
Walker ChandioK & Co LLP

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To,
The Board of Directors
Hindustan Construction Company Limited
Hincon House
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Vikhroli (West)
Mumbai – 400 083

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 2024**, 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 2024’, 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 2024, except for the possible effects of the matters described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in:

- (i) Note 9 to the accompanying Statement, the Company's investments in subsidiaries as at 31 March 2024 includes non-current investment in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,294.45 crore, stated at cost. The subsidiary's consolidated net-worth as at 31 March 2024 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.

However, in the absence of sufficient appropriate audit evidence to support the significant judgements and estimates 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.

- (ii) Note 10 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 613.09 crore as at 31 March 2024, which mainly 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 2024.

Our audit report dated 18 May 2023 on the standalone audited financial results of the Company for the year ended 31 March 2023 and our review report 8 February 2024 on the standalone unaudited financial results for the quarter and nine months period ended 31 December 2023 were also qualified in respect of the above matters.

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 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Recoverability of unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivables

5. We draw attention to Note 6 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 ₹ 528.81 crore, ₹ 245.54 crore and ₹ 57.52 crore, respectively, as at 31 March 2024, which represent receivables in respect of closed/ substantially closed/ suspended 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; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations or the business activities within 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. 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 2024, 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 subjected 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 Company's share of total assets of ₹ 152.61 crore as at 31 March 2024, and Company's share of total revenues of ₹ 475.19 crore, total net profit after tax of ₹ 7.40 crore, and total comprehensive income of ₹ 7.40 crore, and cash outflows (net) of ₹ 0.20 crore for the year then ended, as considered in the Statement. These financial statements 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 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 financial statements of five (5) joint operations have been prepared in accordance with accounting principles generally accepted in India, including 'Accounting Standards' issued by the ICAI. The management of Hindustan Construction Company Limited ('HCC') has converted the financial statements of such joint operations in accordance with Ind AS. We have audited these conversion adjustments made by the management of HCC. 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 the other auditors and the conversion adjustments prepared by the management of the HCC and audited by us.

**Hindustan Construction Company Limited
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)**

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 Chandio & Co LLP**

Chartered Accountants

Firm's Registration No:001076N/N500013

SHASHI
TADWALKAR

Digitally signed by
SHASHI TADWALKAR
Date: 2024.05.24
17:06:55 +05'30'

Shashi Tadwalkar

Partner

Membership No: 101797

UDIN: 24101797BKPCQ1306

Place: Mumbai

Date: 24 May 2024

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 FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2024

₹ in crore, unless otherwise stated

| Sr. No. | Particulars | Quarter ended | | | Year ended | |
|---------|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| | | Refer Note 11 | Unaudited | Refer Note 11 | Audited | Audited |
| 1 | Income | | | | | |
| | (a) Revenue from operations | 1,428.35 | 1,244.73 | 1,844.76 | 5,042.71 | 5,222.01 |
| | (b) Other income (Refer note 8) | 45.26 | 19.71 | 19.34 | 124.99 | 61.22 |
| | Total income (a+b) | 1,473.61 | 1,264.44 | 1,864.10 | 5,167.70 | 5,283.23 |
| 2 | Expenses | | | | | |
| | (a) Cost of materials consumed | 234.41 | 211.68 | 250.74 | 862.02 | 1,009.66 |
| | (b) Subcontracting expenses | 769.87 | 700.52 | 1,159.78 | 2,725.88 | 2,727.99 |
| | (c) Employee benefits expense | 83.88 | 83.26 | 83.29 | 323.71 | 323.78 |
| | (d) Finance costs | 139.98 | 133.95 | 145.53 | 542.89 | 663.97 |
| | (e) Depreciation and amortisation expense | 12.30 | 18.75 | 18.88 | 67.77 | 78.05 |
| | (f) Other expenses | 125.62 | 95.49 | 139.85 | 444.13 | 448.19 |
| | Total expenses (a+b+c+d+e+f) | 1,366.06 | 1,243.65 | 1,798.07 | 4,966.40 | 5,251.64 |
| 3 | Profit before exceptional items and tax (1-2) | 107.55 | 20.79 | 66.03 | 201.30 | 31.59 |
| 4 | Exceptional item - Gain (Refer note 7) | 80.63 | 87.93 | - | 168.56 | 223.30 |
| 5 | Profit before tax (3+4) | 188.18 | 108.72 | 66.03 | 369.86 | 254.89 |
| 6 | Tax expense/ (credit) | | | | | |
| | (a) Current tax | 39.80 | 20.99 | 0.01 | 62.45 | 1.66 |
| | (b) Deferred tax (Refer note 10) | 109.62 | 19.22 | (0.19) | 128.84 | (0.19) |
| | Total tax expense (a+b) | 149.42 | 40.21 | (0.18) | 191.29 | 1.47 |
| 7 | Net profit for the period/ year (5-6) | 38.76 | 68.51 | 66.21 | 178.57 | 253.42 |
| 8 | Other comprehensive income | | | | | |
| | (a) Items that will not be reclassified subsequently to statement of profit or loss (net of tax) | | | | | |
| | - Gain on remeasurement of defined benefit plans | 0.54 | 0.44 | 0.55 | 1.94 | 1.86 |
| | - Gain/ (loss) on fair value of equity instruments | 5.73 | 0.74 | 2.61 | 19.45 | (1.20) |
| | (b) Items that will be reclassified subsequently to statement of profit or loss (net of tax) | - | - | - | - | - |
| | Other comprehensive income for the period/ year, net of tax (a+b) | 6.27 | 1.18 | 3.16 | 21.39 | 0.66 |
| 9 | Total comprehensive income for the period/ year (7+8) | 45.03 | 69.69 | 69.37 | 199.96 | 254.08 |
| 10 | Paid up equity share capital (Face value of ₹ 1 each) | 151.31 | 151.31 | 151.31 | 151.31 | 151.31 |
| 11 | Other equity | | | | 769.77 | 569.61 |
| 12 | Earnings per equity share of face value of ₹ 1 each (Not annualised for the quarters) | | | | | |
| | (a) Basic (in ₹) | 0.26 | 0.45 | 0.44 | 1.18 | 1.67 |
| | (b) Diluted (in ₹) | 0.26 | 0.45 | 0.44 | 1.18 | 1.67 |
| | See accompanying notes to the standalone annual financial results | | | | | |



Hindustan Construction Co Ltd

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| STANDALONE BALANCE SHEET AS AT 31 MARCH 2024 | | |
|--|------------------------|------------------------|
| Particulars | ₹ in crore | |
| | As at 31 March 2024 | As at 31 March 2023 |
| | Audited | Audited |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 228.79 | 299.32 |
| Right-of-use assets | - | 0.37 |
| Capital work-in-progress | 0.84 | 0.12 |
| Intangible assets | - | 0.09 |
| Financial assets | | |
| Investments in subsidiaries and joint ventures | 1,594.15 | 1,353.50 |
| Other investments | 37.91 | 18.47 |
| Trade receivables | 654.99 | 621.96 |
| Loans | 250.00 | 222.57 |
| Other financial assets | 5.27 | 0.42 |
| Deferred tax assets (net) | 613.09 | 741.93 |
| Non-current tax assets (net) | 11.81 | 43.56 |
| Other non-current assets | 56.32 | 54.81 |
| Total non-current assets | 3,453.17 | 3,357.12 |
| Current assets | | |
| Inventories | 126.39 | 170.43 |
| Financial assets | | |
| Investments in subsidiaries | - | 220.00 |
| Trade receivables | 1,852.73 | 2,052.92 |
| Cash and cash equivalents | 233.92 | 216.30 |
| Bank balances other than cash and cash equivalents | 50.35 | 47.00 |
| Other financial assets | 222.36 | 236.78 |
| Unbilled work-in-progress (contract assets) | 2,069.17 | 1,892.23 |
| Other current assets | 129.94 | 191.29 |
| | 4,684.86 | 5,026.95 |
| Assets held for sale | - | 2.19 |
| Total current assets | 4,684.86 | 5,029.14 |
| TOTAL ASSETS | 8,138.03 | 8,386.26 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 151.31 | 151.31 |
| Other equity | 769.77 | 569.61 |
| Total equity | 921.08 | 720.92 |
| Liabilities | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| Borrowings | 1,478.51 | 1,785.45 |
| Other financial liabilities | 1,470.41 | 1,399.45 |
| Provisions | 26.01 | 21.26 |
| Total non-current liabilities | 2,974.93 | 3,206.16 |
| Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 257.71 | 171.07 |
| Lease liabilities | - | 0.41 |
| Trade payables | | |
| - Total outstanding dues of micro enterprises and small enterprises | 90.21 | 134.00 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,706.06 | 1,721.02 |
| Other financial liabilities | 658.94 | 518.01 |
| Other current liabilities | 1,247.05 | 1,419.75 |
| Provisions | 282.05 | 494.92 |
| Total current liabilities | 4,242.02 | 4,459.18 |
| TOTAL EQUITY AND LIABILITIES | 8,138.03 | 8,386.26 |
| See accompanying notes to the standalone annual financial results | | |



| STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024 | | |
|---|-----------------|-----------------|
| ₹ in crore | | |
| Particulars | Year ended | |
| | 31 March 2024 | 31 March 2023 |
| | Audited | Audited |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 369.86 | 254.89 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 67.77 | 78.05 |
| Finance costs | 542.89 | 663.97 |
| Interest income | (39.18) | (27.42) |
| Gain on settlement of debt (Refer Note 8) | (46.16) | - |
| Gain on implementation of debt resolution plan [Refer note 7 (a)] | - | (223.30) |
| Gain on sale of land [Refer note 7 (b)] | (87.93) | - |
| Reversal of impairment on financial asset (net) [Refer note 7 (c)] | (80.63) | - |
| Financial guarantee income | (3.95) | (12.43) |
| Dividend income | (0.05) | - |
| Employee stock option expenses | 0.20 | - |
| Unrealised exchange gain on foreign currency translation (net) | (0.80) | (2.75) |
| Profit on disposal of property, plant and equipment (net) | (6.06) | (2.89) |
| Loss allowance on financial assets | 18.66 | 27.72 |
| Provision no longer required written back | (54.75) | (49.27) |
| | 310.01 | 451.68 |
| Operating profit before working capital changes | 679.87 | 706.57 |
| Adjustments for changes in working capital: | | |
| Decrease in inventories | 44.04 | 5.40 |
| Decrease/ (increase) in trade receivables | 148.50 | (441.81) |
| Increase in financial assets, other assets and unbilled work-in-progress | (96.64) | (32.30) |
| | (355.29) | (161.84) |
| Increase in trade payables, other financial liabilities, other liabilities and provisions | | |
| Cash generated from operations | 420.48 | 76.02 |
| Direct taxes (paid)/ refund (net) | (30.70) | 1.91 |
| Net cash generated from operating activities | 389.78 | 77.93 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (14.60) | (13.82) |
| Proceeds from sale of property, plant and equipment | 103.82 | 9.47 |
| Investment in subsidiary | - | (0.05) |
| Proceeds from repayment of inter-corporate deposits (deemed investment) | 140.21 | 130.00 |
| Inter corporate deposit given | (25.19) | - |
| Net (investments in)/ proceeds from bank deposits | (3.40) | 257.27 |
| Interest received | 6.94 | 18.88 |
| Dividend received | 0.05 | - |
| Net cash generated from investing activities | 207.83 | 401.75 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of long-term borrowings | (239.45) | (171.82) |
| Repayment of short-term borrowings (net) | (4.00) | (37.89) |
| Inter corporate deposit received from a subsidiary company | 25.19 | - |
| Finance costs paid | (361.84) | (290.75) |
| Repayment of lease liabilities | (0.41) | (1.29) |
| Net cash used in financing activities | (580.51) | (501.75) |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | 17.10 | (22.07) |
| Cash and cash equivalents at the beginning of the year | 216.30 | 237.86 |
| Unrealised foreign exchange gain | 0.52 | 0.51 |
| Cash and cash equivalents at the end of the year | 233.92 | 216.30 |



Notes:

- The standalone financial results of Hindustan Construction Company Limited and its joint operations (together referred to as the 'Company' or 'HCC') for the quarter and year ended 31 March 2024 ('the Statement') have been prepared to comply in accordance 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 presentation and disclosure requirements of 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 24 May 2024.
- 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 other 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.
- The total balance value of work on hand as at 31 March 2024 is ₹ 10,475 crore (31 March 2023: ₹ 14,772 crore).
- The Board of Directors, at its meetings held on 8 February 2024 have approved the issuance of equity shares of the Company for an amount not exceeding ₹ 350 crore by way of rights issue to the eligible equity shareholders, subject to regulatory and statutory approvals, under the applicable laws. Pursuant to aforesaid approval, on 12 March 2024, the Company has filed the Letter of Offer with the Securities and Exchange Board of India ('SEBI'). Subsequent to the balance sheet date, the Company has allotted 166,666,666 equity shares on rights basis at a price of ₹ 21 per equity share (including a premium of ₹ 20 per equity share).
- During the current year the Company has paid ₹ 477.33 crore towards loans and interest repayment.
- Unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivable includes ₹ 528.81 crore, ₹ 245.54 crore and ₹ 57.52 crore, respectively, outstanding as at 31 March 2024, representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended 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 Company is confident that these receivables are good and fully recoverable.
- Exceptional items includes :

| Particulars | Quarter ended | | | Year ended | |
|--|---------------|--------------|-----------|---------------|---------------|
| | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Gain on implementation of debt resolution plan [Refer note (a) below] | - | - | - | - | 223.30 |
| Gain on sale of land [Refer note (b) below] | - | 87.93 | - | 87.93 | - |
| Reversal of impairment on financial asset (net) [Refer note (c) below] | 80.63 | - | - | 80.63 | - |
| Total | 80.63 | 87.93 | - | 168.56 | 223.30 |

a) During the previous year, the Company successfully novated specified debt of lenders aggregating ₹ 2,855.69 crore to Prolific Resolution Private Limited ('PRPL'), a wholly owned subsidiary upto 30 September 2023 and joint venture thereafter, 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 continues to furnish Corporate Guarantees 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.

b) During the previous quarter, the Company sold a land parcel situated in Village Karnala (Tara), Panvel, Maharashtra along with the structures standing thereon for a consideration of ₹ 95 crore. The resultant gain of ₹ 87.93 crore has been presented as an exceptional item.

c) During the current quarter, the Company has entered into a Share Purchase Agreement ('SPA') with HREL Real Estate Limited ('HREL') for acquisition of HRL Thane Real Estate Limited ('HRL Thane'), wholly owned subsidiary of HREL. Pursuant to the SPA, HRL Thane has become a direct subsidiary of the Company. Further, HREL has assigned certain inter corporate deposits ('ICD') receivable from HRL Thane in favor of HCC.

As per the terms of the agreement between the parties, the considerations in respect of the above have been adjusted against the Company's receivable from HREL, which were written off in the earlier years. The effect of these transactions has resulted in a net gain of ₹ 80.63 crore, which has been presented as an exceptional item during the current quarter.

- The Company entered into a revised sanction letter with a holder of Optionally Convertible Debentures ('OCD') which provides for a waiver on the interest accrued on prepayment of OCD. During the current year, the Company made prepayments towards outstanding OCD which resulted in gains on settlement of debt, representing waiver of interest (net of processing charges), amounting to ₹ 21.84 crore during the quarter ended 31 March 2024 and ₹ 46.16 crore during the year ended 31 March 2024, which has been presented under other income.
- As at 31 March 2024, the Company has investments (including deemed investments) in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,294.45 crore (31 December 2023: ₹ 1,417.15 crore and 31 March 2023: ₹ 1,434.65 crore) classified as non-current investment ₹ 1,294.45 crore (31 December 2023: ₹ 1,214.65 crore and 31 March 2023: ₹ 1,214.65 crore) and current investment of Nil (31 December 2023: ₹ 202.5 crore and 31 March 2023: ₹ 220 crore). While the consolidated net worth of HICL as at 31 March 2023 has been substantially eroded, the management has assessed the fair value of HICL based on a valuation report from an independent valuation expert. The valuation includes significant judgements and estimates in respect of future business plans, expected share of future revenues of subsidiaries sold and outcome of litigations for favourable arbitration awards in a step-down subsidiary. Accordingly, based on aforementioned valuation report and future business plan, 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.
- As at 31 March 2024, the Company has recognised net deferred tax assets amounting to ₹ 613.09 crore (31 December 2023: ₹ 722.71 crore and 31 March 2023: ₹ 741.93 crore), which mainly represents deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Company during the current year, is liable to pay tax as per Section 115JB of the Income Tax Act. Further, during the current year, deferred tax assets on expiring brought forward losses of ₹ 88.49 crore have been reversed.
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.
- Figures for the quarter ended 31 March 2024 and 31 March 2023 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 2023 and 31 December 2022, respectively, which were subjected to limited review by the statutory auditors.
- 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 standalone annual financial results.



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

| Particulars | Unit of measurement | Quarter ended | | | Year ended | |
|--|---------------------|---------------|-----------|-----------|------------|-----------|
| | | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Debt Equity ratio : Total Debt/ (Equity Share Capital + Other equity less capital reserve) | Times | 1.92 | 2.23 | 2.77 | 1.92 | 2.77 |
| Debt Service Coverage ratio : (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 | Times | 1.34 | 0.98 | 1.32 | 1.02 | 0.91 |
| Interest Service Coverage ratio : [(Earnings before interest [^] , depreciation and amortisation, exceptional items and tax)/ Interest [^] on debt for the period/ year] - Annualised | Times | 2.23 | 1.40 | 1.94 | 1.69 | 1.23 |
| Outstanding redeemable preference shares | ₹ in crore | - | - | - | - | - |
| Debenture redemption reserve | ₹ in crore | 54.99 | 54.99 | 54.99 | 54.99 | 54.99 |
| Net Worth (Equity Share Capital + other equity less capital reserves) | ₹ in crore | 905.89 | 860.66 | 705.73 | 905.89 | 705.73 |
| Net Profit/ (Loss) after tax | ₹ in crore | 38.76 | 68.51 | 66.21 | 178.57 | 253.42 |
| Basic earnings per share (Not annualised for the quarter) | ₹ | 0.26 | 0.45 | 0.44 | 1.18 | 1.67 |
| Diluted earnings per share (Not annualised for the quarter) | ₹ | 0.26 | 0.45 | 0.44 | 1.18 | 1.67 |
| Current Ratio (Current assets/ Current liabilities) | Times | 1.10 | 1.22 | 1.13 | 1.10 | 1.13 |
| Long-term debt to working capital (Non-current borrowings + Current maturities of long-term debt)/ Net working capital | Times | 3.85 | 1.99 | 3.41 | 3.85 | 3.41 |
| Bad debts to accounts receivable ratio (Bad debts/ Average trade receivables) | % | - | - | - | - | - |
| Current liability ratio (Current liabilities/ Total liabilities) | Times | 0.59 | 0.56 | 0.58 | 0.59 | 0.58 |
| Total debts to total assets ratio [(Non-current borrowings + Current borrowings)/ Total assets] | Times | 0.21 | 0.22 | 0.23 | 0.21 | 0.23 |
| Debtors Turnover [(Revenue from operations/ Average trade receivable)] - Annualised | Times | 2.25 | 1.95 | 2.88 | 1.95 | 1.51 |
| Inventory Turnover [(Cost of Goods Sold/ Average inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses | Times | 31.14 | 26.77 | 33.57 | 24.18 | 21.59 |
| Operating Margin [(Earnings before finance costs, depreciation and amortisation, exceptional items and tax less Other Income)/ Revenue from operations] | % | 15.02% | 12.35% | 11.44% | 13.62% | 13.64% |
| Net Profit Margin [Profit after tax/ Revenue from operations] | % | 2.71% | 5.50% | 3.59% | 3.54% | 4.85% |

The Company continue to maintain 100% asset cover for the Non Convertible Debentures issued by it.

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

for Hindustan Construction Company Limited



Jaspreet Bhullar

Jaspreet Bhullar
Managing Director & Chief Executive Officer
DIN : 03644691

Date: 24 May 2024
Place: Mumbai

| Annexure I | | | |
|---|---------|--|--|
| Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results (Standalone) | | | |
| Statement on Implication of Audit Qualifications for the Financial Year ended 31 March 2024 | | | |
| [See Regulation 33/52 of the SEBI (LODR) Amendment Regulations, 2016] | | | |
| ₹ in crore, except earnings per share | | | |
| I | Sr. No. | Particulars | Adjusted Figures (audited figures after adjusting for qualifications) |
| | 1 | Turnover/ total income | 5,167.70 |
| | 2 | Total expenditure | 4,966.40 |
| | 3 | Exceptional items | 168.56 |
| | 4 | Net profit for the year after tax | 178.57 |
| | 5 | Earnings per share | 1.18 |
| | 6 | Total assets | 8,138.03 |
| | 7 | Total liabilities | 7,216.95 |
| | 8 | Net worth | 921.08 |
| | 9 | Any other financial item(s) (as felt appropriate by the management) | - |
| II Audit Qualifications | | | |
| | a. | Details of Audit Qualification: | <p>(i) Note 9 to the accompanying Statement, the Company's investments in subsidiaries as at 31 March 2024 includes non-current investment in HCC Infrastructure Company Limited ('HICL'), its wholly owned subsidiary, amounting to ₹ 1,294.45 crore, stated at cost. The subsidiary's consolidated net-worth as at 31 March 2024 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 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.</p> <p>(ii) Note 10 to the accompanying Statement, the Company has recognised net deferred tax assets amounting to ₹ 613.09 crore as at 31 March 2024, which mainly 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 2024.</p> |
| | b. | Type of Audit Qualification: | Qualified Opinion |
| | c. | Frequency of Qualification: | Qualification II (a) (i) - Appearing in continuation since the quarter/ period ended 31 December 2021; Qualification II (a) (ii) - Appearing 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 2024, the Company has investments (including deemed investments) in its wholly owned subsidiary HCC Infrastructure Company Limited ('HICL') aggregating ₹ 1,294.45 crore (31 December 2023: ₹ 1,417.15 crore and 31 March 2023: ₹ 1,434.65 crore) classified as non-current investment ₹ 1,294.45 crore (31 December 2023: ₹ 1,214.65 crore and 31 March 2023: ₹ 1,214.65 crore) and current investment of Nil (31 December 2023: ₹ 202.5 crore and 31 March 2023: ₹ 220 crore). While the consolidated net worth of HICL as at 31 March 2023 has been substantially eroded, the management has assessed the fair value of HICL based on a valuation report from an independent valuation expert. The valuation includes significant judgements and estimates in respect of future business plans, expected share of future revenues of subsidiaries sold and outcome of litigations for favourable arbitration awards in a step-down subsidiary. Accordingly, based on aforementioned valuation report and future business plan, 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.</p> <p>ii (a) (ii) As at 31 March 2024, the Company has recognised net deferred tax assets amounting to ₹ 613.09 crore (31 December 2023: ₹ 722.71 crore and 31 March 2023: ₹ 741.93 crore), which mainly represents deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Company during the current year, is liable to pay tax as per Section 115B of the Income Tax Act. Further, during the current year, deferred tax assets on expiring brought forward losses of ₹ 88.49 crore have been reversed.</p> <p>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.</p> |
| | | iii) Auditors' comments on (i) or (ii) above | Included in details of auditor's qualifications stated above |
| III Signatories: | | | |
| <p>For Walker Chandio & Co LLP Chartered Accountants Firm Registration No. 001076N / NS00013</p> <p>SHASHI TADWALKAR Digitally signed by SHASHI TADWALKAR Date: 2024.05.24 17:07:26 +05'30'</p> <p>Shashi Tadwalkar Partner Membership No.: 101797</p> | | <p>for Hindustan Construction Company Limited</p> <p> Jaspreet Bhullar Managing Director & Chief Executive Officer DIN : 03644691</p> <p> Mahendra Singh Mehta Audit Committee Chairman DIN : 00019506</p> <p> Girish Gangal Chief Financial Officer</p> <p></p> | |
| Date: 24 May 2024 Place: Mumbai | | Date: 24 May 2024 Place: Mumbai | |

Walker ChandioK & Co LLP

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One International Center,
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To,
The Board of Directors
Hindustan Construction Company Limited
Hincon House
LBS Marg
Vikhroli (West)
Mumbai – 400 083

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 2024**, 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 15 and 16 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 matter 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 profit after tax and other comprehensive income and other financial information of the Group, its associates and joint ventures, for the year ended 31 March 2024 except for the possible effects of the matter described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in Note 3 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 613.09 crore as at 31 March 2024, which mainly 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 2024.

Our audit report dated 18 May 2023 on the consolidated audited financial results for the year ended 31 March 2023 and our review report dated 8 February 2024 on the consolidated unaudited financial results for the quarter and nine-months period ended 31 December 2023 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 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 16 and 17 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 ₹ 528.81 crore, ₹ 245.54 crore and ₹ 57.52 crore, respectively, as at 31 March 2024, which represent receivables in respect of closed/ substantially closed/ suspended 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 is confident of recovery of these receivables. Our opinion is not modified in respect of the above matter.
6. We draw attention 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 dated 24 April 2024, issued by another auditor, on the consolidated financial statements of Steiner AG, a step-down subsidiary of the Holding Company, 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 of 31 March 2024. Furthermore, the company did not comply with the financial covenant of the bank syndicate facility regarding the minimum consolidated EBIT as at 31 March 2024. 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."

Responsibilities of Management and Those Charged with Governance for the Statement

7. 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 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 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, 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.
8. 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.
9. Those respective Board of Directors are also 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

10. 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.
11. 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;
 - 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; and
 - Obtain sufficient appropriate audit evidence regarding the 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.
12. 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.
13. 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.
14. 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

15. We did not audit the annual financial statements of twenty seven (27) subsidiaries included in the Statement, whose financial statement reflects total assets of ₹ 3,355.83 crore as at 31 March 2024, total revenues of ₹ 1,965.73 crore, total net profit after tax of ₹ 191.15 crore, total comprehensive income of ₹ 226.20 crore, and cash outflows (net) of ₹ 581.99 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 ₹ 41.16 crore and total comprehensive income of ₹ 41.16 crore for

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)

the year ended 31 March 2024, in respect of five (5) associates and two (2) joint ventures, whose annual financial statements have not been audited by us. 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 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 14 above.

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

16. We did not audit the financial statements of eight (8) joint operations included in the Statement, whose financial information reflects Group's share of total assets of ₹ 152.61 crore as at 31 March 2024, and Group's share of total revenues of ₹ 475.19 crore, total net profit after tax of ₹ 7.40 crore, and total comprehensive income of ₹ 7.40 crore, and cash outflows flows (net) of ₹ 0.20 crore for the year then ended, as considered in the Statement. These annual financial statements 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 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 financial statements of five (5) joint operations have been prepared in accordance with accounting principles generally accepted in India, including 'Accounting Standards' issued by the ICAI. The 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 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 the 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 matter with respect to our reliance on the work done by and the reports of the other auditors.

17. The Statement includes the consolidated financial results for the quarter ended 31 March 2024, 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 subjected to limited review by us.

For **Walker ChandioK & Co LLP**

Chartered Accountants

Firm's Registration No:001076N/N500013

SHASHI

Digitally signed by
SHASHI TADWALKAR

TADWALKAR

Date: 2024.05.24
17:08:04 +05'30'

Shashi Tadwalkar

Partner

Membership No: 101797

UDIN: 24101797BKPCPCR2764

Place: Mumbai

Date: 24 May 2024

Annexure 1

List of entities included in the Statement

| Subsidiary Companies | |
|---|--|
| HCC Contract Solutions Limited | HRL (Thane) Real Estate Limited |
| Western Securities Limited | Steiner AG |
| HREL Real Estate Limited (upto 31 March 2024) | HCC Realty Limited (upto 31 March 2024) |
| 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 | VM + ST AG |
| HCC Mauritius Investments Limited | Steiner Lemman SAS |
| HRL Township Developers Limited | Steiner India Limited |
| HCC Aviation Limited (upto 31 March 2024) | Powai Real Estate Developer Limited (upto 31 March 2024) |
| Nashik Township Developers Limited (upto 31 March 2024) | Baharampore - Farakka Highways Limited (upto 28 March 2023) |
| Maan Township Developers Limited | Raiganj - Dalkhola Highways Limited |
| Manufakt8048 AG | Steiner Construction SA (upto 18 January 2024) |
| Narmada Bridge Tollways Limited | Prolific Resolution Private Limited (upto 30 September 2023) |
| Badarpur Faridabad Tollways Limited | |

| Associates | |
|----------------------------|--------------------------------|
| Highbar Technocrat Limited | Evostate Immobilien AG |
| Evostate AG | MCR Corporation Real Estate AG |
| Hegias AG, Zurich | |

| Joint Operations | |
|--|-----------------------------------|
| Kumagai - Skanska - HCC - Itochu Group | Alpine - HCC Joint Venture |
| HCC - L&T Purulia Joint Venture | HCC - Samsung Joint Venture CC 34 |
| Nathpa Jhakri Joint Venture | HCC - VCCL Joint Venture |
| Alpine - Samsung HCC Joint Venture | HCC - HDC Joint Venture |

| Joint Venture | |
|---|--------------------|
| Prolific Resolution Private Limited (w.e.f 30 September 2023) | Werkarena Basel AG |

| STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2024 | | | | | | |
|--|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| ₹ in crore, unless otherwise stated | | | | | | |
| Sr. No. | Particulars | Quarter ended | | | Year ended | |
| | | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| | | Refer note 15 | Unaudited | Refer note 15 | Audited | Audited |
| | Continuing operations | | | | | |
| 1 | Income | | | | | |
| | (a) Revenue from operations | 1,773.13 | 1,474.47 | 2,426.30 | 7,006.71 | 8,269.86 |
| | (b) Other income (Refer note 7) | 39.92 | 37.83 | 10.93 | 132.66 | 53.18 |
| | Total income (a+b) | 1,813.05 | 1,512.30 | 2,437.23 | 7,139.37 | 8,323.04 |
| 2 | Expenses | | | | | |
| | (a) Cost of materials consumed | 234.44 | 211.68 | 250.74 | 862.05 | 1,009.64 |
| | (b) Subcontracting expenses | 1,272.46 | 793.24 | 1,511.23 | 4,261.65 | 5,395.45 |
| | (c) Changes in inventories | 40.96 | (27.86) | 1.36 | 10.16 | (11.04) |
| | (d) Employee benefits expense | 173.19 | 149.24 | 151.11 | 640.33 | 727.95 |
| | (e) Finance costs | 164.78 | 146.25 | 265.99 | 813.27 | 1,012.31 |
| | (f) Depreciation and amortisation expense | 17.91 | 30.43 | 31.44 | 105.10 | 127.64 |
| | (g) Other expenses | 169.59 | 109.45 | 186.72 | 561.32 | 599.57 |
| | Total expenses (a+b+c+d+e+f+g) | 2,073.33 | 1,412.43 | 2,398.59 | 7,253.88 | 8,861.52 |
| 3 | Profit/ (loss) before share in profit of associates and joint ventures, exceptional items and tax (1-2) | (260.28) | 99.87 | 38.64 | (114.51) | (538.48) |
| 4 | Share in profit of associates and joint ventures (net) | 18.84 | 14.61 | 2.60 | 41.39 | 9.59 |
| 5 | Profit/ (Loss) before exceptional items and tax (3+4) | (241.44) | 114.48 | 41.24 | (73.12) | (528.89) |
| 6 | Exceptional items - Gain (Refer note 8) | 651.29 | 197.93 | 155.40 | 850.75 | 409.74 |
| 7 | Profit/ (Loss) before tax (5+6) | 409.85 | 312.41 | 196.64 | 777.63 | (119.15) |
| 8 | Tax expense/ (credit) | | | | | |
| | (a) Current tax | 40.67 | 45.74 | (7.24) | 89.64 | 4.15 |
| | (b) Deferred tax (Refer note 3) | 122.95 | 33.45 | 2.29 | 158.57 | (70.79) |
| | Total tax expense/ (credit) (a+b) | 163.62 | 79.19 | (4.95) | 248.21 | (66.64) |
| 9 | Profit/ (loss) for the period from continuing operations (7-8) | 246.23 | 233.22 | 201.59 | 529.42 | (52.51) |
| 10 | Discontinued Operations (Refer notes 9 and 12) | | | | | |
| | Profit/ (loss) before tax from discontinued operations | (0.30) | (55.50) | (9.37) | (51.26) | 28.99 |
| | Tax expense/ (credit) of discontinued operations | - | (4.58) | 2.39 | - | 4.32 |
| | Profit/ (loss) from discontinued operations (after tax) | (0.30) | (60.92) | (11.76) | (51.26) | 24.67 |
| 11 | Other comprehensive income/ (loss) | | | | | |
| | (a) Items that will not to be reclassified subsequently to statement of profit or loss (net of tax) | | | | | |
| | - Gain/ (loss) on remeasurement of defined benefit plans | 48.52 | 0.44 | 0.43 | 49.92 | (20.23) |
| | - Gain/ (loss) on fair value of equity instruments | 5.74 | 0.74 | (1.89) | 19.46 | 0.53 |
| | (b) Items that will be reclassified subsequently to statement of profit or loss (net of tax) | | | | | |
| | - Translation gain/ (loss) relating to foreign operations | (24.46) | 27.52 | (28.54) | (1.84) | (6.06) |
| | Other comprehensive income/ (loss) for the period/ year, net of tax (a+b) | 29.80 | 28.70 | (30.00) | 67.54 | (25.76) |
| 12 | Total comprehensive income/ (loss) for the period/ year (9+10+11) | 275.73 | 211.00 | 159.83 | 545.70 | (53.80) |
| | Profit/ (loss) for the period/ year attributable to: | | | | | |
| | Owners of the parent | 245.93 | 182.30 | 189.83 | 478.16 | (27.84) |
| | 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 | 29.80 | 28.70 | (30.00) | 67.54 | (25.76) |
| | 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 | 275.73 | 211.00 | 159.83 | 545.70 | (53.80) |
| | 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) | | | | (319.79) | (865.69) |
| 15 | Earnings/ (loss) per share (Face value of ₹ 1 each) - for continuing operations (Not annualised for the quarters) | | | | | |
| | (a) Basic EPS (in ₹) | 1.63 | 1.54 | 1.33 | 3.50 | (0.35) |
| | (b) Diluted EPS (in ₹) | 1.63 | 1.54 | 1.33 | 3.50 | (0.35) |
| | Earnings/ (loss) per share (Face value of ₹ 1 each) - for discontinued operations (Not annualised for the quarters) | | | | | |
| | (a) Basic EPS (in ₹) | (0.00)* | (0.34) | (0.08) | (0.34) | 0.16 |
| | (b) Diluted EPS (in ₹) | (0.00)* | (0.34) | (0.08) | (0.34) | 0.16 |
| | Earnings/ (loss) per share (Face value of ₹ 1 each) - for total operations (Not annualised for the quarters) | | | | | |
| | (a) Basic EPS (in ₹) | 1.63 | 1.20 | 1.25 | 3.16 | (0.19) |
| | (b) Diluted EPS (in ₹) | 1.63 | 1.20 | 1.25 | 3.16 | (0.19) |
| | * represents amount less than ₹ 1 lakh | | | | | |
| | See accompanying notes to the consolidated annual financial results | | | | | |

Hindustan Construction Co Ltd

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CIN : L45200MH1926PLC001228



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

| Particulars | ₹ in crore | |
|--|--------------------|--------------------|
| | As at 31-Mar-24 | As at 31-Mar-23 |
| | Audited | Audited |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 284.07 | 358.09 |
| Right-of-use assets | 93.62 | 186.80 |
| Capital work-in-progress | 0.84 | 0.12 |
| Investment property | 3.45 | 2.84 |
| Goodwill | 3.38 | 3.38 |
| Other intangible assets | 64.09 | 72.10 |
| Investments in associates and joint ventures | 206.82 | 59.66 |
| Financial assets | | |
| Other investments | 38.56 | 19.11 |
| Trade receivables | 703.15 | 670.12 |
| Loans | 36.78 | 26.62 |
| Other financial assets (Refer note 11) | 10.05 | 3,134.10 |
| Deferred tax assets (net) | 623.43 | 782.02 |
| Non-current tax assets (net) | 43.48 | 117.46 |
| Other non-current assets | 118.82 | 117.56 |
| Total non-current assets | 2,230.54 | 5,549.98 |
| Current assets | | |
| Inventories | 436.31 | 490.52 |
| Financial assets | | |
| Investments | 0.15 | 0.70 |
| Trade receivables | 2,204.17 | 2,698.14 |
| Cash and cash equivalents | 398.73 | 581.91 |
| Bank balances other than cash and cash equivalents | 114.39 | 571.63 |
| Other financial assets | 59.76 | 95.09 |
| Unbilled work-in-progress (contract assets) | 3,414.29 | 2,924.98 |
| Other current assets | 201.04 | 262.96 |
| | 6,828.84 | 7,625.93 |
| Assets held for sale | - | 2.19 |
| Total current assets | 6,828.84 | 7,628.12 |
| TOTAL ASSETS | 9,059.38 | 13,178.10 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 151.31 | 151.31 |
| Other equity | (319.79) | (865.69) |
| Equity attributable to owners of the parent | (168.48) | (714.38) |
| Non-controlling interest | 0.00* | 0.00* |
| Total equity | (168.48) | (714.38) |
| Liabilities | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| Borrowings (Refer note 11) | 1,671.52 | 4,851.11 |
| Lease liabilities | 96.89 | 185.70 |
| Other financial liabilities | 1,470.55 | 1,708.73 |
| Provisions | 86.68 | 126.68 |
| Total non-current liabilities | 3,325.64 | 6,872.22 |
| Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 436.95 | 443.41 |
| Lease liabilities | 17.18 | 31.35 |
| Trade payables | | |
| - Total outstanding dues of micro enterprises and small enterprises | 90.38 | 134.67 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,383.11 | 2,856.54 |
| Other financial liabilities | 1,016.48 | 856.76 |
| Other current liabilities | 1,651.17 | 2,086.62 |
| Current tax liabilities | 0.21 | 8.97 |
| Provisions | 306.74 | 601.94 |
| Total current liabilities | 5,902.22 | 7,020.26 |
| TOTAL EQUITY AND LIABILITIES | 9,059.38 | 13,178.10 |
| See accompanying notes to the consolidated annual financial results | | |




| CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024 | | |
|--|-----------------|-----------------|
| Particulars | Year ended | |
| | 31-Mar-24 | 31-Mar-23 |
| | Audited | Audited |
| ₹ in crore | | |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/ (loss) before tax including discontinued operations | 726.37 | (90.16) |
| Adjustments for : | | |
| Depreciation and amortisation expense | 105.10 | 127.64 |
| Finance costs | 813.27 | 1,012.31 |
| Interest income | (31.10) | (20.95) |
| Fair valuation gain on subsequent measurement of financial assets | (275.80) | (248.55) |
| Gain on implementation of debt resolution plan of Holding Company | - | (223.30) |
| Gain on sale of land | (87.93) | - |
| Gain on settlement of debt | (55.75) | (43.96) |
| Gain on deconsolidation of erstwhile subsidiaries (Refer note 8) | (762.82) | (142.48) |
| Share of profit of associates and joint ventures | (41.39) | (9.59) |
| Dividend income | (0.07) | (4.57) |
| Unrealised exchange gain on foreign currency translation (net) | (23.13) | (4.18) |
| Profit on disposal of property, plant and equipment (net) | (6.06) | (2.89) |
| Employee stock option | 0.20 | - |
| Loss allowance on financial assets | 19.33 | 29.72 |
| Provision no longer required written back | (64.94) | (50.14) |
| | (411.09) | 419.06 |
| Operating profit before working capital changes | 315.28 | 328.90 |
| Adjustments for changes in working capital: | | |
| (Increase)/ decrease in inventories | 54.21 | (5.68) |
| (Increase)/ decrease in trade receivables | 425.74 | (239.57) |
| (Increase)/ decrease in other financial assets, other assets and unbilled work-in-progress | (746.15) | 145.20 |
| Decrease in trade payables, other financial liabilities, other liabilities and provisions | 80.50 | (217.83) |
| Cash generated from operations | 129.58 | 11.02 |
| Direct taxes paid/ (refunded) (net) | (38.90) | 4.98 |
| Net cash generated from operating activities | 90.68 | 16.00 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (18.63) | (214.46) |
| Proceeds from disposal of property, plant and equipment | 98.61 | 9.47 |
| Proceeds from sale of investments | 0.26 | 5.69 |
| Investments in associates | - | (29.60) |
| Net proceeds from bank deposits | 457.19 | 250.06 |
| Interest received | 14.93 | 25.89 |
| Proceeds from sale of erstwhile subsidiaries | 272.42 | 373.99 |
| Dividend received | 0.07 | 4.57 |
| Net cash generated from investing activities | 824.85 | 425.61 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of long-term borrowings | (284.69) | (175.43) |
| Repayment of short-term borrowings (net) | (45.32) | (26.00) |
| Repayment of lease liabilities | (33.05) | (9.77) |
| Proceeds from issue of equity shares by erstwhile subsidiary | 15.25 | - |
| Finance costs paid | (462.03) | (391.90) |
| Net cash used in financing activities | (809.84) | (603.10) |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | 105.69 | (161.49) |
| Cash and cash equivalents at the beginning of the year | 581.91 | 720.97 |
| Impact of deconsolidation of erstwhile subsidiaries | (313.96) | - |
| Unrealised foreign exchange gain (net) | 25.09 | 22.43 |
| Cash and cash equivalents at the end of the year | 398.73 | 581.91 |



CONSOLIDATED SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

₹ in crore

| Sr. No. | Particulars | Quarter ended | | | Year ended | |
|----------|---|-----------------|------------------|------------------|-----------------|------------------|
| | | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| | | Refer note 15 | Unaudited | Refer note 15 | Audited | Audited |
| 1 | Segment revenue | | | | | |
| | Engineering and construction | 1,529.37 | 1,331.61 | 2,146.51 | 6,256.01 | 7,394.20 |
| | Real estate | 269.37 | 160.42 | 326.55 | 938.69 | 1,598.98 |
| | Infrastructure | 81.47 | 11.40 | 1.99 | 94.86 | 6.24 |
| | Others | 4.70 | 0.76 | 0.91 | 6.50 | 22.57 |
| | Less: Inter segment revenue | (111.78) | (29.72) | (49.66) | (289.35) | (752.13) |
| | Revenue from continued operations | 1,773.13 | 1,474.47 | 2,426.30 | 7,006.71 | 8,269.86 |
| | Revenue from discontinued operations | 12.33 | 588.87 | 774.85 | 1,780.16 | 1,961.34 |
| | Revenue from total operations | 1,785.46 | 2,063.34 | 3,201.15 | 8,786.87 | 10,231.20 |
| 2 | Segment results | | | | | |
| | Engineering and construction | (272.23) | 150.15 | (73.57) | (135.26) | (851.05) |
| | Real estate | 11.09 | (50.33) | 148.15 | 67.99 | 398.73 |
| | Infrastructure | 30.07 | 12.40 | (21.52) | 23.99 | (68.34) |
| | Others | (10.37) | 2.26 | (11.82) | (29.84) | (8.23) |
| | Profit/ (loss) before exceptional items, tax and discontinued operations | (241.44) | 114.48 | 41.24 | (73.12) | (528.89) |
| | Exceptional items - Gain | | | | | |
| | Engineering and construction | 651.29 | 87.93 | - | 654.02 | 223.30 |
| | Real estate | - | - | - | 86.73 | - |
| | Infrastructure | - | 110.00 | 155.40 | 110.00 | 186.44 |
| | Others | - | - | - | - | - |
| | Total | 651.29 | 197.93 | 155.40 | 850.75 | 409.74 |
| | Profit/ (Loss) before tax and discontinued operations | 409.85 | 312.41 | 196.64 | 777.63 | (119.15) |
| | Profit/ (Loss) before tax from discontinued operations | (0.30) | (55.50) | (9.37) | (51.26) | 28.99 |
| | Profit/ (Loss) before tax from total operations | 409.55 | 256.91 | 187.27 | 726.37 | (90.16) |
| 3 | Segment assets | | | | | |
| | Engineering and construction | 7,041.20 | 8,043.88 | 10,942.74 | | |
| | Real estate | 1,110.48 | 1,034.89 | 938.86 | | |
| | Infrastructure | 442.51 | 447.02 | 501.62 | | |
| | Others | 41.03 | 37.34 | 39.50 | | |
| | Unallocable assets | 424.16 | 634.75 | 755.38 | | |
| | Assets from continued operations | 9,059.38 | 10,197.88 | 13,178.10 | | |
| | Assets from discontinued operations | - | 665.35 | - | | |
| | Total assets from continuing and discontinued operations | 9,059.38 | 10,863.23 | 13,178.10 | | |
| 4 | Segment liabilities | | | | | |
| | Engineering and construction | 7,708.56 | 8,893.80 | 12,534.34 | | |
| | Real estate | 208.97 | 248.73 | 180.12 | | |
| | Infrastructure | 394.61 | 373.44 | 399.05 | | |
| | Others | 208.21 | 238.92 | 227.00 | | |
| | Unallocable liabilities | 707.51 | 475.83 | 551.96 | | |
| | Liabilities from continued operations | 9,227.86 | 10,230.72 | 13,892.47 | | |
| | Liabilities from discontinued operations | - | 1,077.00 | - | | |
| | Total liabilities from continuing and discontinued operations | 9,227.86 | 11,307.72 | 13,892.47 | | |



Notes:

- The consolidated financial results of Hindustan Construction Company Limited and its joint operations (together referred to as the 'Holding Company' or 'HCC') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and associates and joint venture for the quarter and year ended 31 March 2024 ('the Statement') have been prepared to comply in accordance 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 presentation and disclosure requirements of 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 24 May 2024.
- The Board of Directors, at its meetings held on 8 February 2024 approved the issuance of equity shares of the Group for an amount not exceeding ₹ 350 crore by way of rights issue to the eligible equity shareholders, subject to regulatory and statutory approvals, under the applicable laws. Pursuant to aforesaid approval, on 12 March 2024, the Holding Company has filed the Letter of Offer with the Securities and Exchange Board of India ('SEBI'). Subsequent to the year end, the Holding Company has allotted 166,666,666 equity shares on rights basis at a price of ₹ 21 per equity share (including a premium of ₹ 20 per equity share).
- As at 31 March 2024, the Holding Company has recognised net deferred tax assets amounting to ₹ 613.09 crore (31 December 2023: ₹ 722.71 crore and 31 March 2023: ₹ 741.93 crore), which mainly represents deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Holding Company during the current year, is liable to pay tax as per Section 115JB of the Income Tax Act. Further, during the current year, deferred tax assets on expiring brought forward losses of ₹ 88.49 crore have been reversed.
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 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.
- Unbilled work-in-progress (contract assets), current trade receivables and non-current trade receivable includes ₹ 528.81 crore, ₹ 245.54 crore and ₹ 57.52 crore, respectively, outstanding as at 31 March 2024, representing receivables from customers based on the terms and conditions implicit in the contracts and other receivables in respect of closed/ substantially closed/ suspended projects of the Holding Company. 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 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 Holding Company is confident that these receivables are good and fully recoverable.
- During the current year the Holding Company has paid ₹ 477.33 crore towards loans and interest repayment.
- Steiner AG ('SAG'), a wholly owned step-down subsidiary, maintains a bank facility with a Bank syndicate with the objective to provide guarantees for its projects. Furthermore, the facility agreement sets forth financial covenants related to consolidated minimum Earnings Before Interest and Tax (EBIT) and minimum non-project account cash. As of 31 March 2024, SAG complies with the covenant for minimum non-project cash, however does not comply with the financial covenant regarding the minimum consolidated EBIT. The present agreement is renewed with validity upto 30 May 2025.
The performance of SAG in past years have suffered due to the impact of the COVID pandemic on the supply chain, high inflation on construction cost and discontinuance of construction business. This resulted in raising interest rates due to global tightening monetary policy by all central banks and temporary reluctance of investors in the Swiss real estate market which is expected to turn back to a stable situation in the course of financial year 2024-25.
Due to this and the tightening liquidity situation the SAG's ability to continue as a going concern depends on whether it can achieve the proposed liquidity measures and therefore there exists a material uncertainty that may cast significant doubt about the SAG's ability to continue as a going concern. However, the Management is confident about the liquidity measure in place and is optimistic of successfully seeing through the current situation, in next quarters and beyond.
- The Holding Company entered into a revised sanction letter with a holder of Optionally Convertible Debentures ('OCD') which provides for a waiver on the interest accrued on prepayment of OCD. During the current year, the Holding Company made prepayments towards outstanding OCD which resulted in gains on settlement of debt, representing waiver of interest (net of processing charges), amounting to ₹ 21.84 crore during the quarter ended 31 March 2024 and ₹ 46.16 crore during the year ended 31 March 2024, which has been presented under other income.
- Exceptional items includes :

₹ in crore

| Particulars | Quarter ended | | | Year ended | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Gain on deconsolidation of Steiner Construction SA (Refer note 9) | 564.56 | - | - | 564.56 | - |
| Gain on deconsolidation of HREL Real Estate Limited (Refer note 10) | 86.73 | - | - | 86.73 | - |
| Gain on deconsolidation of Prolific Resolution Private Limited (Refer note 11) | - | - | - | 1.53 | - |
| Gain on sale of an erstwhile subsidiary (Refer note 12) | - | 110.00 | 142.48 | 110.00 | 142.48 |
| Gain on sale of land (Refer note 13) | - | 87.93 | - | 87.93 | - |
| Gain on implementation of debt resolution plan of Holding Company (Refer note 14) | - | - | - | - | 223.30 |
| Gain on settlement of debt of a step-down subsidiary | - | - | 12.92 | - | 43.96 |
| Total | 651.29 | 197.93 | 155.40 | 850.75 | 409.74 |

- During the previous quarter, Steiner AG ('SAG'), a step down subsidiary of the Holding Company, executed a Share Purchase Agreement (SPA) for 100% stake sale of Steiner Construction SA ('SCSA'), a wholly owned subsidiary of SAG. Therefore, SCSA was presented as discontinued operations in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations'. On 18 January 2024, material condition precedents of above SPA have been met and SCSA ceases to be a subsidiary of the Group in accordance with Ind AS 110 - "Consolidated Financial Statements". Pursuant to the above sale the resultant gain on deconsolidation of ₹ 564.56 crore has been recognised during the current quarter. The requisite disclosures in accordance with Ind AS 105 are given below:

₹ in crore

| Particulars | For the period | Quarter ended | | For the period | Year ended |
|--|--------------------------------|----------------|----------------|------------------------------|-----------------|
| | 01 January 24 to 18 January 24 | 31-Dec-23 | 31-Mar-23 | 01 April 24 to 18 January 24 | 31-Mar-23 |
| Revenue from operations | 12.33 | 588.87 | 670.35 | 1,780.16 | 1,589.29 |
| Other income | - | - | - | - | - |
| Total income | 12.33 | 588.87 | 670.35 | 1,780.16 | 1,589.29 |
| Total expenses | 12.63 | 644.37 | 678.93 | 1,831.42 | 1,559.22 |
| Profit/ (loss) before tax | (0.30) | (55.50) | (8.58) | (51.26) | 30.07 |
| Tax expense | - | (4.58) | 2.36 | - | 4.15 |
| Profit/ (loss) from discontinued operations, net of tax | (0.30) | (50.92) | (10.94) | (51.26) | 25.92 |



- 10 The Holding Company has divested its entire equity shareholding in HREL Real Estate Limited ('HREL'), a wholly owned subsidiary, vide Share Purchase Agreement dated 31 March 2024 for a consideration of ₹ 0.10 crore. Accordingly, HREL along with its step-down subsidiaries have ceased to be subsidiaries of the Group in accordance with Ind AS 110 'Consolidated Financial Statements' and the resultant gain on deconsolidation of ₹ 86.73 crore has been presented as an exceptional item for the quarter and year ended 31 March 2024.
- 11 During the quarter ended 30 September 2023, Prolific Resolution Private Limited ('PRPL') has issued 52,040 equity shares to Jadeja Investments Management Private Limited ('JIPL') on preferential basis for a consideration of ₹ 25 crore. Pursuant to aforementioned issue of equity shares, JIPL holds 51% of equity share capital of PRPL. Consequent to the above, w.e.f. 30 September 2023, PRPL ceases to be a subsidiary of the Holding Company and based on the terms of the Investment Agreement and Service Agreement, JIPL and HCC have joint control over the relevant activities of PRPL. Consequently, assets and liabilities of PRPL have been derecognized from consolidated financial statements and the Group has recognised a gain on deconsolidation of ₹ 1.53 crore for the quarter ended 30 September 2023 and year ended 31 March 2024, which has been presented as an exceptional item.
- 12 During the earlier years, 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 were presented as discontinued operations in accordance with 'Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations'.

On 28 March 2023, HICL completed the 100% stake sale of BFHL to Cube. Pursuant to the above, HICL 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 year ended 31 March 2023. Additionally as part of the sale agreement with Cube, the Group continued to be entitled to contingent considerations in the form of earn-outs (contingent on future traffic/ revenue projections) which were not recognised in the absence of certainty over realisation. During the previous quarter, pursuant to the earn-out threshold being met, the earn-out consideration of ₹ 110 crore have been recognised as well as realised by the Group. The requisite disclosures in accordance with Ind AS 105 for said period are given below:

| Particulars | ₹ in crore | | | | |
|--|---------------|-----------|---------------------------------|------------|-------------------------------|
| | Quarter ended | | For the period | Year ended | For the period |
| | 31-Mar-24 | 31-Dec-23 | 1 January 2023 to 28 March 2023 | 31-Mar-24 | 1 April 2022 to 28 March 2023 |
| Revenue from operations | - | - | 104.50 | - | 372.05 |
| Other income | - | - | - | - | 7.88 |
| Total income | - | - | 104.50 | - | 379.93 |
| Total expenses | - | - | 111.42 | - | 405.93 |
| Loss before tax | - | - | (6.92) | - | (26.00) |
| Impact of elimination | - | - | (6.13) | - | (24.92) |
| Loss before tax | - | - | (0.79) | - | (1.08) |
| Tax expense on profit on sale of discontinued operation | - | - | 0.03 | - | 0.17 |
| Loss from sale of discontinued operations, net of tax | - | - | (0.82) | - | (1.25) |

- 13 During the quarter ended 31 December 2023, the Holding Company sold a land parcel situated in Village Karnala (Tara), Panvel, Maharashtra along with the structures standing thereon for a consideration of ₹ 95 crore. The resultant gain of ₹ 87.93 crore has been presented as an exceptional item.
- 14 During the previous year, the Holding Company successfully novated specified debt of lenders aggregating ₹ 2,855.69 crore to Prolific Resolution Private Limited ('PRPL'), a wholly owned subsidiary upto 30 September 2023 and joint venture thereafter, 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 continues to furnish Corporate Guarantees 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.
- 15 Figures for the quarter ended 31 March 2024 and 31 March 2023 are the balancing figures between the audited consolidated 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 2023 and 31 December 2022, respectively, which were subjected to limited review by the statutory auditors.
- 16 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 consolidated financial results.



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

| Particulars | Unit of Measurement | Quarter ended | | | Year ended | |
|--|---------------------|---------------|-----------|-----------|------------|-----------|
| | | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Debt Equity ratio : Total Debt/ (Equity Share Capital + Other equity less capital reserve) | Times | (10.13) | (4.98) | (7.02) | (10.13) | (7.02) |
| Debt Service Coverage ratio : (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 | Times | (0.62) | 1.12 | 0.86 | 0.60 | 0.30 |
| Interest Service Coverage ratio : [(Earnings before interest [^] , depreciation and amortisation, exceptional items and tax)/ Interest [^] on debt for the period/ year] - Annualised | Times | (1.38) | 2.44 | 1.35 | 1.05 | 0.49 |
| Outstanding redeemable preference shares | ₹ Crore | - | - | - | - | - |
| Debenture Redemption reserve | ₹ Crore | 54.99 | 54.99 | 54.99 | 54.99 | 54.99 |
| Net Worth (Equity Share Capital + other equity less capital reserves) | ₹ Crore | (208.18) | (484.19) | (754.08) | (208.18) | (754.08) |
| Net Profit/ (Loss) after tax | ₹ Crore | 246.23 | 233.22 | 201.59 | 529.42 | (52.51) |
| Basic earnings/ (loss) per share (Not annualised for the quarter) | ₹ | 1.63 | 1.54 | 1.33 | 3.50 | (0.35) |
| Diluted earnings/ (loss) per share (Not annualised for the quarter) | ₹ | 1.63 | 1.54 | 1.33 | 3.50 | (0.35) |
| Current Ratio (Current assets/ Current liabilities) | Times | 1.16 | 1.24 | 1.16 | 1.16 | 1.16 |
| Long-term debt to working capital (Non-current borrowings + Current maturities of long-term debt)/ Net working capital | Times | 2.05 | 1.40 | 5.37 | 2.05 | 5.37 |
| Bad debts to accounts receivable ratio (Bad debts/ Average trade receivables) | % | - | - | - | - | - |
| Current liability ratio (Current liabilities/ Total liabilities) | Times | 0.64 | 0.62 | 0.46 | 0.64 | 0.46 |
| Total debts to total assets ratio [(Non-current borrowings + Current borrowings)/ Total assets] | Times | 0.23 | 0.24 | 0.43 | 0.23 | 0.43 |
| Debtors Turnover [(Revenue from operations/ Average trade receivable)] - Annualised | Times | 2.53 | 2.20 | 3.27 | 2.23 | 2.07 |
| Inventory Turnover [(Cost of Goods Sold/ Average inventory)] - Annualised Cost of Goods sold = Cost of materials consumed + Subcontracting expenses | Times | 13.48 | 8.26 | 14.43 | 11.08 | 13.11 |
| Operating Margin [(Earnings before finance costs, depreciation and amortisation, exceptional items and tax less Other Income)/ Revenue from operations] | % | -5.56% | 17.18% | 13.51% | 10.17% | 6.75% |
| Net Profit/ (Loss) Margin : [Profit/ (Loss) after tax/ Revenue from operations] | % | 13.89% | 15.82% | 8.31% | 7.56% | -0.63% |

Notes:

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

b) Excludes discontinued operations.

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

for Hindustan Construction Company Limited



Jaspreet Bhullar
Jaspreet Bhullar
Managing Director & Chief Executive Officer
DIN : 03644691

Date: 24 May 2024
Place: Mumbai

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 2024
 [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 | 7,006.71 | Not ascertainable [Refer notes II (a) below] |
| | 2 | Total expenditure | 7,253.88 | Not ascertainable [Refer notes II (a) below] |
| | 3 | Exceptional items | 850.75 | Not ascertainable [Refer notes II (a) below] |
| | 4 | Profit for the year from continuing operations | 529.42 | Not ascertainable [Refer notes II (a) below] |
| | 5 | Earnings per share | 3.50 | Not ascertainable [Refer notes II (a) below] |
| | 6 | Total assets | 9,059.38 | Not ascertainable [Refer notes II (a) below] |
| | 7 | Total liabilities | 9,227.86 | Not ascertainable [Refer notes II (a) below] |
| | 8 | Net worth | (168.48) | Not ascertainable [Refer notes II (a) below] |
| | 9 | Any other financial item(s) (as felt appropriate by the management) | - | - |

II Audit Qualifications

| | | |
|-----------|--|--|
| a. | Details of Audit Qualification: | As stated in Note 3 to the accompanying Statement, the Holding Company has recognised net deferred tax assets amounting to ₹ 613.09 crore as at 31 March 2024, which mainly 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 2024. |
| b. | Type of Audit Qualification (Qualified/ Disclaimer of opinion/ Adverse) | Qualified Opinion |
| c. | Frequency of Qualification: | Qualification II (a) - Appearing 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: | As at 31 March 2024, the Holding Company has recognised net deferred tax assets amounting to ₹ 613.09 crore (31 December 2023: ₹ 722.71 crore and 31 March 2023: ₹ 741.93 crore), which mainly represents deferred tax assets on carried forward unused tax losses, unused tax credits and other taxable temporary differences. The Holding Company during the current year, is liable to pay tax as per Section 115JB of the Income Tax Act. Further, during the current year, deferred tax assets on expiring brought forward losses of ₹ 88.49 crore have been reversed. 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 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. |
| | iii) Auditors' comments on (i) or (ii) above | Included in details of auditor's qualifications stated above |

III Signatories:

For Walker Chandok & Co LLP
 Chartered Accountants
 Firm Registration No. 001076N / N500013

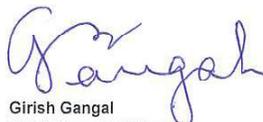
SHASHI TADWALKAR
 Digitally signed by SHASHI TADWALKAR
 Date: 2024.05.24 17:08:29 +05'30'

Shashi Tadwalkar
 Partner
 Membership No.: 101797

Date: 24 May 2024
 Place: Mumbai

for Hindustan Construction Company Limited


Jaspreet Bhullar
 Managing Director & Chief Executive Officer
 DIN : 03644691


Girish Gangal
 Chief Financial Officer

Date: 24 May 2024
 Place: Mumbai



Mahendra Singh Mehta
 Audit Committee Chairman
 DIN : 00019566

