on whether it can achieve the proposed liquidity measures."



Hindustan Construction Company Limited
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7. In relation to the matter described in Note 8 to the Statement and the following Emphasis of Matter paragraph included in audit report of the financial statement of Raiganj - Dalkhola Highways Limited, a step-down subsidiary of the Holding Company, audited by an independent firm of Chartered Accountants, vide their audit report dated 16 May 2023, which is reproduced by us as under:

"Note XX, XX & 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, as recorded in books of accounts of Company are unconfirmed. Moreover, Yes Bank has assigned entire RDHL loan/ facility to J.C. Flowers Asset Reconstruction Pvt. Ltd. ("JCF ARC") for which the Company is in process to obtain detailed loan statements, terms of repayment and interest rate etc."

8. In relation to the matter described in Note 7 to the Statement and the following Emphasis of Matter paragraph included in audit report of the financial statements of HREL Real Estate Limited, a subsidiary of the Holding Company, audited by an independent firm of Chartered Accountants, vide their audit report dated 8 May 2023, which is reproduced by us as under:

"Note XX to the accompanying financial statements, the Company had provided corporate guarantees and put options aggregating ₹ 7,275.47 crore (previous year ₹ 6,069.65 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."

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

Responsibilities of Management and Those Charged with Governance for the Statement

9. 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 and joint ventures 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 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 and joint ventures, 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 and joint ventures covered under the Act, 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.

10. In preparing the Statement, the respective Board of Directors/ management of the companies included in the Group and of its associates and joint ventures, are responsible for assessing the ability of the Group and of its associates and joint ventures, 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.
11. The respective Board of Directors/ management of the companies included in the Group and of its associates and joint ventures, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Statement

12. 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.
13. 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.
 - 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 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 Board of Directors.



Hindustan Construction Company Limited

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- Conclude on the appropriateness of Board of Directors'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 and joint ventures, 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 and joint ventures 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/ financial statements of the entities within the Group, and its associates and joint ventures, 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.
14. 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.
15. 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.
16. 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

17. We did not audit the annual financial statements/ financial information of twenty seven (27) subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 7,302.70 crore as at 31 March 2023, total revenues of ₹ 4,993.41 crore, total net loss after tax of ₹ 413.38 crore, total comprehensive loss of ₹ 450.26 crore, and cash outflows (net) of ₹ 263.20 crore for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 5.08 crore and total comprehensive income of ₹ 5.08 crore for the year ended 31 March 2023, in respect of four (4) associates and one (1) joint venture, 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 and joint ventures is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 16 above.

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



Hindustan Construction Company Limited
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18. We did not audit the annual financial statements of eight (8) joint operations included in the Statement, whose financial information reflects total assets of ₹ 265.14 crore as at 31 March 2023 and total revenues of ₹ 362.09 crore, total net loss after tax of ₹ 0.57 crore, and total comprehensive loss of ₹ 0.57 crore, and cash outflows (net) of ₹ 8.08 crore for the year ended on that date, as considered in the respective audited separate annual financial statements of the entities included in the group. These annual financial statements 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.

Further, of these joint operations, financial statements of five (5) joint operations have been prepared in accordance accounting principles generally accepted in India, including accounting standards issued by the ICAI. The Holding Company's management has converted the financial statements of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the Holding 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 on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

19. The Statement includes the annual financial statements of one (1) subsidiary, which has not been audited, whose annual financial statements reflect total assets of ₹ 39.61 crore as at 31 March 2023, total revenues of ₹ 2.48 crore, net loss after tax of ₹ 1.43 crore, total comprehensive loss of ₹ 1.63 crore for the year ended 31 March 2023, and cash inflow (net) of ₹ 0.17 crore for the year then ended, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 4.51 crore and total comprehensive income of ₹ 4.51 crore for the year ended 31 March 2023, in respect of one (1) associate, based on their annual financial statements, which have not been audited by their auditors. These annual financial statements have been furnished to us by Holding Company's management. Our opinion, is so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion, and according to the information and explanations given to us by the management of the Holding Company, these financial statements are not material to the Group.

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

20. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, 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 Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Shashi Tadwalkar
Partner
Membership No:101797

UDIN:23101797BGXFAA1969

Place: Mumbai
Date: 18 May 2023

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	HCC Aviation Limited
Western Securities Limited	Steiner AG
HREL Real Estate Limited	HCC Realty Limited
Panchkutir Developers Limited	HCC Operation and Maintenance Limited
HCC Mauritius Enterprises Limited	Steiner Promotions et Participations SA
Highbar Technologies Limited	Steiner (Deutschland) GmbH
HCC Infrastructure Company Limited (Refer note 9 of the accompanying Statement)	VM + ST AG
HCC Mauritius Investments Limited	Steiner Leman SAS
HRL Township Developers Limited	Steiner India Limited
HRL (Thane) Real Estate Limited	Powai Real Estate Developer Limited
Nashik Township Developers Limited	Prolific Resolution Private Limited
Maan Township Developers Limited	Baharampore - Farakka Highways Limited (upto 28 March 2023)
Manufakt8048 AG	Raiganj - Dalkhola Highways Limited
Narmada Bridge Tollways Limited	Steiner Construction SA (incorporated w.e.f. 12 July 2022)
Badarpur Faridabad Tollways Limited	
Associates	
Highbar Technocrat Limited	Evostate Immobilien AG
Evostate AG	MCR Managing Corp. Real Estate
Hegias AG, Zurich (incorporated w.e.f. 18 August 2022)	
Joint Venture/ Joint Operations	
Kumagai - Skanska - HCC - Itochu Group	Alpine - HCC Joint Venture
HCC - L&T Purulia Joint Venture	HCC Samsung Joint Venture CC 34
Alpine - Samsung - HCC Joint Venture	Werkarena Basel AG
Nathpa Jhakri Joint Venture	HCC - VCCL Joint Venture
HCC - HDC Joint Venture	



STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023						
		₹ in crore except earnings per share				
Sr. No.	Particulars	Quarter ended			Year ended	
		31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
		Unaudited (Refer note 12)	Unaudited	Unaudited (Refer note 12)	Audited	Audited
				Restated (Refer note 9)		Restated (Refer note 9)
1	Continuing operations					
	Income					
	(a) Revenue from operations	3,094.09	2,034.80	2,920.60	9,856.59	10,668.26
	(b) Other income	13.49	11.89	24.56	55.74	158.20
	Total income (a+b)	3,107.58	2,046.69	2,945.16	9,912.33	10,826.46
2	Expenses					
	(a) Cost of materials consumed	250.74	266.68	317.97	1,009.64	865.06
	(b) Subcontracting expenses	2,136.74	1,556.09	1,790.98	6,833.08	7,112.79
	(c) Changes in inventories	1.36	(19.58)	15.51	(11.04)	(17.14)
	(d) Employee benefits expense	198.92	213.04	237.14	836.67	933.53
	(e) Finance costs	265.99	235.63	293.75	1,012.31	1,036.26
	(f) Depreciation and amortisation expense	32.35	31.98	52.80	128.55	138.34
	(g) Other expenses	191.41	137.58	176.20	611.53	586.21
	Total expenses (a+b+c+d+e+f+g)	3,077.51	2,421.42	2,884.35	10,420.74	10,655.05
3	Profit/ (Loss) before exceptional items, share of profit of associates and joint ventures and tax (1-2)	30.07	(374.73)	60.81	(508.41)	171.41
4	Exceptional items - Gain (Refer note 11)	155.40	31.04	-	409.74	460.64
5	Profit/ (Loss) before share of profit of associates and joint ventures and tax (3+4)	185.47	(343.69)	60.81	(98.67)	632.05
6	Share of profit of associates and joint ventures (net)	2.60	4.90	1.30	9.59	5.21
7	Profit/ (Loss) before tax (5+6)	188.07	(338.79)	62.11	(89.08)	637.26
8	Tax expense/ (credit)					
	(a) Current tax	(4.88)	3.34	(4.28)	8.30	25.78
	(b) Deferred tax	2.29	(83.69)	35.51	(70.79)	39.74
	Total tax expense/ (credit)	(2.59)	(80.35)	31.23	(62.49)	65.52
9	Profit/ (Loss) for the period from continuing operations (7-8)	190.66	(258.44)	30.88	(26.59)	571.74
10	Discontinued Operations (Refer note 10)					
	Profit/ (Loss) before tax from discontinued operations	(0.79)	0.73	(1.89)	(1.08)	4.07
	Tax expense of discontinued operations	0.03	0.14	13.07	0.17	13.07
	Profit/ (Loss) from discontinued operations (after tax)	(0.82)	0.59	(14.96)	(1.25)	(9.00)
11	Other comprehensive income/ (loss)					
	(a) Items that will not be reclassified subsequently to statement of profit or loss (net of tax)					
	- Gain/ (Loss) on remeasurement of defined benefit plans	(21.53)	0.43	99.51	(20.23)	82.49
	- Gain/ (Loss) on fair value of equity instruments	5.11	(1.89)	(1.15)	0.53	7.09
	(b) Items that will be reclassified subsequently to statement of profit or loss (net of tax)					
	- Translation loss relating to foreign operations	13.33	(28.54)	(0.67)	(6.06)	(4.51)
	Other comprehensive income/ (loss) for the period/ year, net of tax (a+b)	(3.09)	(30.00)	97.69	(25.76)	85.07
12	Total comprehensive income/ (loss) for the period/ year, net of tax (9+10+11)	186.75	(287.85)	113.61	(53.60)	647.81
	Profit/ (loss) for the period/ year attributable to:					
	Owners of the parent	189.84	(257.85)	15.92	(27.84)	562.74
	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	(3.09)	(30.00)	97.69	(25.76)	85.07
	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	186.75	(287.85)	113.61	(53.60)	647.81
	Non - controlling interest	(0.00)*	(0.00)*	(0.00)*	(0.00)*	0.00*
13	Paid up equity share capital (Face value of ₹ 1 each)	151.31	151.31	151.31	151.31	151.31
14	Other equity (excluding revaluation reserves)				(865.69)	(810.45)
15	Earnings/ (Loss) per share (Face value of ₹ 1 each) - for continuing operations					
	(Not annualised for the quarters)					
	(a) Basic EPS (in ₹)	1.26	(1.71)	0.20	(0.18)	3.78
	(b) Diluted EPS (in ₹)	1.26	(1.71)	0.20	(0.18)	3.78
	Earnings/ (Loss) per share (Face value of ₹ 1 each) - for discontinued operations					
	(Not annualised for the quarters)					
	(a) Basic EPS (in ₹)	0.00^	0.00^	(0.10)	(0.01)	(0.06)
	(b) Diluted EPS (in ₹)	0.00^	0.00^	(0.10)	(0.01)	(0.06)
	Earnings/ (Loss) per share (Face value of ₹ 1 each) - for total operations					
	(Not annualised for the quarters)					
	(a) Basic EPS(in ₹)	1.26	(1.71)	0.10	(0.19)	3.72
	(b) Diluted EPS (in ₹)	1.26	(1.71)	0.10	(0.19)	3.72
	* represents amount less than ₹ 1 lakh					
	^ represents EPS of less than ₹ 0.01 per equity share					
	See accompanying notes to the audited consolidated financial results					

Hindustan Construction Co Ltd

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Mumbai - 400 083, India
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CIN : L45200MH1926PLC001228



AUDITED CONSOLIDATED STATEMENT OF BALANCE SHEET AS AT 31 MARCH 2023		
Particulars	₹ in crore	
	As at 31 March 2023	As at 31 March 2022
	Audited	Audited (Restated, refer note 9)
ASSETS		
Non-current assets		
Property, plant and equipment	358.09	436.23
Right-of-use assets	186.80	217.61
Capital work-in-progress	0.12	0.68
Investment property	2.84	2.79
Goodwill	3.38	3.38
Other intangible assets	72.10	62.54
Investments in associates and joint ventures	59.66	20.47
Financial assets		
Other investments	19.11	37.90
Trade receivables	670.12	235.75
Loans	42.26	57.32
Other financial assets	3,118.45	18.09
Deferred tax assets (net)	782.02	742.68
Non-current tax assets (net)	117.46	121.54
Contract assets	-	24.56
Other non-current assets	117.56	67.90
Total non-current assets	5,549.97	2,049.45
Current assets		
Inventories	490.52	484.84
Financial assets		
Investments	0.70	0.66
Trade receivables	2,180.68	2,090.96
Cash and cash equivalents	581.91	720.97
Bank balances other than cash and cash equivalents	571.63	821.42
Other financial assets	96.93	93.42
Unbilled work-in-progress (contract assets)	3,442.44	3,921.48
Other current assets	262.96	322.98
	7,627.77	8,456.73
Assets held for sale	2.19	3,719.00
Total current assets	7,629.96	12,175.73
TOTAL ASSETS	13,179.93	14,225.18
EQUITY AND LIABILITIES		
Equity		
Equity share capital	151.31	151.31
Other equity	(865.69)	(810.45)
Equity attributable to owners of the parent	(714.38)	(659.14)
Non-controlling interest	0.00*	0.00*
Total Equity	(714.38)	(659.14)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	4,851.11	1,178.47
Lease liabilities	185.70	197.67
Other financial liabilities	1,708.73	1,554.89
Provisions	126.68	111.96
Deferred tax liabilities (net)	-	31.45
Total non-current liabilities	6,872.22	3,074.44
Current liabilities		
Financial liabilities		
Borrowings	443.41	612.71
Lease liabilities	31.35	29.15
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	134.67	80.00
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,856.54	2,978.54
Other financial liabilities	856.67	1,417.02
Other current liabilities	2,088.53	2,444.91
Current tax liabilities	8.97	1.24
Provisions	601.94	479.20
	7,022.08	8,042.77
Liabilities of a disposal group held for sale	-	3,767.11
Total current liabilities	7,022.08	11,809.88
TOTAL EQUITY AND LIABILITIES	13,179.93	14,225.18

* represents amount less than ₹ 1 lakh

See accompanying notes to the audited consolidated financial results



AUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

₹ in crore

Particulars	Year ended	
	31-Mar-23	31-Mar-22
	Audited	Audited Restated (Refer note 9)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax including discontinued operations	(90.16)	641.33
Adjustments for		
Depreciation and amortisation expense	128.55	138.34
Finance costs	1,012.31	1,036.26
Interest income	(20.95)	(33.00)
Fair valuation gain on subsequent measurement of financial assets	(221.21)	-
Gain on implementation of debt resolution plan of Holding Company	(223.30)	-
Gain on settlement of debt	(43.96)	(134.35)
Gain on deconsolidation of an erstwhile subsidiary	(142.48)	-
Share of profit of associates and joint ventures	(9.59)	(5.21)
Dividend income	(4.57)	(1.14)
Unrealised exchange gain on foreign currency translation (net)	(4.18)	(3.92)
Profit on disposal of property, plant and equipment (net)	(2.89)	(2.36)
Loss allowance on financial assets	29.72	16.90
Provision no longer required written back	(50.14)	(23.43)
	447.31	988.09
Operating profit before working capital changes	357.15	1,629.42
Adjustments for changes in working capital:		
Increase in inventories	(5.68)	(5.24)
Increase in trade receivables	(239.57)	(37.64)
Decrease in other financial assets, other assets and unbilled work-in-progress	117.86	97.42
Decrease in trade payables, other financial liabilities, other liabilities and provisions	(217.83)	(652.95)
Cash generated from operations	11.93	1,031.01
Direct taxes paid/ (refunded) (net of paid)	4.98	(84.38)
Net cash generated from operating activities	16.91	946.63
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(215.37)	(89.25)
Proceeds from sale of property, plant and equipment	9.47	34.30
Proceeds from sale of investments	5.69	-
Investments in associates	(29.60)	-
Net proceeds from/ (investments in) bank deposits	250.06	(201.04)
Interest received	25.89	29.82
Proceeds from sale of an erstwhile subsidiary (Refer note 10)	373.99	-
Dividend received	4.57	1.14
Net cash generated from/ (used in) investing activities	424.70	(225.03)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(175.43)	(734.01)
(Repayment of)/ Proceeds from short-term borrowings (net)	(26.00)	519.08
Repayment of lease liabilities	(9.77)	(19.01)
Finance costs paid	(391.90)	(426.01)
Net cash used in financing activities	(603.10)	(659.95)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(161.49)	61.65
Cash and cash equivalents at the beginning of the year	720.97	642.13
Unrealised foreign exchange gain (net)	22.43	17.19
Cash and cash equivalents at the end of the year	581.91	720.97



Notes:

- 1 The consolidated audited financial results of Hindustan Construction Company Limited and its joint operations (the 'Holding Company' or 'HCC') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), associates and joint ventures for the quarter and year ended 31 March 2023 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 read with Companies (Indian Accounting Standards) Rules 2015, as amended, from time to time and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors of the Holding Company at their respective meetings held on 18 May 2023.
- 2 The Group is engaged in a single operating segment viz. 'Engineering and Construction'. The Chief Operating Decision Makers ('CODM') monitor and review the operating results of the Group as a whole. Therefore, there are no reportable segments for the Group as per requirements of Ind AS 108 'Operating Segment'.
- 3 As at 31 March 2023, net deferred tax assets includes deferred tax assets recognised by Holding Company amounting to ₹ 741.93 crore (31 December 2022: ₹ 741.74 crore, 31 March 2022: ₹ 741.74 crore), on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Holding Company is confident of generating taxable profits from the unexecuted orders on hand/ future projects and expected realisation of claims/ arbitration awards. Accordingly, the Holding Company's management believes it is probable that sufficient future taxable profits will be available against which such deferred tax assets can be utilised. Statutory auditors report is modified in respect of this matter.
- 4 Unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivable includes ₹ 602.33 crore, ₹ 255.69 crore and ₹ 57.52 crore, respectively, outstanding as at 31 March 2023, 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. These aforementioned receivables are mainly in respect of cost over-run arising due to client caused delays, deviation in design and change in scope of work; for which 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.
- 5 During the current year, the Holding Company has successfully novated specified debt of lenders aggregating ₹ 2,855.69 crore to Prolific Resolution Private Limited ('PRPL'), a wholly owned subsidiary of the Group, with the consideration being the assignment of beneficial interest in the specified arbitration awards and claims with a carrying value of ₹ 2,894.11 crore in favor of PRPL. The Holding Company has furnished a Corporate Guarantee in favor of the PRPL's lenders for debt novated. Further, the revision of facilities with respect to repayment terms, rate of interest and waiver of penal interest by lenders resulted in a gain of ₹ 223.30 crore which has been presented as an exceptional item for the year ended 31 March 2023. Consequently, the Holding Company is no longer in default in repayment of dues to its lenders as at 31 March 2023. Based on the above and considering the future business plans, including time-bound monetization of assets, the Holding Company's management 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.
- 6 During the year ended 31 March 2023, the performance of Steiner AG ('SAG'), a wholly owned step-down subsidiary, has suffered due to the ongoing impact of the COVID pandemic on the supply chain and high inflation on construction cost further increased from the Ukraine war. This resulted in raising interest rates due to global tightening of monetary policy by all central banks and temporary reluctance of investors in the Swiss Real Estate market. Also, as at 31 March 2023, SAG is not in compliance with certain financial covenants in respect of the facility agreement with a Bank syndicate to provide guarantees for its construction projects. The management has initiated liquidity enhancing measures including one-time settlement with customers. The management also expects the overall economic situation in Swiss market to turn back to a stable situation in the course of the year. Based on the proposed liquidity measures, the management is optimistic of successfully seeing through the current situation in next quarters and accordingly considers it appropriate to prepare the consolidated financial statements of SAG on a going concern basis.
- 7 HREL Real Estate Limited ('HREL'), a wholly owned subsidiary, has provided corporate guarantees and put options to the lenders of its erstwhile subsidiaries, 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 2023 stands at ₹ 7,275.47 crore. LCL and WAML have been 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') have 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 RP which is presently under the IBC process and have also invoked the corporate guarantee/ 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 debt 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 presently considered necessary in the consolidated financial results as at and for the quarter and year ended 31 March 2023, as impact, if any, is currently unascertainable. Further, the aforementioned liabilities of lenders are restricted to HREL and do not have any recourse to the Holding Company or other Group companies.



- 8 Short-term borrowings and other current financial liabilities of Raiganj Dalkhola Highways Limited ('RDHL'), a wholly owned step-down subsidiary, as at 31 March 2023 includes ₹ 43.13 crore and ₹ 50.63 crore, respectively, for which confirmations from lenders have not been received. Further, during the year, Yes Bank has assigned entire RDHL loan/ facility to J.C. Flowers Asset Reconstruction Pvt. Ltd. ("JCF ARC") on 16 December 2022. The loan/ facility has been assigned as per stipulations under Financing Agreements executed amongst the consortium lenders including Yes Bank. Yes Bank has stated that the total loan outstanding as on 30 November 2022 is ₹ 44.75 crore, however the same is subject to reconciliation. In the meanwhile, the management has also requested JCF ARC to provide the detailed loan statements, terms of repayment and interest rate etc, which is still awaited. In the absence of such confirmation or communication, RDHL has provided for interest and other penal charges based on the latest communication available from the lenders/ bankers at the terms 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.
- 9 The Board of Directors of HCC Infrastructure Company Limited ('HICL'), a wholly owned subsidiary of the Holding Company, at its meeting held on 18 November 2021 had 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 shareholders of the transferor companies had also approved the Scheme at their separate meetings. The Hon'ble National Law Tribunal, Mumbai Bench ('NCLT') has approved the aforesaid scheme vide its order dated 23 November 2022 pronouncing 1 April 2021 as the 'Appointed Date'. The certified true copy of the the said order was received by HICL on 9 February 2023 and the order was filed with the Registrar of Companies on 30 March 2023. Pursuant to the Scheme, HCC Concessions Limited, HCC Power Limited, HCC Energy Limited and Dhule Palesner Operations and Maintenance Limited which hitherto considered as subsidiary has now been merged with HICL w.e.f. 1 April 2021. Accordingly, necessary impact of the above Scheme has been considered in the consolidated audited financial results for the quarter and year ended 31 March 2023 and the comparative financial information for the quarter and year ended 31 March 2022, has also been restated in accordance with the requirements of Ind AS 103 Business Combinations.
- 10 During the previous year, HCC Concessions Limited ('HCL') (now merged with HICL) entered into a binding term sheet with Cube Highways and Infrastructure II Pte. Limited ('Cube') for a 100% stake sale of Bahrapore-Farakka Highways Limited ('BFHL'), a step-down subsidiary of Holding Company. Consequently, the results of BFHL's operations have been presented as discontinued operations in accordance with 'Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations'. On 28 March 2023, HCL has completed the 100% stake sale of BFHL to Cube. Pursuant to the above, HCL has received ₹ 373.99 crore towards consideration for sale of equity shares and a resultant gain of ₹ 142.48 crore on sale of BFHL has been recognised during the current quarter. Additionally as a part of the agreement with Cube, the Group continues to be entitled to certain earn-outs (contingent on future traffic/ revenue projections), certain revenue share from BFHL over the concessions period which would overall be material in nature.

The requisite disclosures in accordance with Ind AS 105 are given below:

Particulars	For the period				
	1 January 2023 to 28 March 2023	1 October 2022 to 31 December 2022	1 January 2022 to 31 March 2022	1 April 2022 to 28 March 2023	1 April 2021 to 31 March 2022
Revenue from operations	104.50	105.80	86.15	372.05	249.12
Other income	-	5.95	2.82	7.88	10.55
Total income	104.50	111.75	88.97	379.93	259.67
Total expenses	111.42	117.35	96.15	405.93	283.05
Profit/ (Loss) before tax	(6.92)	(5.60)	(7.18)	(26.00)	(23.38)
Impact of elimination	(6.13)	(6.33)	(5.29)	(24.92)	(27.45)
Profit/ (Loss) before tax	(0.79)	0.73	(1.89)	(1.08)	4.07
Tax expense on profit on sale of discontinued operation	0.03	0.14	13.07	0.17	13.07
Profit/ (Loss) from sale of discontinued operations, net of tax	(0.82)	0.59	(14.96)	(1.25)	(9.00)

11 Exceptional items	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
a) Gain on implementation of debt resolution plan of Holding Company (Refer note 5)	-	-	-	223.30	-
b) Gain on settlement of debt	12.92	31.04	-	43.96	106.10
c) Gain on one-time settlement with a customer	-	-	-	-	354.54
d) Gain on deconsolidation of a erstwhile subsidiary (Refer note 10 above)	142.48	-	-	142.48	-
Total exceptional gain	155.40	31.04	-	409.74	460.64

- 12 Figures for the quarter ended 31 March 2023 and 31 March 2022 are the balancing figures between the audited standalone figures for the year ended on that date and the published unaudited year-to-date figures up to the nine months period ended 31 December 2022 and 31 December 2021, respectively, which were subjected to limited review by the statutory auditors.



13 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-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Unaudited	Unaudited	Unaudited	Audited	Audited
			Restated (Refer note 9)		Restated (Refer note 9)
Outstanding redeemable preference shares (₹ in crore)	-	-	-	-	-
Debt Equity ratio (times): Total Debt/ (Equity Share Capital + Other equity less capital reserves)	(7.02)	(5.73)	(7.04)	(7.02)	(7.04)
Debt Service Coverage ratio (times) : (Earnings before interest ^a , depreciation and amortisation, exceptional items and tax)/ (Interest ^a on debt for the period/ year + Principal repayment of current borrowings and lease liabilities within one year) - Annualised	0.84	(0.55)	0.67	0.33	0.58
Interest Service Coverage ratio (times) : [(Earnings before interest ^a , depreciation and amortisation, exceptional items and tax)/ Interest ^a on debt for the period/ year]	1.31	(0.88)	1.51	0.53	1.39
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)	(754.08)	(1,066.37)	(698.84)	(754.08)	(698.84)
Net Profit/ (Loss) after tax (₹ in crore)	190.66	(258.44)	30.88	(26.59)	571.74
Basic earnings/ (loss) per share (Not annualised for the quarter)	1.26	(1.71)	0.20	(0.18)	3.78
Diluted earnings/ (loss) per share (Not annualised for the quarter)	1.26	(1.71)	0.20	(0.18)	3.78
Current Ratio (times) : (Current assets/ Current liabilities)	1.09	1.07	1.03	1.09	1.03
Long-term debt to working capital (times) : [(Non-current Borrowings + Current maturities of long-term debt)/ Net working capital]	8.29	9.48	5.97	8.29	5.97
Bad debts to accounts receivable ratio (%) : (Bad debts/ Average trade receivables)	-	-	-	-	-
Current liability ratio (times) : (Current liabilities/ Total liabilities)	0.51	0.52	0.79	0.51	0.79
Total debts to total assets ratio (times) : [(Non-current Borrowings + Current Borrowings)/ Total Assets]	0.40	0.45	0.35	0.40	0.35
Debtors Turnover (times) : [(Revenue from operations / Average trade receivable)] - Annualised	4.57	3.11	2.62	2.64	2.34
Inventory Turnover (times) : [(Cost of Goods Sold / Average inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses	19.55	14.80	16.95	16.06	16.51
Operating Margin (in %) : [(Earnings before interest/ finance costs, depreciation and amortisation, exceptional items and tax - Other Income)/ Revenue from operations]	10.26%	-5.61%	13.15%	5.95%	11.18%
Net Profit / (Loss) Margin (%) : [Profit/ (Loss) after tax/ Revenue from operations]	6.16%	-12.70%	1.06%	-0.27%	5.36%

Note:

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

b) Excludes discontinued operations

^a Excludes interest expenses on interest on advance from customers.

for Hindustan Construction Company Limited

Ajit Gulabchand

Ajit Gulabchand
Chairman

Mumbai, Dated : 18 May 2023



Annexure I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results (Consolidated)

Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2023 [See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016]]				
₹ In crore except earnings per share				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover/Total Income	9,912.33	Not ascertainable [Refer note II (a) below]
	2	Total Expenditure	10,420.74	Not ascertainable [Refer note II (a) below]
	3	Exceptional items	409.74	Not ascertainable [Refer note II (a) below]
	4	Net Loss for the year after tax	(26.59)	Not ascertainable [Refer note II (a) below]
	5	Earnings/ (Loss) per share (amount in ₹)	(0.18)	Not ascertainable [Refer note II (a) below]
	6	Total Assets	13,179.93	Not ascertainable [Refer note II (a) below]
	7	Total Liabilities	13,894.31	Not ascertainable [Refer note II (a) below]
	8	Net Worth	(714.38)	Not ascertainable [Refer note II (a) below]
	9	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification				
	a.	Details of Audit Qualification:	Note 3 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 741.93 crore as at 31 March 2023, which includes deferred tax assets on 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 history of losses recorded by the Holding Company, we are unable to obtain sufficient appropriate audit evidence with respect to the projections for future taxable profits 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 2023	
	b.	Type of Audit Qualification (Qualified/ Disclaimer of opinion/ Adverse):	Qualified Opinion	
	c.	Frequency of Qualification:	Qualification II (a) - Appeared in continuation since the quarter and year ended 31 March 2020;	
	d.	For Audit Qualifications where the impact is quantified by the auditor,	Not applicable as the impact is unquantified	



e.	For Audit Qualifications where the impact is not quantified by the auditor:	
	i) Management's estimation on the impact of audit qualification:	Not ascertainable
	ii) If management is unable to estimate the impact, reasons for the same:	
		ii (a) The net deferred tax assets of the Group as at 31 March 2023 includes deferred tax assets amounting to ₹ 741.93 crore recognised by the Holding Company, on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Holding Company is confident of generating taxable profits from the unexecuted orders on hand/ future projects and expected realisation of claims/ arbitration awards. Accordingly, the Holding Company's management believes it is probable that sufficient future taxable profits will be available against which such deferred tax assets can be utilised.
	iii) Auditors' comments on (i) or (ii) above	Included in details of auditor's qualifications stated above

III Signatories:

For Walker Chandio & Co LLP
Chartered Accountants



Shashi Tadwalkar
Partner
Membership No.: 101797



Place: Mumbai
Date: 18 May 2022

For Hindustan Construction Company Limited



Jaspreet Bhullar
CEO and Managing D

Place : Mumbai
Date: 18 May 2023



Rahul Rao
Chief Financial Officer

Place : Mumbai
Date: 18 May 2023



Mahendra Singh Mehta
Audit Committee Chairman

Place : Mountain View, California
Date: 18 May 2023



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