Annual Report 2015-16

HCC

Contents

Highlights 2015-16

- HCC E&C business order book grows by 25.4% to ` 18,123 crore
- HCC Standalone PBT/PAT improved substantially even though turnover dropped marginally
- HCC E&C won many awards for its projects and their CSR activities
- Steiner AG has secured orders during the year worth CHF 850 million (` 5843 crore)
  It's order book is at CHF 1320 million (` 9074 crore)
- HCC Concessions (a stepdown subsidiary of HCC) has sold its stake in two projects.
  Toll collection in its Baharampore-Farakka project is above the estimate at ` 36 lacs/day
- Lavasa : Footfall of tourists crossed over 10 lacs during the year. Has completed the construction of 1200 residential units
- Highbar Technologies crossed total number of customers beyond 100

HCC's Major Projects

ANDHRA PRADESH

- ■ Cavern for Crude Oil Storage, Vishakhapatnam
- □ Chimney at Vijayawada
- □ Godavari Barrage at Rajahmundry
- □ Godavari Railway Bridge
- □ Papavinasam Dam
- ● Polavaram Project Right Main Canal
- ● Pula Subbaiah Veligonda Tunnel
- ▲ Tata Memorial Centre, Hospital
- □ Vizag Monolith, West Wall Protection

ARUNACHAL PRADESH

- □ Pare Hydroelectric Power Project

ASSAM

- ● Bogibeel Rail-cum-Road Bridge
- □ Brahmaputra Bridge
- □ IOCL Refinery at Guwahati
- ● NH-37 - Numaligarh to Jorhat Highway
- ● NH-54 - Maibang to Nirmbanglo Highway

BIHAR

- □ Barauni Thermal Power Plant
- □ Ganga Bridge at Mokameh
- □ Munger Rail-cum-Road Bridge
- ● Muzaffarpur Thermal Power Plant
- □ Sone Barrage
- ● Sone Bridge

CHATTISGARH

- □ Bailadila Project
- □ Bhilai Steel Plant

DELHI

- ✶ Delhi Faridabad Elevated Expressway
- □ DMRC - Airport Metro Express Line
- ● DMRC - Dwarka to Najafgarh
- ● DMRC - Janakpuri West to Palam Station
- ● DMRC - Netaji Subhash Place to Shalimar Bagh
- □ DMRC - Vishwa Vidyalaya to ISBT
- ● Flyover linking existing Munirka flyover to Army RR Hospital
- □ Water & Sewage Treatment Plants at Okhla, Tihar Jail, Wazirabad

GOA

- □ Goa Barge Berth at Marmugoa

GUJARAT

- □ Gandhinagar Cooling Towers
- ● Kachchh Branch Canal
- □ Kakrapar Atomic Power Project
- □ Kalol Mehsana Gas Pipeline
- □ Mehsana to Palanpur Highway
- □ Pumped Water Supply Scheme from Kesaria to Sonari
- ● Reliance J3 Refinery at Jamnagar
- ● Saurashtra Branch Canal
- □ Swarnim Gujarat Kutch Water Grid
- □ Tapi Road Bridge

HARYANA

- □ Hathnikund Barrage
- □ Panipat Chimney
- □ Road Bridge at Palwai

HIMACHAL PRADESH

- □ Chamera Hydroelectric Power Project, Stage I
- □ Chamera Hydroelectric Power Project, Stage III
- ■ Kashang Hydroelectric Power Project
- □ Nathpa Jhakri Hydroelectric Power Project
- ● Sainj Hydroelectric Power Project
- ● Tunnels for Sawra Kuddu Hydroelectric Power Project

JAMMU & KASHMIR

- ▲ Access Road Tunnel to Sawalkote Hydroelectric Power Project
- □ Chutak Hydroelectric Power Project
- ● Kishanganga Hydroelectric Power Project
- □ Mughal Road
- □ Nimoo Bazgo Hydroelectric Power Project
- □ Pir Panjal Tunnel
- ▲ Ramban Banihal Highway
- □ Salal Hydroelectric Power Project
- ● T 48 Tunnel - Dharam-Qazigund
- ● T 49 Tunnel - Dharam-Qazigund
- □ Uri-II Hydroelectric Power Project

JHARKHAND

- □ Chandil Dam
- □ Grand Trunk Road Improvement Project

KARNATAKA

- ● Cavern for Crude Oil Storage, Padur
- □ Kadra Dam
- □ Karnataka State Highways Project
- □ Tunnel and Powerhouse for Sharavati Hydroelectric Power Project
- ● Yettinahole Project

KERALA

- □ Brahmapuram Diesel Power Plant
- □ Dam across Idamalayar
- □ Dam across Moozhiyar and Veluthodu
- □ Lower Periyar Hydroelectric Power Project
- □ Sebarigiri Dam
- □ Tanker Terminal and Fertiliser Berth, Cochin
- □ Wellington Bridge, Cochin

MADHYA PRADESH

- □ Road Bridge over River Indravati
- □ Satpura Thermal Power Station
- □ Tons Hydroelectric Power Project

MAHARASHTRA

- □ Aerated Lagoons, Mumbai
- □ Ambernath/Ulhasnagar STP
- □ Bandra Effluent and Influent Disposal, Mumbai
- □ Bandra-Worli Sea Link
- ▲ BARC - Integrated Nuclear Recycle Plant, Tarapur
- □ BARC - Reactor, Lab & Spent Fuel Building
- ● Bhama Askhed Pipeline
- ● Bhandup Pipeline
- □ Bhandup Water Treatment Complex
- □ Bhorghat Tunnel
- ● DGNP Dry-Dock and Wharves
- □ Factory Civil Works for Premier Automobiles Limited
- □ Ghatkopar High Level Water Tunnel
- □ Koyna Hydroelectric Power Project Stage I to IV
- □ Middle Vaitarna Water Pipeline
- □ Mumbai Metro One
- □ Mumbai-Pune Expressway
- □ NH-3 MP/Maharashtra Border - Dhule Highway

- ☐ NH-4 - Satara Kolhapur Highway
- ☐ Nhava Sheva WTP Works, Raigadh
- ☐ Pune Paud BOT Road
- ☐ Surveillance Facility Project at Tarapur
- ☐ Trombay Chimney Works
- ☐ Vaitarna Dam
- ☐ Water Supply Tunnel from Bhandup to Charkop, Mumbai
- ☐ Water Treatment Plant, Pune
- ☐ Water Tunnel between E Moses Road and Ruparel College, Mumbai
- ☐ Water Tunnel between Sewri and Futka
- ■ Water Tunnel from Maroshi to Ruparel College, Mumbai

MANIPUR

- ● Railway Tunnel No.1 between Jiribam and Tupul
- ● Railway Tunnel No. 3 between Jiribam and Tupul
- ● Railway Tunnel No. 10 between Jiribam and Tupul
- ● Railway Tunnel No. 12 between Jiribam and Tupul
- ▲ Imphal Kangchup Tamenglong Road
- ▲ Railway Tunnel No. 12 between Tupul and Imphal

ORISSA

- ☐ Aditya Aluminium Project
- ☐ Dam at Upper Kolab
- ☐ Naraj Barrage, New Cuttack
- ☐ Paradip Port Road
- ☐ Road Bridge across Mahanadi

PUNJAB

- ☐ 140 m High Chimney at Ropar
- ☐ Rail Coach Factory at Kapurthala

RAJASTHAN

- ☐ Chambal Bridge at Dholpur
- ☐ East-West Corridor Project
- ☐ Rajasthan Atomic Power Project, Units 1 & 2
- ☐ Rajasthan Atomic Power Project, Units 3 & 4
- ☐ Rajasthan Atomic Power Project, Units 5 & 6
- ● Rajasthan Atomic Power Project, Units 7 & 8

TAMIL NADU

- ☐ Chennai Bypass
- ☐ Chennai Ore Berth, Jetty, Wharf
- ☐ Ennore Port-Rock Quarrying & Breakwater
- ● IGCAR's Fast Reactor Fuel Cycle Facility at Kalpakkam
- ☐ Kadamparai Pumped Storage Project
- ☐ Kudankulam Nuclear Power Project, Units 1 & 2
- ☐ Lower Mettur Hydroelectric Power Project
- ☐ Navamalai Irrigation Tunnel
- ☐ Tirupur Water Supply Project
- ☐ Upper Nirar Irrigation Tunnel

TELANGANA

- ☐ JCR Devadula Lift Irrigation Scheme Phase I
- ● JCR Devadula Lift Irrigation Scheme Phase II
- ● JCR Devadula Lift Irrigation Scheme Phase III
- ☐ North-South Corridor NHDP Phase II Package AP-8
- ● Pranahita Chevella Lift Irrigation Scheme
- ☐ Rajiv Dummugudem Lift Irrigation Scheme
- ☐ Ramagundam Thermal Power Project

UTTAR PRADESH

- ☐ Allahabad Bypass
- ☐ Gomti Aqueduct
- ☐ Maneri Bhali Hydroelectric Power Project
- ☐ Naini Cable Stayed Bridge
- ☐ Narora Atomic Power Project
- ● NH - 233 - Indo Nepal Border to Rudhauli Highway
- ☐ NH - 28 - Lucknow Muzaffarpur Highway
- ☐ Rihand Dam
- ☐ Rihand STPP
- ☐ Sai Aqueduct
- ☐ Sharda and Ghogra Barrages
- ☐ Varanasi Bridge
- ☐ Yamuna Hydroelectric Power Project

UTTARAKHAND

- ▲ Tapovan Vishnugad Hydroelectric Power Project
- ☐ Dhauliganga Hydroelectric Power Project
- ● Tehri Pumped Storage Project
- ● Vishnugad Pipalkoti Hydroelectric Power Project

WEST BENGAL

- ● Elevated Road from Park Circus to E.M. Bypass, Kolkata
- ☐ Farakka Barrage
- ☐ Golden Quadrilateral Road Project - Kolaghat to Kharagpur
- ☐ Haldia Docks Project
- ☐ Kalyani Bridge
- ☐ Kolkata Metro
- ☐ Mahananda Barrage
- ✶ NH-34 - Bahrampore - Farakka Highway
- ✶ NH-34 - Farakka - Raiganj Highway
- ✶ NH-34 - Raiganj - Dalkhola Highway
- ☐ Purulia Pumped Storage Project
- ☐ Teesta Barrage
- ■ Teesta Low Dam Hydroelectric Power Project Stage IV

BHUTAN

- ☐ Dagachhu Hydroelectric Power Project
- ☐ Kurichhu Hydroelectric Power Project
- ▲ Nikachhu Hydroelectric Power Project
- ● Punatsangchhu Hydroelectric Power Project
- ☐ Tala Hydroelectric Power Project

- ☐ Major projects completed in past
- ■ Projects completed in the year
- ● Projects in progress
- ▲ New projects
- ✶ BOT projects

History will tell you that infrastructure developers and construction companies go through sharper business cycles than many other sectors. The better ones come out of slumps stronger than before. Your Company ranks among the best in the construction business — in terms of expertise, execution capabilities and the determination to surmount all odds to succeed.

Chairman's Letter

Dear Shareholder,

Let me begin this letter with a bird's eye view of the Indian economy, then move on to what is happening in infrastructure and the construction industry and end with a brief discussion on your Company.

According to the latest estimates of GDP and Gross Value Added (GVA) released by the Government of India's Central Statistical Organisation, the Indian economy is certainly getting back to a higher growth path. For 2015-16, real (or inflation adjusted) GDP has grown by 7.6% — up from 7.2% in 2014-15. That makes India the fastest growing large country in the world, with a growth that not only exceeds any developed nation but also major emerging economies such as China.

Despite two consecutive years of poor monsoon, we have been fortunate on three counts: significantly lower input costs and import bill on account of crude oil prices hitting a low over the last two decades; a comfortable balance of payments situation; and benign inflation. For 2015-16, inflation based on the consumer price index was a low of 4.83%; while wholesale, or producer, price inflation was in negative territory at (-)0.85%. That induced the Reserve Bank of India (RBI) to reduce policy rates by a total of 100 basis points (bps) in three instalments, coupled with a 25 bps reduction in the Statutory Liquidity Ratio.

I believe, as do many in industry, that the RBI could have done more in terms of reducing policy rates, and given a stronger signal to the banks to cut their lending rates. Quite frankly, given the present structure of lending rates and extreme risk aversion of most banks, it is virtually impossible for either infrastructure or small and medium enterprises to get the necessary credit for expanding their businesses at the speed that can generate higher GDP growth. It is time to realise this and make the moves necessary to bring down real interest rates to more reasonable levels.

Besides, I believe that the economy has not yet realised its potential as several reform measures are yet to take off and make a material impact. For instance, several key initiatives such as the ones for start-ups or the 'Make in India' campaign are yet to be meaningfully implemented. The all-important reform of Goods and Services Tax (GST) remains in legislative limbo. Hopefully, the GST Bill will be passed in 2016-17, as it must for India to reap the benefits it deserves.

Regarding the infrastructure sector with special focus on the country's construction industry, the situation is quite grim. The Government of India has clearly recognised this and launched several reform measures to boost sectors like roads, railways, power distribution, rural and urban development. The Union Budget 2016-17 has allocated ` 2.21 lakh crore for the sector. The one good news is the pace with which projects are being sanctioned for the construction of highways. Thus, in the Budget, roads have been earmarked ` 97,000 crore with a plan to award 10,000 kilometres of new road projects in 2016-17, including ` 19,000 crore for rural roads.

The biggest issue in the sector is the legacy of stalled projects, thanks to the freeze in decision making that occurred over the last four years of the previous government. This has far reaching adverse consequences on the future execution of work. To give a sense of the size of the problem, as on 1 February 2016, there have been 304 stalled projects involving an investment of ` 12,75,877 crore.

These stalled projects have disturbed the momentum in creating physical infrastructure, and have seriously hurt the financial strength of private developers and construction companies. Such enterprises mobilised labour and deployed expensive plant and machinery at sites; these were not sufficiently utilised due to project stoppages, and led to massive cost over-runs.

Instead of expediting projects, government and quasi-government execution agencies have held back payments. Consequently, the claims of construction companies on the executing agencies have mounted substantially. Regrettably, when the decision of independent arbitrators in such dispute resolution has favoured a construction company, the executing agencies have invariably stalled the payment process by routinely appealing to higher judicial jurisdictions.

Let me give you the example of your Company which is no different from what is faced by other construction companies. As on March 31, 2016, claims awarded in favour of your Company in arbitration amounted to ` 3,041 crore. Of that, HCC has only been able to collect ` 373 crore against BGs — or a mere 12% of claims that have been already awarded in its favour. The rest has been stalled with the customers appealing to higher courts. The Company has also collected claims of around ` 150 crore by direct negotiations. To put it in perspective, had your Company received the full amount that it was awarded, it could have wiped out its debts and started afresh.

In such an environment, the entire infrastructure and construction sector is highly strapped for cash. As long as legacy claims settlement issues are not expeditiously dealt with, there is very little scope of a serious revival of the sector because most companies do not have the financial strength to absorb the losses of the past and yet continue financing new projects.

Given this context, two positive legal developments need to be mentioned.

The Arbitration and Conciliation (Amendment) Act, legislated in 2015, facilitates faster and time bound decision making in the arbitration process. Moreover, it requires the aggrieved party to deposit award money in an escrow account before taking the judicial route to challenge an arbitration award. Hopefully, this will reduce the current practice of needless appeals.

The Commercial Courts, Commercial Division And Commercial Appellate Division of High Courts Act, also passed in 2015, has introduced the setting up of commercial courts at the district level as well as commercial division in the High Court to deal with commercial disputes over ` 1 crore. Thus, all appeals of arbitration orders will be dealt with Commercial Appellate Divisions of the High Courts — which ought to speed up the resolution of commercial disputes. Time will tell whether these two laws actually deliver what are intended in the statutes.

Let me move now to the performance of your Company. The standalone results for 2015-16 — which primarily reflect the core engineering and construction business — have been encouraging, and reflect efforts at streamlining operations, optimising efficiencies of on-going projects and pursuing pending dues at every level.

- The Company's order book as on March 31, 2016 was ` 18,123 crore. It also secured a record number of L-1 positions in bidding, adding up to ` 3,701 crore.
- Revenue from operations decreased by 2.6% to ` 4,190.9 crore in 2015-16.
- EBITDA is ` 812.4 crore in 2015-16 — an increase of 5% over the previous year. The EBITDA margin increased from 18.7% in 2014-15 to 19.9 %.
- PAT has improved by 4.1% to almost ` 85 crore for 2015-16.

The difficulties still lie at the consolidated level. Like most companies in the construction industry in India, HCC faced slowdown in orders, delays in completion that were beyond its control and large cost over-runs in stalled projects which were not duly compensated by clients. Consequently, its debt burden rose sharply and caused severe stress in terms of cash flows. To counter this, the Company realigned its business strategy to focus on capital conservation, higher productivity and increased cash generation.

Moreover, to help support the revival plan and provide necessary breathing space, your Company availed of a Corporate Debt Restructuring (CDR) package with a consortium of its bankers in 2012-13. Your Company is amongst the very few companies in CDR from Infrastructure sector who are meeting CDR obligation of interest and debt servicing. Banks have been supportive and have helped your Company in various instances. I also need to state that since availing of the CDR package, HCC has posted an average annual revenue exceeding ` 4,000 crore, secured orders of over ` 14,000 crore and completed 17 major projects.

We also planned generating cash by the monetisation of non-core & completed assets. Although your Company has sold operating building and some land parcels, this has been a more difficult task in the current environment where there are hardly any buyers of infrastructure assets and mainly under development assets. It needs to be recognised that monetisation of large investments — such as the toll-road projects under HCC Infrastructure — will take longer time. In a different vein, the efforts of HCC Infrastructure to effect stake sales have been limited by contractual obligations imposed by the National Highways Authority of India.

I am therefore saying two things: that your Company is wholly committed to monetisation to reduce the debt burden, but, in order to generate fair value, the due process will be followed which is taking time.

Since the consolidated financial performance of your Company reflects developments in all the investee companies in addition to the core standalone business of engineering and construction, the results were poorer. On a consolidated basis, HCC's:

- Total income from operations decreased by 15.3% to ` 8,768 crore in 2015-16.
- Thanks to reduction in expenses, mostly due to higher productivity, efficiency improvements and cost cutting, operational EBITDA reduced by 2% to ` 1,219 crore.
- Unfortunately, the interest burden increased by almost 6% to ` 1,355 crore, due to delay in completion of development projects.
- Consequently, net losses after minority interest rose from ` 159.5 crore in 2014-15 to ` 318.1 crore in 2015-16.

As your chief fiduciary, how do I see the future? I am fairly sure that HCC as a standalone entity will generate greater operating income, EBITDA and profits in 2017-18. I am also sure that we will get greater benefits out of efficiency improvements and cost optimisation. Equally, it ought to be said that the progress of monetisation might be uncertain. An improvement in the overall infrastructure climate can make potential buyers eager to purchase parts of Lavasa or HCC Infrastructure at attractive prices. But if there is insufficient tail winds for India in general and infrastructure in particular, such buyers will be hard to find. Even so, we as the management of your Company, will do our utmost to maximise the process of monetisation and thus reduce the burden of past debt.

History will tell you that infrastructure developers and construction companies go through sharper business cycles than many other sectors. The better ones come out of slumps stronger than before. Your Company ranks among the best in the construction business — in terms of expertise, execution capabilities and the determination to surmount all odds to succeed.

Think of the number of times that you have crossed the Sea Link. Think of how often you have marvelled at the beauty and quality of that construction. Your Company executed it under the most challenging odds. A Company such as that is slated to shake off temporary adversities and succeed. As it certainly will.

Thank you for your support.

Yours,

Ajit Gulabchand
Chairman & Managing Director

Company Information

BOARD OF DIRECTORS

Ajit Gulabchand
Chairman & Managing Director

Rajas R. Doshi

Ram P. Gandhi

Sharad M. Kulkarni

Anil C. Singhvi

Harsha Bangari

Dr. Omkar Goswami (w.e.f. April 30, 2015)

N. R. Acharyulu
Non-Executive Director (w.e.f. May 2, 2016)

Shalaka Gulabchand Dhawan
Whole-time Director (w.e.f. April 30, 2015)

Rajgopal Nogja
Group Chief Operating Officer & Whole-time Director
(upto May 2, 2016)

COMPANY SECRETARY

Sangameshwar Iyer (w.e.f July 31, 2015)

Vithal P. Kulkarni (upto July 30, 2015)

AUDITORS

Walker Chandiok & Co.,LLP Chartered Accountants

ADVOCATES & SOLICITORS

Mulla & Mulla & Craigie Blunt & Caroe

Cyril Amarchand Mangaldas

BANKERS/FINANCIAL INSTITUTIONS

ICICI Bank Ltd.

Punjab National Bank

State Bank of India

IDBI Bank Ltd

Indian Bank

Oriental Bank of Commerce

The Jammu & Kashmir Bank

Canara Bank

State Bank of Patiala

Union Bank of India

Bank of Baroda

Vijaya Bank

DBS Bank Ltd

The Federal Bank Ltd

Standard Chartered Bank

Exim Bank of India

Toronto Dominion (Texas) LLC

LIC of India

Central Bank of India

Axis Bank Ltd

Bank of Maharashtra

State Bank of Travancore

Syndicate Bank

State Bank of Mysore

United Bank of India

IFCI Ltd

Indian Overseas Bank

State Bank of Hyderabad

NABARD

SREI Equipment Finance Limited

REGISTRAR & SHARE TRANSFER AGENTS

TSR Darashaw Ltd.

6-10 Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road, Near Famous

Studio,Mahalaxmi, Mumbai - 400 011.

REGISTERED OFFICE

Hincon House, 11th Floor,

247Park, Lal Bahadur Shastri Marg,

Vikhroli (West), Mumbai - 400 083.

Building 196m roller compacted concrete (RCC) dam in 196 days

The 160MW Teesta Low Dam Hydroelectric Power Project – Stage IV in West Bengal is the first RCC dam constructed for NHPC and is only the third of its kind in India. This 521m long dam has three segments — power dam (104 m), spillway (126 m) and RCC dam (196 m). The RCC technique requires continuous feed of raw materials and nonstop operations. HCC managed the well-synchronised supply chain operations and overcame all challenges to successfully complete the mammoth 196 m RCC dam in 196 days.

Kolkata's longest flyover solves traffic snarls to silk route

HCC completed the main section of the 4.5-km long flyover between Parama Island and Park Circus, which is Kolkata's longest flyover. West Bengal Chief Minister Mamata Banerjee inaugurated the flyover on October 9, 2015. This elevated corridor offers a faster alternative to commuters travelling from the airport to the main business district of Central Kolkata. This has reduced travel time from 40 minutes to just 10 minutes. Around 1 lakh vehicles are expected to ply on the flyover every day.

Bogibeel Rail-cum-Road Bridge, Assam

Every milestone achieved at the 4.9 km long Bogibeel rail-cum-road bridge is a crowning accomplishment for team HCC. Till May 2016, the Company has completed 20 spans. This bridge has 39 spans of 125m and two spans of 32.7m. Each span, weighing 1,900 MT, is assembled at the yard and is placed on the pillars with the help of a mechanical pulling system. This will be the fourth longest bridge in India and the longest over the mighty Brahmaputra.

Second double TBM breakthrough achieved at DMRC CC34

HCC achieved the rare double TBM breakthrough for the second time at DMRC CC34 project, which involves the construction of three underground metro stations — Janakpuri West, Dabri Mor and Dashrathpuri — and their connection to Palam station through twin tunnels. The first double TBM breakthrough was achieved on August 4, 2014, where two TBMs began boring from Janakpuri West and emerged at Dabri Mor station. The second double TBM breakthrough was achieved on May 22, 2015, where two TBMs began boring from Vikaspuri and emerged at Janakpuri West station.

SkyKey, Zurich, Switzerland

Based on a visionary concept, Steiner AG developed and constructed SkyKey to fulfill the requirements for the LEED Platinum label. SkyKey received the prestigious LEED Platinum award in the New Construction category – overall construction – in February 2016. Its 90 points score makes it the best rated certified building in Switzerland and one of the top rated 30 buildings worldwide.

PostParc, Berne, Switzerland

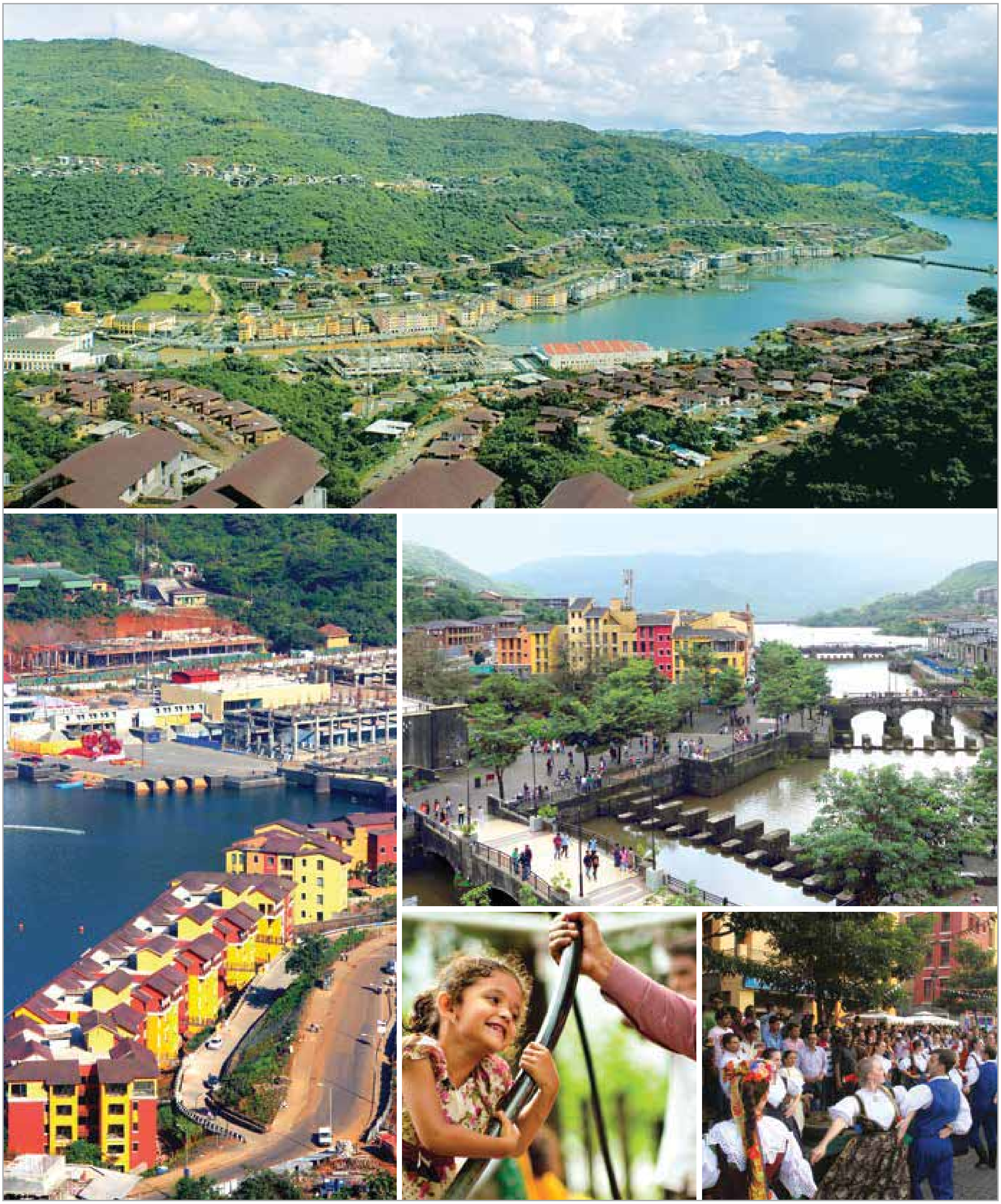
With a construction period lasting five years, PostParc is a very special project for Steiner. This major building site is immediately adjacent to Berne's main railway station. Owing to its exposed location, countless interfaces to adjoining structures have to be taken into account. The two new buildings and the completely refurbished high-rise comprise 30,000m^2 of office space and 10,000m^2 of commercial floorspace.

Strandboden High School, Biel, Switzerland

The Strandboden High School in Biel, Switzerland, is one of the most important historic testimonies of the Solothurn School of Architecture. Steiner's task as a total contractor is to renovate and modernise the historic complex as well as to construct a new building. The major challenge was to respect the existing structures and coordinate all operations. A two-storey new-build complements the whole architectural composition beautifully.

National Highway 34 development by HCC Concessions in West Bengal

Baharampore Farakka Highway, the first section of the 256-km NH-34 development by HCC Concessions, became operational in May 2014 and accounted for an average daily toll collection of `30 lakh with a 7 per cent y-o-y traffic growth in the last fiscal year. The second and largest (`1,720 crore) leg of the development, Farakka Raiganj Highway, achieved substantial progress in the last fiscal and is expected to achieve COD in a few months.



Lavasa: a live model for new smart city

Lavasa is becoming a live model for creating new smart cities in the country. Representatives of five new city projects met at Lavasa to discuss new city business models and their financial sustainability. Also, a delegation of students from the Centre for Urban Science and Engineering of IIT-Mumbai visited Lavasa to study the different aspects of developing and managing a city, including city management services, town planning and environment departments. In FY 2015-16, Lavasa has been honoured with five prestigious awards which include 1. The PATWA ITB Berlin Award for the third consecutive year; 2. Best City Initiative Award at the Municipalika Sustainable Smart Cities Conference; 3. Smart City for Education Award at ABP News Brand Excellence Awards 2015; 4. Best MICE Destination Award at the India Hospitality Awards West and South 2015; 5. The Brands Academy Excellence Award from World Travel Brands for the 'Best Private Hotel Management Institute in India' to Ecole Hotelier.

Board of Directors (as on March 31, 2016)

Sitting from Left to Right: Anil Singhvi - Independent Director, Rajas Doshi - Independent Director, Ajit Gulabchand - Chairman & Managing Director, Sharad Kulkarni - Independent Director, Ram Gandhi - Independent Director | Standing from Left to Right: Rajgopal Nogja - Group Chief Operating Officer & Whole-Time Director, Shalaka Gulabchand Dhawan - Whole-Time Director, Omkar Goswami - Independent Director, Harsha Bangari - Nominee Director of EXIM Bank.

Awards and recognitions to HCC in the FY 2015-16

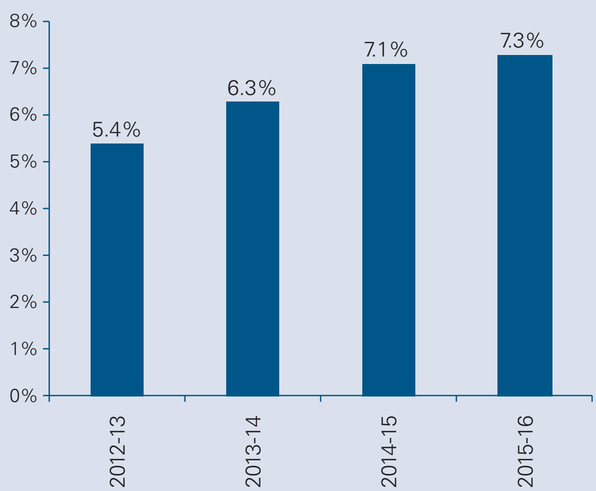
- 'Infrastructure Company of the Year Award' to HCC by Construction Week for its outstanding contribution in the infrastructure sector
- 'Construction Week Award' for HCC's Dagachhu Hydroelectric Project in Bhutan under category 'Water Project of the Year Award'
- 'QCI D.L. Shah Quality Award' to HCC's Bogibeel Rail-cum-Road Bridge project
- 'Indian Concrete Institute Award' for HCC's Padur Cavern Project under the category 'Best Concrete Structure of the year'
- 'CIDC Vishwakarma Award 2016' to Dagachhu Hydroelectric Project under Power category 'Best Construction Project'
- 'CIDC Vishwakarma Award 2016' to Padur Cavern Project under Infrastructure category 'Best Construction Project'
- 'CIDC Vishwakarma Award 2016' to HCC's water initiatives under the category 'Achievement Award for Social Development & Impact'
- Best CSR practices for water at the 'World CSR Day' conference by the World CSR Congress
- Dun & Bradstreet awards to HCC in three project categories – (Railways) 'Pir Panjal Railway Tunnel Project;' (Roads) 'Mughal Road Project;' and (Oil & Gas) 'Padur Cavern Project'

Management Discussion and Analysis

Macroeconomic Review

The global macroeconomic landscape is currently going through a rough and uncertain terrain characterised by weak growth of world output. Even in these trying and uncertain circumstances, India's growth story has remained largely positive on the strength of domestic economy. According to the advance estimates made available by the Central Statistical Organisation (CSO), the country will have succeeded in achieving a robust and steady pace of economic growth in 2015-16 as it did in 2014-15. Real Gross Value Added (GVA) is expected to grow by 7.3% in 2015-16 versus 7.1% in 2014-15 (see Chart A). Importantly, there has been a revival in industrial output — from 5.9% growth in 2014-15 to 7.3% in 2015-16, driven primarily by a recovery in manufacturing, which clocked 9.5% growth in 2015-16 compared to 5.5% in 2014-15.

Chart A: Real GVA Growth, India

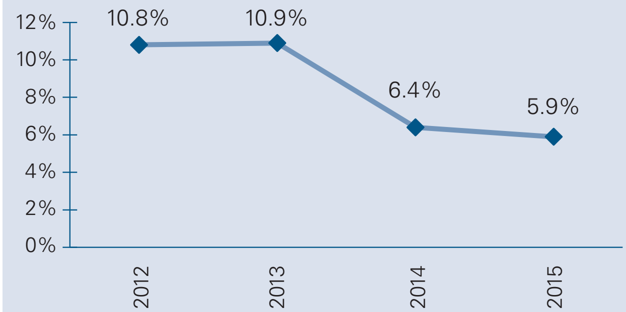


Note: Real GVA growth in basic prices. 2015-16 are advance estimates

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

Additionally, its other macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. Wholesale price inflation has been in negative territory for more than a year and the all-important consumer prices inflation has declined to nearly half of what it was a few years ago. As Chart B shows, compared to 10.9% CPI inflation in 2013, the level was down to 5.9% in 2015. With inflation under control, the Reserve Bank of India (RBI) has eased monetary policy and reduced the benchmark repo rate in three instalments by a total of 100 basis points. Consequently, lending rates have reduced marginally. The base rate for scheduled commercial banks, which was 10.25% in 2013-14 has reduced to 9.7% by the end of Q3, 2015-16. Having said so, interest rates need to come down further to really bolster investments.

Chart B: Inflation (Consumer Price Index)



Source: MOSPI, Government of India

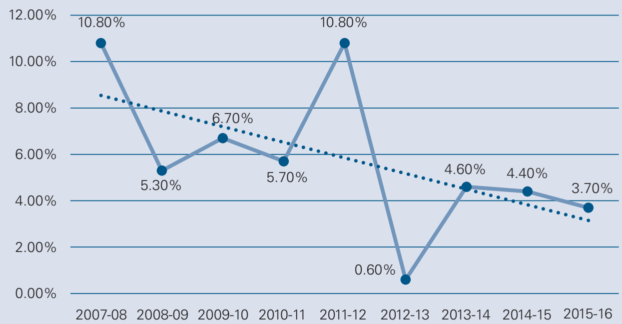
While there is much to cheer, there are also certain concern areas. Weak growth in advanced and emerging economies has taken its toll on India's exports. In fact, exports reduced by 6.3% over 2015-16. Thankfully, imports have also declined, principally on account of reduced prices of crude oil for which the country is heavily dependent on imports and, hence, the trade and current account deficits continue to be moderate. Growth in agriculture has slackened due to two successive years of less than-normal monsoon rains. Saving and investment rates are showing hardly any signs of revival. The rupee has depreciated vis-à-vis the US dollar, like most other currencies in the world, although less so in magnitude. At the same time, it has appreciated against a number of other major currencies.

More importantly, the economy has not yet realised close to its potential as several reform measures are yet to take off and make any material impact. Several key initiatives like the ones for start-ups and the 'Make in India' campaign are yet to be meaningfully implemented. The all-important reform of Goods and Services Tax (GST) remains in legislative limbo. Hopefully, the GST Bill will be passed in the course of 2016-17, as it must for India to reap the benefits it deserves.

India's Construction and Infrastructure Sector

After recording impressive growth in the early part of this decade, the construction sector in India has witnessed steady decline in growth. Chart C shows that after an impressive 10.8% growth in 2011-12, the sector has seen growth plummet down. In fact, in 2015-16 growth reduced to 3.7% compared to 4.4% in 2014-15

Chart C: Construction Growth (Real GVA)



Note: Data pre 2012-13 is in GDP terms and post is in GVA terms, and both are similar estimates

Source: CSO, Government of India

This slowdown in activity has had an adverse effect on the entire construction industry in India. Most companies across the industry are riddled with large debt burdens and very tight cash flows which have severely hampered operations. To elucidate this further, let us take a more granular look at the state of infrastructure in India today.

The construction and infrastructure sector and economic growth have a symbiotic relationship. As described in *The Economic Survey of India, 2015-16,* infrastructure is a *sine qua non* or absolute necessity for robust economic growth in India. In direct terms, the construction sector is the second largest segment after agriculture in India's economy providing employment to 40 million people and contributing to around 8% of India's GDP. In indirect terms, as noted in a study conducted by ASSOCHAM, the output multiplier demonstrates how an increase in demand of Indian construction sector can lead to an increase in overall output of the economy by 2.4 times thereby showcasing strong backward linkages of the sector with ancillary and complementary industries such as cement, steel, iron, bricks, sand, chemicals, heavy machines and equipment, sanitary ware, wood, electrical and other fixtures, paints and others.

Equally, steady economic growth is essential to create a balance between risk and return in long term investments like infrastructure projects, in order to attract capital into the sector. Finally, the general economic well-being and purchasing power of the population needs to improve to afford and sustain better infrastructure.

Given India's ambition for sustained economic growth of over 8%, there are several gaps prevailing today in terms of road networks, power, water works, urban infrastructure and logistics support facilities in India. Bridging these gaps is essential to create a more competitive economy that can cater to domestic and global demand. In fact, several estimates by research organisations suggest a requirement of over US$1 trillion investment in the sector over the next five years.

The Government of India (GoI) has recognised this and launched several reform measures to boost sectors like roads, railways, power distribution, rural and urban development. The Union Budget 2016-17 has allocated a record ` 2.21 lakh crore for the infrastructure sector. The roads sector alone has been allocated ` 97,000 crore as the government plans to award 10,000 kilometres of new road projects in 2016-17, including ` 19,000 crore earmarked for rural roads under the *Pradhan Mantri Gram Sadak Yojna.* In addition, the Government has initiated several policy reform measures to support the sector. This includes promotion of hybrid method of road development, reform measures for state electricity boards and power distribution, redeveloping inland waterways and thrust on renewable energy. Unfortunately, much of the measures are yet to translate into development work on the ground, and important initiatives like changes to the land acquisition bill and issues related to coal allocations are yet to be resolved politically.

The biggest issue in the sector is the legacy of stalled projects, which have accumulated due to the freeze in decision making over the last four years of the previous government. This legacy has far reaching adverse repercussions on the execution of work going forward. During the last financial year, the GoI had taken steps to expedite the progress of stalled projects and constituted a special project monitoring group (PMG) to support this initiative. As per the latest available data, a total of 304 projects involving an investment of ` 12,75,877 crore remain stalled as on February 1, 2016. While this is 33% less than the figure released by the PMG in March 2015, new projects are being added to the stalled list on a quarterly basis. In fact, the top 100 stalled projects — mostly in the power, steel, railways and petroleum sectors — account for the lion's share of investments at ` 10,41,281 crore.

Not only have these stalled project disturbed the momentum in creation of physical infrastructure, they have substantially affected the financial strength of different stakeholders in the industry. Private developers and the construction companies have borne the brunt of malaise. They undertook labour mobilisation and deployed fixed resources, which were not sufficiently utilised due to project stoppages — contributing to massive cost over-runs. The government or quasi-government execution agencies have not been taking any decision on this and, more often than not, are holding back payments. As a result, the number and amount of claims of construction companies on the executing agencies have mounted substantially and most have had to approach arbitrators in dispute resolution processes to get their claims. Unfortunately, however, whenever an arbitration ruling has favoured a construction company, as it often has, most execution bodies have not honoured the award of claims, and taken such rulings to higher judicial establishments.

In this environment, the entire infrastructure and construction sector is highly strapped for cash. As long as such legacy issues are not expeditiously dealt with, there is very little scope of serious revival of the sector as most companies do not have the financial strength to absorb the losses of the past and continue financing new projects.

A noteworthy development was the enactment of two legislations, namely the Arbitration and Conciliation (Amendment) Act, 2015, and The Commercial Courts, Commercial Division And Commercial Appellate Division of High Courts Act, 2015. The Arbitration Act primarily has two material consequences for players in the infrastructure industry. First, it allows for faster and time bound decision making in the arbitration process. Second, it provides for the need to deposit award money by the aggrieved party before taking the judicial route to challenge an arbitration award. This should reduce the instances of aggrieved parties needlessly appealing against the decision of the arbitrators with a primary motive to delay the dispute resolution process. The Commercial Courts Act introduces setting up of commercial court at a district level and a commercial division in the High Court to deal with commercial disputes over ` 1 crore. All appeals from their orders would lie with Commercial Appellate Divisions to be set up in all High Courts. The Act expects that cases will be decided in a time bound manner and the arbitration appeals shall be referred to the Commercial Courts. These laws are expected to speed up resolution of commercial disputes. Hopefully, they indeed will.

While the sector has opportunities and the GoI is making attempts to revive it, 2015-16 remained a disappointing year in terms of on-ground development. However, early signals suggest that better is expected in 2016 particularly regarding roads, urban development, inland waterways, power distribution and railways.

HCC: Company Performance

Hindustan Construction Company ('HCC' or 'the Company') is one of India's leading construction companies with a history of almost 90 years. Over this long span, the Company has built strong capabilities and established widespread credentials for successful project delivery across a wide spectrum of sectors within the infrastructure industry. It is this pedigree that has helped the Company reinvent itself to meet the challenges of different times and deliver value to all stake-holders.

The Company's core business is providing **Engineering and Construction (E&C) services** for large projects across sectors like Power (Hydro, Nuclear, Thermal), Transportation (Roads, Bridges, Metros, Ports), Water (Irrigation and Water Supply) and Industrial projects.

In addition, the Company has made certain investments into related businesses through investee companies. This has enhanced its participation across diverse elements of the infrastructure industry value chain. Each of these enterprises addresses different markets, requires diversified skill sets and operates under different risk-return profiles. Today, they are in different stages of their development process.

HCC Infrastructure is the development arm of the Company and focuses on asset creation through Public Private Partnership (PPP), largely in national highways. The value chain includes planning, financing, development, operations and maintenance of national highways.

HCC Real Estate is mainly involved in creation of Lavasa, which is HCC's ambitious foray into pursuing the development of complete integrated townships. It is India's first hill station in the private sector.

HCC had acquired Karl Steiner AG ('Steiner'), the total services contractor which operates out of Switzerland in real estate development. During the last couple of years, this business has actively pursued setting up its footprint in the Indian market with a team that focuses only on Indian operations.

The Company has also extended its information technology (IT) function to form a separate company, Highbar Technologies, which is involved in implementation of SAP for the construction industry.

The consolidated financial performance of HCC reflects the developments in all the investee companies, as well as the core business of engineering and construction. On a consolidated basis, HCC's:

- Turnover is ` 8,768 crore in 2015-16, lower by 15.3% compared to 2014-15.
- Net losses after minority interest increased from ` 159.5 crore in 2014-15 to ` 318.1 crore in 2015-16.

Like most companies in the construction industry in India, over the last few years HCC has had to grapple with slowdown in orders and large cost over-runs in stalled projects, which have not been duly compensated by the clients. Consequently, the debt burden has increased in a manner that is not commensurate with the size of its operations and there has been severe stress in terms of cash flows. To counter this, the Company had realigned its business strategy with emphasis on capital conservation, productivity and increased cash generation. This included renewed focus on core operations, streamlining processes for cost optimisation, and proactively work on recovering uncompensated expenses through established processes.

To help support the revival plan and provide necessary breathing space for the Company in terms of obligatory payments, HCC had availed a Corporate Debt Restructuring (CDR) package with a consortium of its bankers in 2012-13. HCC is amongst the very few companies in CDR from Infrastructure sector who are meeting CDR obligation of interest and debt servicing. During the course of CDR implementation, the banks have been largely supportive and have helped the Company deal with continuing issues prevailing in the industry. Since availing CDR, HCC has clocked an average annual revenue over ` 4,000 crore, secured orders over ` 14,000 crore and completed 17 major projects.

The other aspect of the realigned business strategy focused on generating cash from monetisation of non-core assets. To accomplish this, the Company has sold operating building and some land parcels. However, this has been a more difficult task in the current environment where there are hardly any buyers of infrastructure assets and mainly under development assets. It needs to be recognised that monetisation of large investments — such as the toll-road projects under HCC Infrastructure — will take longer time. In a different vein, the efforts of HCC Infrastructure to effect stake sales have been limited by contractual obligations imposed by the National Highways Authority of India.

Consequently, much of the Company's performance in 2015-16 is reflected in its standalone financial statements, which reflects the results of primarily the engineering and construction business. This financial performance is largely a reflection of HCC's efforts at streamlining operations, optimising efficiencies of on-going projects and a concerted push to pursue pending dues at every level.

The salient points of the performance are:

- The order book as on March 31, 2016 is ` 18,123 crore. The Company also has a record number of L-1 positions in bids aggregating ` 3,701 crore.
- Revenue from operations is ` 4,190.9 crore in 2015-16, lower by 2.6% compared to 2014-15.
- EBITDA is ` 812.4 crore in 2015-16 — an increase of 5% over the previous year. The EBITDA margin increased from 18.7% in 2014-15 to 19.9%.
- While there has been an improvement in EBITDA margins at the project operations level through improved efficiencies and control of fixed costs, some of the margin improvements are attributable to award of claims which were inclusive of interest as well as fixed cost incurred and booked in previous years. These additional margins are evident both in 2014-15 and 2015-16.
- PAT has improved by 4.1% to ` 84.97 crore for 2015-16.

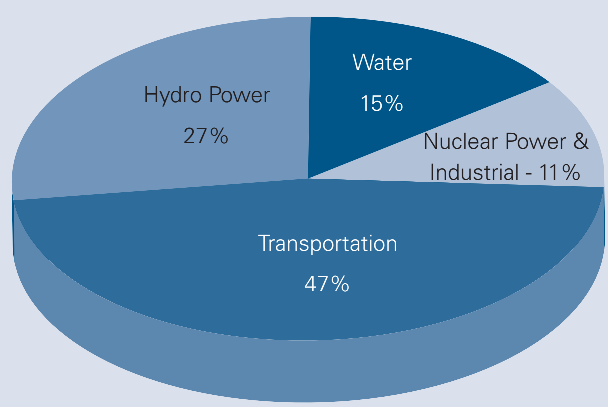
Core Business

Engineering and Construction Division

HCC is aware of the fact that it has to significantly increase its turnover to establish equilibrium with the size of its balance sheet. However, the Company is conscious that the increased turnover must be sufficiently profitable to generate the kind of cash requirements that can service its debt exposure. Consequently, profitable business development has been a thrust area for the Company.

On this front, 2015-16 has been a step in the right direction for HCC. The Company started the year with an order backlog of ` 14,451 crore. The focus on acquiring large orders has helped the Company grow the order backlog by 25% to ` 18,123 crore. Given the market dynamics and HCC's competitive strengths, most of the new projects have been in the roads and nuclear power sectors. The foray into buildings has also started paying dividend. Chart D gives the sector-wise distribution of HCC's order backlog.

Chart D: Sector-wise distribution of Order Backlog



In addition, the Company has around ` 3,701 crore of orders in the L1 position, which are expected to turn into firm orders in 2016-17. Thus, HCC not only has a robust order book across the sectors, but also the average size of its new orders is over ` 700 crore. Such larger order size allows for better project management and the opportunity of generating better margins.

HCC continued with its emphasis on sustained improvements in project execution efficiencies by setting norms and adopting a strict monitoring mechanism for key operational parameters across projects. These have resulted in notable gains in terms of inventory turnover, operating margins, cash collections as well as employee productivity.

Specific thrust areas have been identified for all functional departments to bring about quantum reduction in direct cost of construction. Excellence in Engineering Management and Procurement are areas of prime focus. In Engineering Management, stress is laid on deploying value engineering and innovative construction methodologies in project execution. In Procurement, the Company consciously adopted a strategy of smart subcontracting to improve efficiency of execution. An outsourcing initiative is also reducing demands on capital expenditure on equipment. Besides this, tight control on operating expense and emphasis on equipment productivity is also yielding savings.

In order to concentrate on value generating large projects, focus was laid on expeditious closing out of old projects. Five such projects were closed out in the year. This has helped release both equipment and management bandwidth.

The project management teams, through collaborative engagement with clients, worked on various solutions to ease cash flows of stressed projects and ensure unhindered progress of work.

The Company also used a robust system to manage contractual and commercial risks of large value contracts and took timely actions in protecting its contractual rights and realisation of entitlements.

Management Systems

HCC has an Integrated Management System (IMS) based on standards stipulated by ISO 9001:2008 for Quality; ISO 14001:2004 for Environment; and BS OHSAS18001:2007 for Occupational Health and Safety at the heart of its business practices. The HCC IMS is established with an objective of continual improvement in delivery of E&C services. Over the next three years, the Company will be geared to comply with requirements of the latest ISO certification.

The Company observes a Zero Tolerance Policy against safety violations to establish a safety culture across all levels in the organisation. As a result of the various safety initiatives, sixteen of the Company's projects have clocked more than two million safe man hours of working. Three of these projects have crossed 17 million safe man hours.

Branding

A brand 'is a philosophy of being'. It encapsulates what you deliver and gives you the most crucial marketing weapon — differentiation. Setting yourself apart from competition by communicating why you are different, and why your product or service is unique, offers you sustainable competitive advantage.

HCC continued its brand value enhancement initiatives through a structured programme by various internal and external communications initiatives.

HCC teams have been bearing the brand values — 'Think Big, Obsessed with Details, Passionate Commitment and World Class' — in every task they do each day. Continuous efforts are made at HCC's project sites through brand induction sessions to orient and refresh project brand champions towards standardisation of brand practices.

Key organisational milestones and achievements are communicated through the in-house news magazine and periodic e-newsletters to keep employees informed, engaged and oriented towards the Company's accomplishments.

The Company's website has been completely revamped to make it more user-friendly across multiple devices such as computers, smart phones and tablets. Going one step further, the Company's presence on the social media platform has been enhanced by developing a Facebook page and a YouTube channel of HCC.

HCC enhanced its brand value by achieving many important milestones during the year 2015-16. These include:

- Completion of Roller Compacted Concrete (RCC) dam of Teesta IV Low Dam project.
- Inauguration of South Wharf of the newly developed dry dock at Mumbai Naval Dockyard.
- Foundation stone Laying of Ramban Banihal road project on NH44 in Jammu & Kashmir by Prime Minister Narendra Modi.
- Foundation stone laying ceremony of two road projects in Assam on NH52 and NH37 by Nitin Gadkari, the Union Minister of Road Transport, Highway and Shipping.

- Inauguration of the Parama Island-Park Circus elevated corridor project in Kolkata by Mamata Banerjee, Chief Minister of West Bengal.
- Second twin tunnel breakthrough at DMRC CC34 project.

  A structured communication programme highlighting these achievements has created a connect between HCC and the nation's critical infrastructure projects — centred on the core philosophy of 'Responsible Infrastructure'.

Awards and Recognitions in 2015-16

- 'Infrastructure Company of the Year Award' to HCC by Construction Week for its outstanding contribution in the Infrastructure sector.
- 'Construction Week Award' for HCC's Dagachhu Hydroelectric Power Project in Bhutan under the category 'Water Project of the Year Award'.
- 'QCI D.L. Shah Quality Award' to HCC's Bogibeel Rail-cum-Road Bridge project.
- 'Indian Concrete Institute Award' for HCC's Padur Cavern Project under the category 'Best Concrete Structure of the Year'.
- CIDC Vishwakarma Award 2016 to Dagachhu Hydroelectric Power Project under Power category 'Best Construction Project'.
- CIDC Vishwakarma Award 2016 to Padur Cavern Project under the Infrastructure category 'Best Construction Project'.
- CIDC Vishwakarma Award 2016 to HCC's Water Sustainability initiatives under the category 'Achievement Award for Social Development and Impact'.
- Best CSR practices for Water, at the 'World CSR Day' conference by the World CSR Congress.
- Three Dun & Bradstreet Awards in different categories for 'Pir Panjal Railway Tunnel Project', 'Mughal Road Project' and 'Padur Cavern Project'.

Projects Update

Transportation

Transportation accounted for nearly 60% of the order booking in the year. The major orders secured were:

- Four laning of the Ramban-Banihal section of NH44 in Jammu and Kashmir. This is a ` 1,783 crore contract for NHAI with a construction period of 42 months.
- Imphal-Kangchup-Tamenglong Road for Government of Manipur. This ` 1,114 crore contract will be executed in joint venture with Vensar Constructions Company Ltd. The project is a part of the implementation of the SASEC Regional Connectivity Investment programme and is funded by Asian Development Bank (ADB).
- Single line Broad Gauge Railway Tunnel no.12 in connection with a new railway line project from Jiribum to Tupul in Manipur. This order will be executed in joint venture between HCC and Coastal Projects Ltd.

Work on contracts under execution is progressing well. Notable among them are Bogibeel Rail cum Road Bridge (Assam), the Sone Bridge (Bihar) and three contracts for the Delhi Metro. With land becoming available now, work on road projects secured in 2014-15 is expected to pick up speed in the next financial year.

With the focus of Central and State governments on transportation infrastructure, the Company foresees continued business prospects in this sector.

Power

Hydro Power

Despite an overall slowdown in the order activity in hydro power sector, the Company secured two major orders in the year. These were:

- ` 634 crore contract for Head Race Tunnel for Tapovan Vishnugad Hydroelectric Project for NTPC with a contract period of 34 months.
- Civil and Hydro-mechanical works of Nikachhu Hydropower plant in Bhutan.

In the year, the Company completed the Teesta Low Dam Project for NHPC Ltd. The Project is now commissioned.

Other Hydro Power projects under execution, namely Kishanganga HEP, Vishnugad Pipalkoti HEP, Pare HEP and Punatsangchu I HEP are progressing well. Sainj HEP and Kashang HEP for Himachal Pradesh Power Corporation Ltd are nearing completion.

Nuclear Power

In the year, the Company secured a ` 943 crore contract for construction of Integrated Nuclear Recycle Plant for Bhabha Atomic Research Centre at Tarapur near Mumbai. The project is to be completed in 36 months.

Water Supply and Irrigation

The Water supply pipeline contracts for Yettinahole Project in Karnataka and Bhandup Water Treatment Complex in Mumbai are progressing well. The irrigation contracts for governments of Telangana and Andhra Pradesh have also picked up speed in the year. One of the contracts in Telangana, Devadula Lift Irrigation Phase III Package I was completed in this year.

Marine Works

Work on the reconstruction of Dry Dock & Wharves in Mumbai for Director General Naval Project continues to progress well.

Investee Companies

Infrastructure Division

HCC Infrastructure Company Limited (or 'HCC Infrastructure') is a subsidiary company, which develops large public infrastructure assets through PPP with a focus on transportation, power and water concessions. In its eight year history, it has built a material portfolio of road projects under the NHAI (National Highways Authority of India).

Given HCC's limited access to additional funds, the infrastructure business has curtailed its business development efforts while focusing on execution, claims management and strategic stake sales.

Today, through HCC Infra's material subsidiary – HCC Concessions – the company has ` 4,900 crore of assets under management. This includes 250 km of three contiguous packages of NH34 in West Bengal and the Delhi-Faridabad Elevated Expressway on NH2. The first leg of the NH34 development, Baharampore-Farakka Highways has been operational since May 2014 and Delhi-Faridabad has been operational since December 2010.

The details of the NH34 projects are as follows:

- Package 3 (Baharampore Farakka Highways Ltd): This was operational in May 2014 and witnessed traffic growth of 7% in the last fiscal year compared to flat growth the previous year. The project turnover for the year was ` 112 crore, an increase of 37% compared to the previous year. Within this package, land for the Baharampore bypass was handed over in the second quarter of 2015-16, while the long pending Change of Scope order for a major bridge was approved last year along with other necessary clearances. Execution for the remaining works started post monsoon and final completion will require substantial time due to multiple major structures in the project. Given the delays, there have been cost overruns which are not immediately recoverable from the NHAI. The Company has successfully achieved cost over-run sanctions from the banks during 2015-16 to complete this project while claims are in the process of being realised.
- Package 4 (Farakka Raiganj Highways Ltd): In this project, significant progress was achieved in 2015-16. COD (Commercial Operation Date) is expected to be achieved in the first quarter of 2016-17, while final completion is expected by the end of 2016-17. Here, too, there have been Change of Scope orders and other clearances received in 2015-16. Similar to Package 3, the Company has successfully achieved cost over-run financing from the banks, while third party adjudication is completed in the claims process.
- Package 5 (Raiganj Dalkhola Highways Ltd): After a delay of nearly six years, the NHAI managed to complete significant land acquisition by mid 2015-16 and work on this project commenced in the last quarter after infusing balance equity. Cost overrun sanctions (in the absence of immediate claim settlement) are under process of being worked out with the consortium of banks.

As is evident from the status of the projects, there have been delays due to external factors leading to cost overruns. HCC Infra has initiated all necessary processes to recover its legal dues from the NHAI on this count, and the claims management process is being executed in a structured way. The project companies of the three packages have filed a total claim of ` 1,528 crore as damages. Of these, the arbitration proceedings have started for the Baharampore-Farakka and Farakka-Raiganj projects.

The infrastructure division successfully monetised two of the earlier projects that had completed the final leg of its development lifecycle. This included the Dhule-Palesner Highway (NH3) where HCC Concessions closed sale of its 60% stake to Sadbhav Group for ` 204 crore in October 2015; and the Nirmal Annuity Project, where stake was sold to Highway Concession One, an IDFC managed entity, in December 2015 for ` 64 crore. The proceeds from these stake sales have primarily been used to repay debt and contribute to equity for project SPVs.

Strategic deliberations are on to monetise the NH34 assets in a gradual manner. However, there are NHAI contractual obligations that require 51% stake to be withheld for a period of 2 years post COD, which has postponed a 100% monetisation effort in these projects.

The NHAI has devised a new hybrid annuity method of developing road projects. This methodology has lower risks than the earlier adopted PPP toll road projects. HCC Infra will continue to try and participate in these projects, potentially with strategic partners, where it has an edge in terms of construction expertise of the parent company.

Lavasa

In many ways, Lavasa is a trend setter. It is the first privately developed hill city in the country. Many of the aspects introduced in the GoI's new smart city concept were already an integral part of Lavasa's development. It is important to recognise that the project has been developed from scratch and involves the transformation of uninhabited land into a complete city. Such development is well beyond the realm of pure real estate development. In fact, the actual evolution of Lavasa involved land development, infrastructure creation, water management and the institutionalisation of complete urban management services. This is in addition to all the construction work for buildings related to housing, hospitality and education.

While over the course of its development, the project has faced several obstacles primarily due to environment related concerns and subsequently due to financial constraints, it is a fact that the city has emerged as a hub for tourism. In 2015-16, the number of tourists visiting Lavasa crossed the million mark with 1.07 million people visiting the city. Hotel occupancy rates of existing properties were over 60%.

The creation of a complete city takes time and there is no exception for Lavasa. In this light, the challenge for HCC and Lavasa is to be able to create enough value propositions to attract investments and maintain sufficient financial support to keep the development work on course, even though the speed of progress may be on the slower side. Given the enormity of task at hand, it is imperative that the development strategy undergoes periodic realignment to meet the challenges of a given phase of development and changing times.

In essence, Lavasa is undergoing such a strategic realignment today and pursuing a capital light development model. In terms of mid-term strategy, the focus is on continuing to develop Dasve, the first town, around the theme of tourism and events around the convention centre, and the second town, Mugaon, around the theme of education, health and wellness and a theme park. While much of 2015-16 was about overcoming challenges of cash flow constraints, there were clear steps in consolidating the position of this enterprise in terms of the directional development of the two towns.

In 2015-16, Lavasa gave possession to around 1,200 residential units in Dasve. The institutional sales team is on the anvil of closing transactions which would herald the entry of reputed corporations into Lavasa city. One such deal is with 'All that Jazz', a leading retailer who will bring reputed retail brands to make Lavasa an ideal shopping destination. This deal will boost retail businesses at Lavasa and make the promenade area more vibrant.

In the hospitality space, the Accor group is successfully running its operation with two of its brands — the Mercure Lavasa and the 1500 plenary capacity Lavasa International Convention Centre (LICC). Work on Novotel, one of Accor group's popular brands, got delayed and is now scheduled to open its first phase with 129 rooms in April 2017. Holiday Inn Express, a budget hotel with a capacity of 120 rooms also got delayed and is expected to be operational from December 2017. Ekaant is in process of finalising the concept for the development of a boutique hotel with 40 rooms in 2018. Projects with renowned hospitality players like Ibis Plus, Holiday Inn, Langham and Eaton amongst others are slated to follow within the next three years.

On education, DHIL is likely to start its 8^{th} batch by July 2016. Its current strength of students is 106. Christ College's first batch has graduated with 90 students entering into their final year. Knowledge Vistas Limited (KVL) is likely to start their K-12 school from academic year 2017-18, while Abhinav Shiksha Sansthan, New Delhi, will start from the academic year 2018-19 with its school built across an area of 62,500 sq. ft. Other educational partners like Symbiosis Institute (Pune) will start construction of their school in 2016-2017.

The Company had 10,574 acres of land including 455 acres of land on lease by the end of 2014-15. This has reduced to 10,515 acres as 59 acres of land in Mugaon were restored to tribals by the SDO, Maval, during 2015-16.

The Environment Management Plan is being implemented regularly as per the Environment Impact Assessment (EIA) Report submitted to Ministry of Environment, Forests & Climate Change (MoEF&CC), New Delhi. Continuous monitoring of environmental aspects such as air quality, water quality, noise quality and soil quality are being carried out as per MoEF guidelines and have been observed to be within the stipulated limits. In line with the environment clearance requirement, an Environmental Compliance Report is being submitted to MoEF once in six months; the last report (the sixth) was submitted in December 2015. A yearly environment statement, a requirement as per the consent document of Maharashtra Pollution Control Board (MPCB), is being submitted in the month of September each year, with the last report being presented on September 30, 2015.

Commercial Real Estate

The status of the projects developed/under development of HCC Real Estate ('HREL') is reported below:

- ### Vikhroli Corporate Park Phase II

  After the successful completion of 247Park, HREL has initiated the development of commercial office building with approximately 400,000 square feet of saleable area and around 800,000 square feet construction area. The project is based on the 'Public-Parking Policy' finalised by Municipal Corporation of Greater Mumbai (MCGM) for which HREL has received initial approval.

  Subsequently the architects, structural engineers and traffic consultants have prepared the reports for submission to the Parking Committee constituted by MCGM which has approved the location and detailed building drawings of the scheme. The Commissioner of MCGM has also approved the scheme, as has the state government.

  The project team has conducted the pre-qualification exercise for the civil and other contractors for the construction. HREL envisages commencement of the construction of the project by 2016. Its marketing and sales department has submitted Request for Proposals (RFP) for built-to-suit (BTS) commercial office space requirements and is hopeful of receiving good response riding on the success of 247Park Phase I.

  As the Development Plan of Mumbai is being revised by MCGM, the actual plan can only be finalised once the Development Plan is frozen.

Panchkutir Developers Limited

This subsidiary of HCC has planned to develop the residential project in Vikhroli (East) as well as in Powai. HREL being a Real Estate Company within the group has taken up this project as PMC contractor.

- ### Development of Vikhroli (E) land parcel: Urban Redevelopment (Slum Rehabilitation)

  The Company owns 14.8 acres of land and has acquired another 17.2 acres of land at Hariyali Village, Vikhroli for an integrated real estate development in phases. The entire 32 acres of land is presently occupied by slum dwellers.

  Under the Slum Rehabilitation Act, 1973, rehabilitation projects on both private and government land that include new housing for slum dwellers under a Government plan administered by the Slum Rehabilitation Authority ('SRA') are permitted. For each slum rehabilitation project administered by the SRA, the developer, before proceeding, must obtain the consent of at least 70% of the affected eligible slum dwellers, must provide transit housing for the affected eligible slum dwellers during the rehabilitation process and must provide them, in the rehabilitated project, new permanent apartments of 269 sq. ft. for each such dwelling unit that meet specific government standards, along with a small maintenance fund. In exchange for rehabilitating a slum area on government land and re-housing its former inhabitants, the developer is granted by the SRA the rights to develop an FSI equal to or greater than the FSI consumed for rehabilitation housing built for the slum dwellers.

  Out of the total land holding of around 32 acres by by Panchkutir Developers Ltd. in Vikhroli (E), the survey of tenements on Phase-I of 14.8 acres of land to ascertain the development potential of the free sale component is completed. Out of the 1,960 slum residents, consent of about 1,400 residents representing more than 70% has already been obtained and the process for forming the society is in progress. Proposal has been submitted to SRA for Phase-I comprising of 750 tenants of 4 Societies.

  Slum declaration of Phase-I land was challenged and the same has been dismissed by the Special Slum Tribunal. Subsequently, the litigant filed Writ Petition challenging the above said Order of the Slum Tribunal in High Court. High Court interalia asked tribunal for actual verification of slum. But the litigant filed an appeal challenging the above said Order of the Single Judge of High Court before the Divisional Bench. The Company plans to seek relevant sanctions under the SRA prior to commencing construction.

- ### Development of Powai land: Urban Redevelopment (Slum Rehabilitation)

  An MoU, Development Agreement and Power of Attorney were executed by the land owner in favour of the SPV, Panchkutir Developers Limited for 12 acres of land. Due to non-performance by the owner of various obligations under the MoU and the Development Agreement, the Company had to invoke Arbitration proceedings. During the proceedings, the owner submitted a proposal to settle the matter by making a lump-sum payment, which was accepted by the Company.

Accordingly, consent terms were executed on 16th November 2015 and the Arbitrator has passed an award on 15th December 2015. The Company has received full payment by banker's cheque and has executed the cancellation deeds of the earlier MoU.

Township Projects

HREL holds certain land parcels in Thane as well as Pune through its 100% subsidiaries.

- **Thane Township**

  HRL (Thane) Real Estate Limited, a subsidiary of HREL, initiated the acquisition of 183 acres of land at Ghodbunder Road, Thane for Integrated Township Development. Till date, the Development Agreement and Power of Attorney for 32 acres have been executed in favour of the Company. But due to inability of the agglomerator, the Company was not able to achieve its land acquisition target. It has filed criminal case against the agglomerator and eight others. Police enquiry is in process. The Company continued its activity of securing its position for land title and other documentation.

- **Pune (Maan) Township**

  Approximately 28 acres of land have been purchased by Maan Township Developers Limited, a subsidiary of HREL, and the Development Agreement and Power of Attorney have been executed in favour of the Company. During the course of the year, the Company decided to sell the land in piece and parcels. An MoU has been signed with a real estate Company for sale of five acres of land, and has executed sale deeds for four acres.

- **New Real Estate Projects under bidding**

  Company has procured the bidding documents for re-development of various project in and around Mumbai.

Charosa Wineries Limited

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

Charosa has started manufacturing and selling premium wines in Indian markets. It commenced operations from October 2013, and has wide presence in western and southern India. With a winery capacity of 0.5 million litres, Charosa has established itself as a premium wine maker in India.

Steiner AG ('Steiner')

2015 marked the centenary year for Steiner AG, one of the leading project developers, total and general contractors (TC/GC) in Switzerland. It offers comprehensive services in the fields of new constructions, refurbishment and real estate Development. It has constructed more than 1,200 residential projects, 540 commercial properties, 45 hotels and 150 infrastructure facilities such as universities, schools, hospitals, prisons and retirement homes. Today, it is a 100% subsidiary of HCC. Steiner AG's technical skills are being used to leverage opportunities in the Indian market through its 100% subsidiary Steiner India, which is executing construction work at Lavasa and third party building projects in Mumbai and Pune.

During 2015-16, the Steiner Group further optimised its business processes and increased its customer focus to strengthen its market position and drive profitable growth in the long term. The group achieved consolidated sales of CHF 649.7 million (previous year: CHF 854.1 million) based on Swiss GAAP ARR accounting standards in a highly competitive market environment. As pr IGAAP, the group achieved consolidated sales of CHF 636.8 million (previous year:CHF 854.0 million), having operating profit of CHF 1.1 million. The main reasons for a drop in the top-line were time-related effects in processing the order backlog and the postponement of a few major projects due to external influences.

Despite lower sales and one-time costs at the group level for an SAP roll-out and specific process optimisations along the value chain, Steiner achieved an operating profit (before depreciation) of CHF 7.1 million. It has a solid balance sheet and its cash position amounted to CHF 85.4 million as at March 31, 2016. At the group level, order backlog stood at CHF 1,319 million at the end of the financial year, exceeding the previous year's figure of CHF 1,120 million by almost 80%. At the end of 2015-16, Steiner also secured additional projects worth CHF 703.0 million where the contracts are in the process of getting signed.

Highlights of Steiner AG's operations during 2015-16 include:

- Housing development for Parallèle I and II in Le Mont-sur-Lausanne is progressing well. The foundation stone for the second phase was laid in October 2015.
- Grand opening of Mehr als Wohnen Zurich, a new city district and at the same time an urban landmark project with a high international resonance consisting of 13 buildings with 370 apartments for about 1,500 people of all generations.

- Laying of the foundation stone of the Vitis residential complex in Boudry, a Steiner development project comprising 48 owner-occupied apartments, took place in February 2016.
- SkyKey, a landmark project in Zurich North, received the prestigious LEED Platinum award in February 2016, ranking it 23rd out of 5,003 certifications worldwide.
- The 220 apartments of Maaghof is located in one of the most dynamic districts of Zurich. It was handed over to the client in April 2015.
- The International Labour Office (ILO) awarded Steiner a major contract for the complex refurbishment of its headquarters building, close to the United Nations Office in Geneva. The main building houses most of the organisation's 1,400 employees in its 11 office storeys.

  Steiner India has been undertaking construction work at Lavasa with a focused objective to improve quality of construction to enhance the brand value of the township project as the best-in-league quality real estate development. For this, there has been concerted work on improving construction techniques, establish stringent quality controls and development of standard operating processes.

  In addition, Steiner India celebrated the topping out of the first residential tower at the prestigious Aether construction project in Mumbai in March 2016. This ` 48 crore project is the tallest in Steiner's history so far. It is also the first turnkey project where Steiner is the complete general contractor. The Company is strategically making inroads into the high quality building segment in India by leveraging its technical know-how and customising it for the cost conscious Indian market.

  The building at Ipenama project in Mumbai with the revised design is expected to touch 52 floors including podium levels. This project is expected to be delivered over next 18 months and would become the tallest residential building in Steiner's history.

Highbar Technologies ('Highbar')

Highbar Technologies is positioned as an end-to-end IT solution provider for the infrastructure industry. It has a portfolio of services dealing in enterprise business solutions, line of business IT solutions and process consulting, which is aimed at increasing efficiencies of organisations from the infrastructure industry. The Company's competitive edge emanates from its IT expertise backed by industry domain knowledge and strategic alliances. This has made Highbar Technologies a preferred partner for IT initiatives in the infrastructure industry. Importantly, Highbar focuses on IT initiatives from a business transformation perspective rather than a pure technology based implementation.

In 2015-16, which was the sixth year of operations, Highbar's total list of customers serviced has crossed beyond 100. It is noteworthy that much of this has been achieved when Highbar's primary customer segment — the infrastructure industry — is dealing with significant slowdown and cuts in discretionary spends like IT.

Today, Highbar has extended its SAP related services and IT infrastructure services beyond infrastructure to multiple sectors like manufacturing, BPO, agro-chemicals, real estate, retail, telecom, consumer products, PEB (pre-engineered buildings) and iron and steel. It has developed capabilities to concurrently execute large projects. Highbar has already started expanding its reach in the government sector by exploring opportunities with a dedicated team working on it. An achievement on this front in 2015-16, was to transform a government customer into a paperless organisation.

In 2015-16, Highbar has been honoured with two prominent industry recognitions. First, is the SAP Partner Awards in the category of 'Best Pre-Sales Customer Engagements' for effectively engaging customers through appropriate solutions across industries. Second, is the Channel World Premier 100 Award, which is given to the IT players for being agile and adapting rapidly to the changing technology and business landscape. Highbar has been recognised as one of the 100 agile IT players — second time that it has received this award.

Highbar has grown its IT capabilities and the expertise in various areas including ERP (Enterprise Resource Planning), Business Intelligence and dashboards, cloud offerings through Highbar CloudConnect, Employee Portals, CRM (Customer Relationship Management), DMS (Document Management System), BPC (Business Planning & Consolidation), Treasury Management, FLM (File Lifecycle Management). It has also ventured into new areas like SAP HANA, S/4 HANA, Simple Finance, SAP Fiori, Screen Persona, Mobility Solutions and e-procurement. The business is now well established and ready to expand in multiple industries and geographies like India, Middle East, Europe and Africa. Highbar's first customer in Switzerland has already gone live on SAP system.

Services provided by Highbar have gone beyond SAP into process consulting and IT infrastructure support such as data-centre and networking. Solutions like Highbar RapidStart and Highbar RapidStart Analytics are based on templated approach to ERP and Business Intelligence respectively, and are intellectual properties (IP) assets of Highbar. The Company remains a preferred partner for SAP implementation; eleven of Highbar's implementations have now become global case studies, published on SAP's website as reference cases.

Highbar continues to support the HCC group companies across the IT value chain. HCC's SAP Customer Centre of Expertise (CCOE) was certified by SAP this year and benchmarked among the top 1% out of 2,93,000 SAP customers globally. With a view to be at the forefront of IT, entire SAP systems at HCC like ERP, CRM and DMS were upgraded to the latest versions, thereby ensuring SAP support for at least the next 10 years, along with access to new business functionalities which were hitherto not available. The underlying hardware, operating systems and databases were also upgraded and are now scalable for SAP usage at much higher levels and at better speeds. The drive undertaken for last few years to harness IT for bringing about operational efficiency and cost controls continues with the same vigour through more business process automations, process refinements and tighter controls supported by intelligent reporting and alert mechanisms.

Human Resources (HR)

During 2015-16, with a couple of new projects getting awarded to HCC, some projects moving into the mobilisation phase and few nearing completion of execution, the focus of HR was primarily on external hiring, timely resource mobilisation, resource redeployment, training and up-skilling at various levels. However, the objective of furthering operational efficiencies remained a common thread through these activities.

New talent was inducted into the organisation to fill leadership gaps at the middle to senior level within the organisation. For certain critical functions, external hiring was done at junior levels and through rigorous training at a professional institution, such hires were made organisation ready for taking up various positions at the site execution level.

As at the end of the year, the number of Engineers/Officers employed by the Company was 1673.

Since 2015-16 was a year of consolidation, the remuneration and benefits mostly remained unaltered. However, ground work started on rationalising the compensation structure to make it more employee friendly and with a plan to implement the same in coming financial year. The employee performance assessment process was initiated during the last quarter of the year.

Other than new employee induction and training, existing employees' training mainly focused on functional, technical and behavioural areas. Safety related training also remained as one of the primary focus areas. In the area of Project Management, self and immediate superior's assessments were completed with an objective to roll out appropriate training programmes for the next financial year with special focus on project risk assessment and mitigation.

Financial Review

Table 1 gives the Abridged Profit and Loss for HCC, as a Standalone Company, while **Table 2** lists the Key Financial ratios.

Table 1: Abridged Profit and Loss account of HCC

(` crore)

	2015-16	2014-15
Total Income from Operations	**4190.9**	**4301.14**
Less: Company's share of Turnover from Integrated JVs	124.82	174.44
Income from Operations excluding Integrated JVs	4066.08	4126.7
Company's share of Profit/Loss from Integrated JVs	(13.66)	8.1
Total Income from Operations (excluding Integrated JVs)	4052.42	4134.8
Operating Expenses	**3253.68**	**3353.37**
EBITDA	**812.40**	**773.33**
Depreciation	135.85	150.3
Other Income	187.76	134.87
Foreign Exchange Gain/(Loss)	(1.22)	12.45
EBIT	**849.43**	**778.45**
Interest	689.88	651.13
Exceptional Items	(26.48)	-
PBT	**133.07**	**127.32**
Tax	48.10	45.67
PAT	**84.97**	**81.65**

Table 2: Key Financial Ratios

	2015-16	2014-15
EBITDA/Total Income from Operation*	19.9%	18.7%
EBIT**/Total Income from Operation	20.9%	18.8%
PBT/Total Income from Operation	3.3%	3.1%
PAT/Total Income from Operation	2.1%	1.9%
ROCE=EBIT/Capital Employed (Total Assets-Current Liabilities)	12.5%	12.5%
RONW=PAT/Net Worth	4.6%	5.9%

*excluding share of Income from Integrated JVs.

** before Exceptional Items

Internal Controls and their Adequacy

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

Cautionary Statement

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

Corporate Social Responsibility (CSR): Responsible Infrastructure

At HCC, CSR has evolved from being passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. Such initiatives are an integral part of business ethos and goes well beyond regulatory compulsions.

Having said so, as per Section 135 of the Companies Act 2013, HCC has formalised a CSR policy keeping Schedule VII in mind. Based on the previously done CSR work, the Company has defined five main heads of interventions namely Health, Education, Environment, Rural Development and Disaster Management. The IMS procedure has been made for effective implementation of the CSR policy.

Some case examples of site specific CSR initiatives are given below.

- Construction Skill Development Council Of India: To promote the smooth functioning of the institute, the salary of the COO of CSDC is borne by HCC.
- Teesta Low Dam IV HEP, West Bengal: The Company has provided teachers' salary at Kalijhora Village Primary School. More than 50 children have benefited by this initiative.
- NH 34 Package 4, West Bengal: The Tribal community at Fatehpur village, Sidhpahari of Jharkhand, were distributed 39 blankets during the winter.
- Kashang HEP, Himachal Pradesh: To support skills of the tribal youth, the Company organised sports activity through the Rockland Club of Kinnaur district of Himachal Pradesh. A cricket tournament for tribals involving 20 clubs was organised. Support was extended to the Kinnaur Mahotsav for the development of agriculture and empowerment of the local community.
- RAPP, Rajasthan: A blood donation camp was organised at the HCC Colony at Tamalav, where 55 HCC employees donated blood. The event was organised with the support of Kota Blood Bank, Kota, Rajasthan.
- Sainj HEP, Himachal Pradesh: For the last five years, HCC has financed paying the salary of teachers of the school that covers the villages of Gadapalli and Senser. The school facilitates about 200 students who come from surrounding valley. Support was provided to the Senser Gram Panchayat for construction of a stadium at the school to facilitate sports among the students and children in the community.
- Kishanganga HEP, Jammu & Kashmir: To support the top 10 students of the 10th class, cash assistance was provided to students of GHSS Bandipora for excellent performance.

Disaster relief and response

HCC is a founding member of the World Economic Forum's Disaster Resource Network. This initiative in India focuses on training and building capacity to respond to emergency situations and support disaster relief operations. The Company has provided timely interventions in a number of rescue and relief operations within India and internationally, such as the 2004 Indian Ocean tsunami, the 2005 Jammu and Kashmir earthquakes, the 2005 Mumbai floods, the 2007 Bangladesh cyclone, the 2010 Leh flash floods and the 2011 Sikkim earthquake.

In 2013, HCC undertook rescue and relief operations for the Uttarakhand cloudburst and flash floods. It worked closely with the Indian army to clear the debris that accumulated on the roads due to landslides, and used the project site at Tehri as a base camp for the rescued refugees and the army's relief operations. The Company provided refugees with food, water, sanitation, shelter and medical facilities at its relief camp at Tehri.

At the Indira Gandhi Centre for Atomic Research, Kalpakkam, support was provided during floods in December 2015 to the community of Sadras village. Food supply and required material were distributed to about 250 affected villagers.

HCC is also a private sector advisory member of the United Nation's International Strategy for Disaster Reduction.

HIV/AIDS education and awareness

In recognition of the serious impact of HIV/AIDS on migrant workers, HCC formed an HIV/AIDS workplace policy and adopted an intervention programme that focuses on educating and raising HIV/AIDS awareness amongst migrant workers that forms the core of the workforce at the Company's projects. The policy was implemented in collaboration with the International Labour Organisation. The Company observes World AIDS Day every year on 1st December. Events are conducted with strong employee participation, and these involve rallies, pinning of red ribbons, awareness and lectures. Posters and material given by NACO/ ILO and the state-level AIDS control societies are prominently displayed.

Water conservation and management

The Company is committed to monitor and conserve the amount of water used across its construction project sites. HCC, the first Indian Company to endorse United Nations Global Compact's 'The CEO Water Mandate' and an industry partner of the World Economic Forum (WEF), makes it a point to embed the principles of water resources management in all its activities. As a responsible corporate citizen, it has focused on sharing best practices of water stewardship. In doing so, it has adopted various methodologies at the sites to reduce the fresh water consumption. For example, HCC installed waste-water treatment plants at various projects such as the Padur and Visakhapatnam Cavern projects and in the Kishanganga Hydro Electric Power project, which helped to reduce fresh water consumption at those sites by recycling of treated waste-water. HCC also commissioned a decentralised waste water treatment system at the Bogibeel road and bridge project site to treat and reuse the sewage water from toilet blocks. The Company is also engaged in national and international forum, such as the World Economic Forum, The Energy and Resources Institute, the World Business Council for Sustainable Development, the Alliance for Water Stewardship, CDP (formerly the Carbon Disclosure Project) and the Federation of Indian Chambers of Commerce and Industry.

Rejuvenation of Diversion Based Irrigation System on river Mhalungi at Sinnar (District Nasik, Maharashtra), conserved more water than it consumed at nearby HCC Sites, thus becoming water positive.

Sustainability Reporting

HCC believes in environmental transparency and disclosing the economic, environmental and social impacts of its activities through sustainability reports. It has published six sustainability reports, each of which have been accredited by the Global Reporting Initiative guidelines with an A+ grade. It is now working on the seventh report. The Company engages a third-party assurance provider to review the contents and accuracy of its sustainability reporting.

One of HCC's overarching sustainability priorities is to design and build infrastructure in an environmentally responsible manner. Its Integrated Management System reflects the commitment to improving environmental, safety and quality performance in ways that go beyond regulatory compliance. The Company is also conscious of material consumption and water footprint and encourages the adoption of energy efficient practices.

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

Report on Corporate Governance

Responsible infrastructure development with sustainable business practices forms the core of HCC's business strategy. The efforts are always focused on long term value creation. Inherent to such an objective is to continuously engage and deliver value to all its stakeholders including shareholders, customers, partners, employees and the society at large. This is supported by a business ethos that focuses on being a responsible corporate citizen driven by a strong sense of ethics, fairness and integrity in all dealings.

The Company's corporate governance structure plays a pivotal role in realizing this long term goal. It provides the fundamental systems, processes and principles that promote objective decision making, performance based management and a corporate culture that is characterized by integrity and fairness in all dealings. Critical to this, is the high degree of transparency in disclosures across all levels of stakeholder engagement, which are periodically done while maintaining the importance of reserving competitive information from being disseminated.

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

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

This Chapter reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) as given below:

I) Board of Directors

a) Composition of the Board

The Board of Directors has an ideal combination of executive and non executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

Composition of the Board as on March 31, 2016

Category	No. of Directors
Chairman and Managing Director (Promoter Director)	1
Whole Time Directors including a Woman Director who is a Promoter Director	2
Nominee Director	1
Independent Directors	5

The Chairman of the Board of Directors is an Executive Director. The composition of the Board of Directors is in conformity with the Regulation 17 of the SEBI Listing Regulations.

The Board of Directors of the Company at its meeting held on May 2, 2016 has appointed Mr. Rajgopal Nogja as the Group Chief Executive Officer (Group CEO) of the Company w.e.f. May 3, 2016.

Pursuant to his appointment, Mr. Nogja has stepped down from the Board as Group COO & Whole-time Director w.e.f. May 2, 2016.

The Board of Directors at its Board Meeting held on May 2, 2016, appointed Mr. N. R. Acharyulu (DIN: 02010249) as an Additional Director on the Board of the Company in the category of Non-Executive Director with immediate effect, who is liable to retire by rotation in accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

Save and except Ms. Shalaka Gulabchand Dhawan, who is the daughter of Mr. Ajit Gulabchand, Chairman and Managing Director of the Company, the other Directors of the Company are not related to each other.

b) Number of Board Meetings

The Board of Directors met four times during the financial year 2015-16. The meetings were held on April 30, 2015, July 30, 2015, October 29, 2015 and January 28, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

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

As mandated by SEBI Listing Regulations none of the Directors on the Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/she is a Director.

Further, none of the Directors of the Company serves as an Independent Director in more than seven listed companies.

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

d) Information to the Board

A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions.

Table 1: Details of the Directors as on March 31, 2016

Name of the Director	Category	Number of Board meetings held during Financial Year 2015-16	Number of Board meetings attended during Financial Year 2015-16	Whether attended last AGM	Number of Directorships of other public companies*	Committee Positions#		Whether having any pecuniary or business relation with the Company.
						Chairman	Member	
Ajit Gulabchand	Promoter, Chairman and Managing Director	4	4	Yes	8	1	2	None
Rajas R. Doshi	Independent Director	4	4	Yes	6	2	5	None
Ram P. Gandhi	Independent Director	4	4	Yes	5	1	-	None
Sharad M. Kulkarni	Independent Director	4	4	Yes	5	3	3	None
Anil C. Singhvi	Independent Director	4	4	Yes	6	3	1	None
Rajgopal Nogja^	Group Chief Operating Officer and Whole-time Director	4	4	Yes	6	-	2	None
Harsha Bangari	Non-Executive Director	4	3	Yes	-	-	-	Nominee of Exim Bank
Shalaka Gulabchand Dhawan	Whole-time Director	4	4	Yes	6	-	4	Daughter of Mr. Ajit Gulabchand, CMD & Promoter
Omkar Goswami	Independent Director	4	3	No	9	1	7	None

* Excludes private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

\# Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in other public companies has been considered.

^ Mr. Rajgopal Nogja stepped down as Group COO and Whole-time Director of the Company w.e.f May 2, 2016 and he was appointed as Group CEO w.e.f. from May 3, 2016.

$ Mr. N. R. Acharyulu was appointed as Additional Director(Non-Executive Director) w.e.f May 2, 2016.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non compliances, if any. Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies and a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Companies are placed before the Board.

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

The Chairman & Managing Director and the Whole time Director (s) receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees.

f) Remuneration to Directors

Remuneration was paid to Mr. Rajgopal Nogja, Group Chief Operating Officer & Whole-time Director and Ms. Shalaka Gulabchand Dhawan as Whole-time Director pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and the Members of the Company.

The Company has made an application seeking approval from Ministry of Corporate Affairs for payment of managerial remuneration of ` 10,65,60,000 to Mr. Ajit Gulabchand, Chairman and Managing Director for the financial year 2014-15 which is in excess of the limits specified under the Companies Act, 2013 and the same is awaited.

The below mentioned **Table 2** gives the details of remuneration paid / payable to Directors for the year ended March 31, 2016 along with the details of outstanding Stock Options granted to them. The Company did not advance loans to any of its Directors during the financial year 2015-16.

Table 2: Remuneration paid / payable to Directors during the financial year ended March 31, 2016

Name of the Director	Salaries, perquisites & Allowances+	Commission	Sitting fees*	Total (`)	No. of outstanding stock options$
Ajit Gulabchand** (Chairman & Managing Director)	10,65,60,000	-	-	10,65,60,000	-
Rajas R. Doshi	-	-	16,00,000	16,00,000	20,580
Ram P. Gandhi	-	-	7,00,000	7,00,000	20,580
D. M. Popat***	-	-	-	-	-
Sharad M. Kulkarni	-	-	11,00,000	11,00,000	20,580
Anil C. Singhvi	-	-	20,00,000	20,00,000	20,580
Harsha Bangari^	-	-	3,00,000	3,00,000	-
Omkar Goswami	-	-	3,00,000	3,00,000	-
Rajgopal Nogja (Group Chief Operating Officer & Whole-time Director)	5,43,01,066	-	-	5,43,01,066	1,02,960
Shalaka Gulabchand Dhawan (Whole-time Director)	1,11,10,566	-	-	1,11,10,566	-
Total	**17,19,71,632**	-	**60,00,000**	**17,79,71,632**	**1,85,280**

** The Company has made an application seeking approval from the Ministry of Corporate Affairs for payment of managerial remuneration of ` 10,65,60,000 which is in excess of the limits specified under the Companies Act, 2013, for the financial year ended March 31, 2016 and the same is awaited.

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

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

$ As on March 31, 2016, 1,85,280 Stock Options, in aggregate are outstanding to the account of the Directors, which can be exercised at an exercise price of ` 52.03 per Stock Option as per the exercise schedule.

^ In case of Ms. Harsha Bangari, Nominee Director the sitting fees for attending Board Meetings are paid by the Company to Exim Bank.

*** Mr. D. M. Popat, Director of the Company, who was liable to retire by rotation at the 89th Annual General Meeting of the Company held last year had expressed his intention not to seek re-election as a Director of the Company and accordingly had retired from his directorship on July 14, 2015. Mr. D. M. Popat, ex-Director passed away on December 23, 2015. The Board of Directors has expressed its deep regret and offered condolences on the sad demise of Mr. Popat.

Note: The service contract details and the notice period has been mentioned in the agreement entered with the Chairman and Managing Director and Whole-time Directors.

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

The details of outstanding stock options held by Non-Executive Directors have been disclosed in Table 2 and the details of the Equity Shares held by the Non-Executive Directors as on March 31, 2016 is given in **Table 3** below.

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2016

Name of the Director	Number of Equity Shares
Rajas R. Doshi	32,000
Ram P. Gandhi	48,000
Sharad M. Kulkarni	20,000
Anil C. Singhvi	Nil
Harsha Bangari	Nil
Omkar Goswami	Nil

h) Code of Conduct

The Board of Directors has laid down two separate Codes of Conduct ('Code(s)'), one for the Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities and the other for Executive Directors and designated persons in the Senior Management. These Codes have been posted on the Company's website – www.hccindia.com. The Codes lay down the standard of conduct which is expected to be followed by the Directors and by the designated persons in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2016. A declaration to this effect signed by Mr. Ajit Gulabchand, Chairman & Managing Director is annexed to this Report.

i) Familiarisation Programmes for Board Members

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

In the Business Strategy Meeting held by the Company during April 2015 which lasted for a duration of 2.5 hours, the Independent Directors were familiarized with the strategy, operations, performance and the budget process of the Company for the financial year 2015-16.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2015-16, the Independent Directors have been updated on the developments in the Company and the Company's performance.

The details of the familiarisation program for Independent Directors are available on the Company's website at http://www.hccindia.com/pdf/familiarisation_program_for_independent_directors.pdf

(j) Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits prescribed by the Central Government. The Company pays a sitting fee of ` 1,00,000 to each NED for their attendance at every Board meeting or Board constituted Committee Meeting. In respect of Ms. Harsha Bangari, Nominee Director of Exim Bank the sitting fees are paid to Exim Bank.

The detailed Remuneration Policy of the Company has been provided in the Board's Report which forms part of the Annual Report.

k) Performance Evaluation and Independent Directors Meeting

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

II) Board Committees

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

a) Audit Committee

As on March 31, 2016, the Audit Committee comprises three Independent Directors. viz Mr. Sharad M. Kulkarni - (Chairman), Mr. Rajas R. Doshi and Mr. Anil C. Singhvi. All Members of the Audit Committee possess accounting and financial management knowledge.

The Senior Management team i.e. Chairman and Managing Director, Group Chief Operating Officer & Whole-time Directors, President & CEO - E&C, Group Chief Financial Officer, CFO (E&C) and VP (Group Taxation) the Chief Internal Auditor and the representative of the Statutory Auditors are invited for the meetings of the Audit Committee. Mr. Sangameshwar Iyer, Company Secretary is the Secretary to this Committee.

The Audit Committee met four times during the year, i.e. on April 30, 2015, July 30, 2015, October 29, 2015 and January 28, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table 4.

Table 4: Details of the Audit Committee

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (`)
Sharad M. Kulkarni	Independent Director	Chairman	4	4	4,00,000
Rajas R. Doshi	Independent Director	Member	4	4	4,00,000
Anil C. Singhvi	Independent Director	Member	4	4	4,00,000

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on July 14, 2015 to answer the members' queries.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub- section 3 of Section 134 of the Companies Act, 2013.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by the management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions.
    - Modified opinion(s) in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit

department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism;
- Approval of appointment of CFO (i.e. the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.

Review of Information by Audit Committee:

Besides the above, the role of the Audit Committee includes mandatory review of the following information:

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

  Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(i) of the SEBI Listing Regulations.

  Annual statement of funds utilized for purposes of the than those stated in the offer document/prospectus/ notice in terms of Regulation 32(vii) of the SEBI Listing Regulations.

b) Nomination and Remuneration Committee

As of March 31, 2016, this Committee comprised three Independent Directors viz. Mr. Anil Singhvi – (Chairman), Mr. Rajas R. Doshi, Dr. Omkar Goswami (Appointed as a member w.e.f July 30, 2015) and Mr. Ajit Gulabchand, Chairman and Managing Director of the Company as a Member of this Committee.

The Group EVP- HR is invited for the meetings. The Company Secretary is the Secretary to the Committee.

This Committee met three times during the financial year i.e. on April 30, 2015, July 30, 2015 and October 29, 2015. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board.

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

Table 5: Details of the Nomination and Remuneration Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting fees paid (`)
Anil C. Singhvi	Independent Director	Chairman	3	3	3,00,000
Rajas R. Doshi	Independent Director	Member	3	3	3,00,000
Ajit Gulabchand	Chairman and Managing Director	Member	3	1	-
Omkar Goswami*	Independent Director	Member	3	-	-

* Dr. Omkar Goswami was appointed as a member, w.e.f. July 30, 2015.

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

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

c) Stakeholders Relationship Committee

This Committee comprises four Directors viz. Mr. Ram P. Gandhi – (Chairman), Mr. Rajas R. Doshi Independent Director, Mr. Ajit Gulabchand, Chairman and Managing Director and Mr. Rajgopal Nogja, Group Chief Operating Officer and Whole-time Director. The Company Secretary, Mr. Sangameshwar Iyer is the Compliance Officer of the Company.

During the financial year 2015-16, the Committee met three times on April 30, 2015, October 29, 2015 and January 28, 2016. The Minutes of the Stakeholders Relationship Committee are noted by the Board.

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

Table 6: Details of the Stakeholders Relationship Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Sitting fees paid (in `)
Ram P. Gandhi	Independent Director	Chairman	3	3	3,00,000
Rajas R. Doshi	Independent Director	Member	3	3	3,00,000
Ajit Gulabchand	Chairman & Managing Director	Member	3	3	-
Rajgopal Nogja*	Group COO & Whole-time Director	Member	3	3	-

* Pursuant to appointment as Group CEO, Mr. Rajgopal Nogja has stepped down as Group COO and Whole-time Director and consequently ceased to be a member of the aforesaid Committee w.e.f. May 2, 2016.

During the financial year 2015-16, 294 queries/complaints were received by the Company from members/investors/ authorities, majority of which have been redressed / resolved to date, satisfactorily as shown in **Table 7** below:

Table 7: Details of investor queries/complaints received and attended during financial year 2015-16

Nature of Queries/ Complaints	Pending as on April 1, 2015	Received during the year	Redressed during the year	Pending as on March 31, 2016
1. Transfer/Transmission/Issue of Duplicate Share Certificates	-	90	87	3
2. Non-receipt of Dividend	-	75	75	-
3. Dematerialisation/ Rematerialisation of Shares	-	4	4	-
4. Complaints received from:				
a. Securities and Exchange Board of India	-	7	6	1
b. Stock Exchange(s) / NSDL / CDSL	-	1	1	-
c. Registrar of Companies / Ministry of Corporate Affairs / Others	-	-	-	-
d. Advocates	-	-	-	-
e. Consumer Forum/Court Case	-	-	-	-
5. Others	-	117	117	-
Grand Total	-	**294**	**290**	**4**

The Committee deals with the following matters:

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

In accordance with Section 178(5) of the Companies Act, 2013 the Stakeholders Relationship Committee shall in addition to the above role, also consider and resolve the grievances of debenture holders.

(d) ESOP Compensation Committee

The ESOP Compensation Committee comprises three Directors, viz. Mr. Sharad M. Kulkarni (Chairman), Mr. Ram P. Gandhi and *Mr. Rajgopal Nogja, Group COO & Whole-time Director.

* Pursuant to appointment as Group CEO, Mr. Rajgopal Nogja has stepped down as Group COO and Whole-time Director and consequently ceased to be a member of the aforesaid Committee w.e.f. May 2, 2016.

No meetings of the ESOP Compensation Committee were held during the financial year 2015-16.

(e) Corporate Social Responsibility (CSR) Committee:

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

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

No meetings of the CSR Committee were held during the financial year 2015-16.

The Minutes of the CSR Committee are noted by the Board.

(f) Risk Management Committee:

Risk Management Committee has been constituted which is in conformity with the provisions of Companies Act, 2013 and Regulation 21 of the SEBI Listing Regulations and it comprises 5 Members i.e. Mr. Ajit Gulabchand, Chairman and Managing Director, Mr. Rajgopal Nogja, Group CEO, Mr. Rajas R. Doshi, Director, Mr. Arun V. Karambelkar, President and CEO – E&C and Mr. Praveen Sood, Group CFO & EVP – HCC Group Office.

This Committee has been delegated with the authority by the Board to review and monitor the implementation of the risk management policy of the Company.

No meetings of this Committee was held during the financial year 2015-16.

III) Management

Management Discussion and Analysis Report

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

Disclosures

(a) Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Notes to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2015-16, there were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company.

The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company at (http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf)

(b) Accounting treatment in preparation of financial statements

The Company has followed the Accounting standards notified by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, read with Companies (Accounts) Rules, 2014 in preparation of its financial statements.

(c) Risk Management

The Company has established a well-documented and robust risk management framework. As mentioned earlier, the Company has also constituted a Risk Management Committee, which has been delegated with the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks.

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

(d) Subsidiary Companies

In accordance with Regulation 24 of the SEBI Listing Regulations, HCC Real Estate Limited (HREL), Lavasa Corporation Limited (Lavasa), HCC Concessions Limited, Baharampore-Farakka Highways Limited, Farakka-Raiganj Highways Limited and Warasgaon Assets Maintenance Ltd are six material non- listed Indian subsidiaries of the Company whose individual income or net worth (i.e. paid-up capital and free reserves) exceed 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

As on March 31, 2016, Mr. Anil C. Singhvi Independent Director of the Company is on the Board of Lavasa and HCC Concessions Ltd. Mr. Rajas R Doshi, Independent Director of the Company is also on the Board of HCC Concessions Limited and HCC Real Estate Ltd. The Company is in process of appointing Independent Directors on the Board of Baharampore-Farakka Highways Ltd, Farakka-Raiganj Highways Limited and Warasgaon Assets Maintenance Ltd.

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

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

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

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

As required under erstwhile Clause 49 of the Listing Agreement, the Company has also formulated a Policy for determining "Material Subsidiaries" which is available on the website of the Company at (http://www.hccindia.com/pdf/HCC_Policy_for_determining_Material_Subsidiaries.pdf)

(e) Code for Prevention of Insider Trading Practices

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a revised Code for Prevention of Insider Trading. HCC's Code of Conduct for Prevention of Insider Trading is revised to bring it in line with these Regulations w.e.f July 30, 2015.

The revised code viz "Code of Conduct for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed.

Mr. Sangameshwar Iyer, Company Secretary, has been designated as the Compliance Officer for this Code.

Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations.

The same is posted on the website of the Company www.hccindia.com

(f) CEO/CFO Certification

As required under Regulation 17 (8) of the SEBI Listing Regulations, the Chairman & Managing Director and the Group Chief Financial Officer of the Company have submitted a Compliance Certificate for the financial year ended March 31, 2016, which is annexed to this Report.

(g) Pledge of Equity Shares

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

No other pledge has been created over the equity shares held by the other Promoters and/or Promoter Group Shareholders as on March 31, 2016.

The aggregate shareholding of the Promoters and Members of the Promoter Group as on March 31, 2016, was 281,015,080 Equity Shares of ` 1 each representing 36.07% of the paid-up Equity Share Capital of the Company.

(h) Disclosure of Pending Cases/Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

(i) Disclosure of Commodity price risks and commodity hedging activities.

The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

IV) Shareholder Information

(a) Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations.

Detailed profile of the Director who is seeking appointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company.

(b) Means of Communication

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at www.hccindia.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

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

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

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

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

(c) General Body Meetings

The Company generally convenes the Annual General Meeting (AGM) in the month of June/July from the end of the financial year.

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

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2012-13 (AGM)	Friday, June 21, 2013,11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Approval of shareholders for reappointment of Mr. Ajit Gulabchand as the Managing Director designated as Chairman & Managing Director of the Company for a period of 5 years and payment of remuneration for the period of 3 years w.e.f. April 1, 2013. 2. Approval for appointment of Mr. Rajgopal Nogja as the Whole-time Director of the Company designated as Group Chief Operating officer and Whole-time Director of the Company for a period of 5 years and payment of remuneration for a period of 3 years w.e.f. May 3, 2013. 3. Approval for issue on preferential basis upto 4,50,00,000 warrants to the promoters in one or more tranches, for a value not exceeding ` 64 crore on such terms and conditions, as may be determined by the Board of the Company. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ` 1000 crore.
2013-14 (AGM)	Friday, June 20, 2014,11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Special Resolution under Section 188 of the Companies Act, 2013 for revision in remuneration payable to Mr. Arjun Dhawan, President & CEO – Infrastructure Business of the Company w.e.f. November 1, 2014. 2. Special Resolution for borrowing monies in excess of the aggregate of the paid up share capital and reserves of the Company, provided that the total amount borrowed and outstanding at any point of time apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, shall not exceed ` 10,000 crore. 3. Special Resolution under Section 14 of the Companies Act, 2013 for amendment of Articles of Association of the Company. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 81 (1A) of the Companies Act, 1956 for an amount not exceeding ` 1000 crore.
2014-2015 (AGM)	Tuesday, July 14, 2015 at 11.00 am	Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai-400 020	1. Special Resolution under Section 196, 197 read with Schedule V of the Companies Act, 2013 for approving the appointment of Ms. Shalaka Gulabchand Dhawan as a Whole-time Director of the Company for a period of 5 years w.e.f April 30,2015. 2. Special Resolution under Section 14 of the Companies Act, 2013 to approve and adopt in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company. 3. Special Resolution pursuant to the provisions of the erstwhile Clause 49(V) of the Equity Listing Agreement, granting consent to sell, transfer or otherwise dispose of the whole or substantially the whole of the entire investments/shares held by HCC Concessions Ltd, a subsidiary of the Company in Nirmal BOT Ltd, Baharampore-Farakka Highways Ltd, Farakka-Raiganj Highways Ltd, Subsidiary Companies and Dhule-Palesner Tollway Ltd, a Joint Venture Company for a consideration and such other terms and conditions as agreed between the parties. 4. Enabling Resolution for Issuance of Equity Shares / Securities under Section 42, 62, 71 and other provisions of the Companies Act, 2013 for an amount not exceeding ` 1000 crore.

Postal Ballot:

The Company as per the Postal Ballot Notice dated May 2, 2014, had passed two special resolutions i.e (1) Giving Loans/ Guarantees or providing securities for and on behalf of Subsidiary Companies (including overseas subsidiaries) and/

or making investments in such Subsidiary Companies (including overseas subsidiaries) (2) Creation of Charges/ Mortgages on the moveable and immovable properties of the Company, both present and future, in respect of borrowings. The same were passed with requisite majority as per the voting details given below:

Sr. No.	Description of Resolutions	No. of votes in Favour	% of votes in Favour	No. of votes Against	% of votes Against
1.	Giving Loans/Guarantees or providing securities for and on behalf of Subsidiary Companies (including overseas subsidiaries) and/or making investments in such Subsidiary Companies (including overseas subsidiaries)	29,00,60,192	94.90	1,55,85,915	5.10
2	Creation of Charges/Mortgages on the moveable and immovable properties of the Company, both present and future, in respect of borrowings. The same were passed with requisite majority as per the voting details given below	30,54,65,906	99.94	1,87,685	0.06

Mr. B. Narasimhan, Practising Company Secretary (COP No.: 10440) was appointed as Scrutinizer for the purpose who conducted the Postal Ballot.

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

(d) General Shareholder Information

- **Forthcoming Annual General Meeting**

Date : July 14, 2016

Day : Thursday

Time : 11.00 a.m.

Venue : Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020.

- **Last date for Receipt of Proxies**

Tuesday, July 12, 2016.

- **Financial Year**

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

During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates:

1st Quarter Results : July 30, 2015

2nd Quarter Results : October 29, 2015

3rd Quarter Results : January 28, 2016

4th Quarter & Annual Results : April 28, 2016

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2017 are as follows:

1st Quarter Results : July 28, 2016

2nd Quarter Results : October 27, 2016

3rd Quarter Results : February 2, 2017

4th Quarter & Annual Results : April 27, 2017

- **Dates of Book Closure**

July 08, 2016 to July 14, 2016

(both days inclusive)

- **Listing**

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has paid the annual listing fees for the financial year 2016-17 to BSE Limited and National Stock Exchange of India Limited. The Company has paid annual custodial fees for the financial year 2016-2017 to National Securities Depository Limited(NSDL) and Central Depository Services (India) Limited (CDSL), on the basis of number of beneficial accounts maintained by them as on March 31, 2016.

- **Stock Codes:**

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

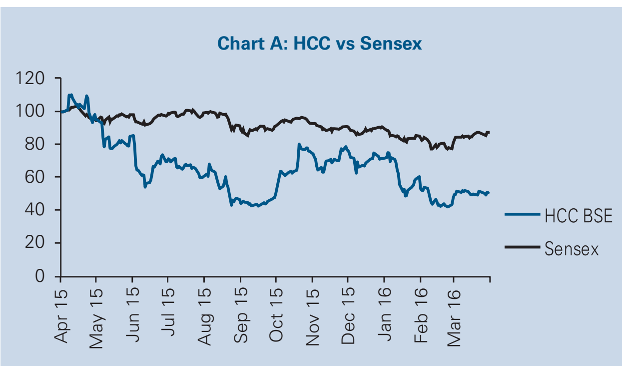
- Corporate Identification Number:

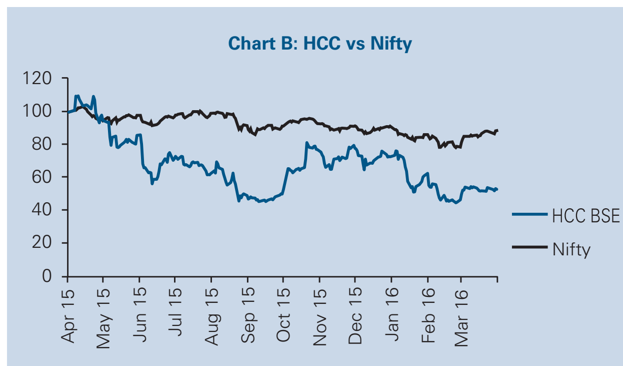
Corporate Identity Number (CIN) of the Company is L45200MH1926PLC001228.

Share Price Data: High/Low and Volume during each month of 2015-16 at BSE and NSE

Month	BSE			NSE		
	High (`)	Low (`)	Volume	High (`)	Low (`)	Volume
April 2015	36.85	30.85	31842083	36.80	30.75	141547127
May 2015	32.30	26.35	18274008	32.30	26.25	84840996
June 2015	30.25	20.05	23863282	30.25	19.95	103768907
July 2015	25.80	20.70	17934364	25.75	20.65	70879873
August 2015	25.00	16.35	27963470	25.05	16.30	87283482
September 2015	19.40	17.10	14001878	19.40	17.05	49610440
October 2015	29.20	18.60	58629439	29.25	18.55	203266317
November 2015	27.55	22.00	23466320	27.50	22.00	81912046
December 2015	27.50	22.60	14139462	27.50	22.55	69005334
January 2016	27.40	18.75	20883226	27.45	18.55	78450495
February 2016	22.80	16.60	17096117	22.80	16.55	71987149
March 2016	20.60	17.85	17045577	20.60	17.80	86976753

Chart A & B show the movement of HCC share prices against the primary indices – Sensex and Nifty





Note: HCC share prices and the indices are indexed to 100 as of 1 April 2015 for like-to-like comparison

Distribution of shareholding as on March 31, 2016

Distribution range of Shares	No. of Shares	Percentage of Shares	No. of Shareholders	Percentage of Shareholders
1 to 500	28,776,193	3.70	149,240	68.61
501 to 1000	25,517,160	3.27	30,011	13.79
1001 to 2000	30,935,408	3.97	18,759	8.62
2001 to 3000	18,551,201	2.38	6,903	3.17
3001 to 4000	11,524,984	1.48	3,100	1.42
4001 to 5000	12,248,046	1.57	2,547	1.17
5001 to 10000	29,041,670	3.73	3,863	1.78
Greater than 10000	622,564,244	79.90	3,143	1.44
Total	**779,158,906**	**100.00**	**217,566**	**100.00**

Shareholding Pattern

Categories	As on March 31, 2016		As on March 31,2015	
	No of Shares	Percentage of Shareholding	No of Shares	Percentage of Shareholding
Promoter and Promoter Group and Directors and Relatives	28,11,32,080	36.08	28,13,07,680	43.56
Foreign Institutional Investors/FPIs -Corporation	8,04,39,995	10.32	7,67,68,525	11.89
Public Financial Institutions/State Financial Corporation/Insurance Companies	83,82,144	1.08	83,82,144	1.30
Mutual Funds (Indian) and UTI	9,20,63,349	11.82	1,24,05,486	1.92
Nationalised and other Banks	53,30,575	0.68	12,60,738	0.19
NRI/OCBs	92,16,800	1.18	89,03,159	1.38
GDSs	0	0.00	17,300	0.00
Public	30,25,93,963	38.84	25,67,81,074	39.76
Total	**77,91,58,906**	**100.00**	**64,58,26,106**	**100.00**

List of Top 20 Shareholders of the Company as on March 31, 2016

Sr. No.	Name of the Shareholder	Category	No. of Shares	% To Total Capital
1	Hincon Holdings Ltd	Promoter	21,60,23,600	27.73
2	HDFC Trustee Company Limited	Mutual Funds	6,96,21,087	8.94
3	Hincon Finance Limited	Promoter	6,22,61,186	7.99
4	Siwa Holdings Limited	Foreign Institutional Investors - Mauritius Based	3,60,82,151	4.63
5	Reliance Capital Trustee Co Ltd	Mutual Funds	2,00,00,000	2.57
6	India Opportunities Growth Fund Ltd - Pinewood Strategy	Foreign Portfolio Investors (Corporate)	76,00,000	0.98
7	Life Insurance Corporation of India	Life Insurance Corporation	59,40,480	0.76
8	Jai-Vijay Resources Pvt Ltd	Bodies Corporate	50,00,006	0.64
9	Dimensional Emerging Markets Value Fund	Foreign Portfolio Investors (Corporate)	49,06,646	0.63
10	Vanguard Total International Stock Index Fund	Foreign Institutional Investors	41,77,864	0.54
11	Axis Bank Limited	Other Banks	40,08,510	0.51

Sr. No.	Name of the Shareholder	Category	No. of Shares	% To Total Capital
12	The Indiaman Fund (Mauritius) Limited.	Foreign Portfolio Investors (Corporate)	39,50,000	0.51
13	Pragmatic Traders Pvt Ltd	Bodies Corporate	36,73,522	0.47
14	Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (Dfaidg)	Foreign Portfolio Investors (Corporate)	34,26,002	0.44
15	Mv Scif Mauritius	Foreign Institutional Investors - Mauritius Based	32,02,552	0.41
16	Amal N Parikh	Non Resident Without Repatriation	32,00,000	0.41
17	Ohm Stock Broker Pvt Ltd	Bodies Corporate	28,50,500	0.37
18	Goldman Sachs Investments (Mauritius) I Ltd	Foreign Institutional Investors - Mauritius Based	28,00,000	0.36
19	Gopikishan Shivkishan Damani	Resident Individual	25,00,000	0.32
20	Principal Trustee Company Pvt Ltd	Mutual Funds	24,26,139	0.31
	Total		**46,36,50,245**	**59.51**

- **Dematerialization of Shares and Liquidity**

  As on March 31, 2016, 77,12,23,608 equity shares representing 98.98% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

  The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2016, is given below:

Particulars	No. of Equity shares	Percentage
Physical Segment	79,35,298	1.02
Demat Segment:-		
NSDL	67,49,01,670	86.62
CDSL	9,63,21,938	12.36
Total	**77,91,58,906**	**100.00**

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

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

Employees Stock Options (ESOPs)

a) As on March 31, 2016, 16,54,630 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ` 52.03 per stock option.

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

c) During the year under review, no options were vested in the employees of the Company.

d) No options were exercised by the optionees during the year.

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

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

  During the year under review, the Company has not issued any fresh debentures and debentures worth ` 22.80 crore have been redeemed.

  The existing Non Convertible Debentures (NCDs) of ` 120 crore held by Axis Bank and ` 100 crore held by LIC stand restructured under approved CDR package as per CDR Letter of Approval dated June 29, 2012. Accordingly, there was 2 year moratorium and 8 year for repayment of the aforementioned principal amount to the Lenders. As of March 31, 2016, an amount of ` 100.80 crore was outstanding as regards NCDs issued and allotted to Axis Bank and an amount of ` 86.50 crore was outstanding for NCDs held by LIC (the outstanding amount includes current and non-current portion).

- **Share Transfer system**

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

- **Address for members' correspondence:**

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

- **Registrars and Share Transfer Agents:**

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

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

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

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

- **Compliance Officer:**

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

- Investor Relations Officer:

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

V) Compliance:

(a) (i) **Details of non-compliance, if any**

There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.

(ii) **Compliance with mandatory requirements**

The Company has complied with all the mandatory items of the erstwhile Clause 49 of the Listing Agreement as applicable till November 30, 2015 and the SEBI Listing Regulations from December 01, 2015 onwards.

(iii) **Compliance with the Discretionary Requirements under SEBI Listing Regulations**

Adoption of discretionary requirements of SEBI Listing Regulations is being reviewed by the Company from time to time.

(iv) Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 34(3) and PART E of Schedule II of SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

(b) Compliance with Regulation 39(4) read with Schedule V and VI of SEBI Listing Regulations – Uniform procedure for dealing with unclaimed shares:

In accordance with the requirement of erstwhile Clause 5A (II) of the Listing Agreement, in respect of the Bonus Equity Share certificate(s) dispatched by the Company in August 2010, which were "returned undelivered", TSR Darashaw Limited, Registrar and Share Transfer Agent of the Company have sent two reminders to all such member(s) at their addresses as per Register of Members.

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

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

(c) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. The Company has not entered into any other back to back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates.

VI) Investor safeguards and other information:

- Dematerialisation of Shares

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

- Revalidation of Dividend Warrants

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

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

Under the Companies Act, 2013, dividends which remain unclaimed for a period of seven years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

Dates of declaration of dividends since financial year 2008-09 and the corresponding dates when unclaimed dividends are due to be transferred to the IEPF are given in the table below.

Financial year ended	Date of declaration of dividend	Amount remaining unclaimed / unpaid as on March 31, 2015 (`)	Last date for claiming unpaid dividend amount (before)	Last date for transfer to IEPF
31.03.2009	12.06.2009	1,804882.40	18.07.2016	17.08.2016
31.03.2010	11.06.2010	16,58,764.00	17.07.2017	16.08.2017
31.03.2011	10.06.2011	24,47,054.00	16.07.2018	15.08.2018

Separate letter has already been sent on December 28, 2015 to the Members who are yet to encash dividend for the financial year 2008-09 indicating that the unclaimed amount will be transferred to IEPF, if not claimed by the members before the due date of transfer to the said Fund. Members are once again requested to utilize this opportunity and get in touch with the Company's Registrar and Share Transfer Agents TSR Darashaw Limited at their communication address for encashing the unclaimed dividends standing to the credit of their account.

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

- Update Address/ E-Mail Address/Bank Details

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

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

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

Accordingly, in respect of Members / Members who have registered their email addresses, the Company has been dispatching all documents vide electronic form since May 2011.

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members / members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards Members / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address') and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, TSR Darashaw Limited at their specified address, so as to update their registered email address from time to time.

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

- E-Voting Facility to members

  In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 90th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

- Consolidate multiple folios (in respect of physical shareholding)

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

- Register Nomination(s)

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

- Dealings of Securities with Registered Intermediaries

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

CERTIFICATION BY CEO AND CFO UNDER REGULATION 17(8) OF SEBI LISTING REGULATIONS

The Board of Directors,

Hindustan Construction Co. Ltd.

We have reviewed the financial statements and the cash flow statement of Hindustan Construction Co. Ltd. for the year ended March 31, 2016 and to the best of our knowledge and belief:

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

PRAVEEN SOOD
Group Chief Financial Officer

AJIT GULABCHAND
Chairman & Managing Director

Mumbai, June 3, 2016

DECLARATION BY THE MANAGING DIRECTOR REGULATION 34(3) PART D OF THE SEBI LISTING REGULATIONS

To,
The Members
Hindustan Construction Co. Ltd.

I hereby declare that all the Directors and the designated employees in the Senior management of the Company have affirmed compliance with their respective codes for the financial year ended March 31, 2016.

For Hindustan Construction Co. Ltd.

AJIT GULABCHAND
Chairman & Managing Director

Mumbai, June 3, 2016

AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Hindustan Construction Company Limited

We have examined the compliance of conditions of Corporate Governance by Hindustan Construction Company Limited (the Company), as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges (for the eight months period ended 30 November 2015) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations') (for the four months period ended 31 March 2016).

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

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

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

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

per Adi P. Sethna
Partner
Membership No: 108840

Place: Mumbai
Date: June 3, 2016

To,

The Members of

Hindustan Construction Co. Ltd.

1. **Report**

   Your Directors are pleased to present the 90th Annual Report together with the Audited Financial Statements for the year ended March 31, 2016.

2. **Financial Highlights**

(` Crore)

Particulars		Year ended March 31, 2016		Year ended March 31, 2015
Turnover		**4190.90**		4,301.14
Profit before Interest, Depreciation, Exceptional Items, Other Income and Tax		**798.74**		781.43
Less: Finance Costs	**689.88**		651.13	
Depreciation	**135.85**		150.30	
Exceptional Item	**26.48**		-	
		852.21		801.43
Add: Other Income		**187.76**		134.87
Add/Less: Exchange Gain/(Loss)		**(1.22)**		12.45
Profit before Tax		**133.07**		127.32
Less: Tax Expense		**48.10**		45.67
Profit/(Loss) after Tax		**84.97**		81.65
Add: Balance brought forward from last year		**147.92**		69.00
Less: Transferred to Debenture Redemption Reserve		**20.00**		-
Less: Impact of depreciation/amortisation (Refer Note 3.2 of the Financial Statements)		-		2.73
Balance carried to Balance Sheet		**212.89**		147.92

3. **Dividend**

   As your Company is under CDR, it is necessary to conserve and optimise use of resources to improve the health of the Company. Hence, your Directors have not recommended any dividend for the financial year ended March 31, 2016.

4. **Operations**

   The turnover of the Company in the year is ` 4,190.90 crore as compared to ` 4,301.14 crore in the previous year. The profit before tax is ` 133.07 crore (including exceptional item) as compared to ` 127.32 crore for the previous year.

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

- Ramban to Banihal Section of NH 44, Jammu & Kashmir

  Contract Value: ` 1783 crore

- Integrated Nuclear Recycle Plant, Maharashtra

  Contract Value: ` 942 crore

- Imphal Kangchup Tamenglong Road, Manipur

  Contract Value: ` 1114 crore

- Tapovan Vishnugad Hydroelectric Project, Uttarakhand

  Contract Value: ` 634 crore

- Nikachhu Hydropower Plant, Bhutan

  Contract Value: ` 457 crore

- Tunnel No. 12, New Railway line Project Jiribam – Tupul, Manipur Contract Value: ` 784 crore

The total balance value of works on hand as on March 31, 2016 is ` 18,123 crore.

Decisions are awaited from various clients for tenders submitted by the Company for 13 packages amounting to about ` 10,334 crore (HCC share ` 9301 crore). Tenders for various packages for 29 projects worth over ` 22,214 crore (HCC share ` 19,843 crore) are expected to be submitted in the near future. The Company has also submitted prequalification bids for 12 projects worth over ` 24,082 crore (HCC share ` 22,053 crore) which are under evaluation.

Operations of Subsidiaries

i) Lavasa Corporation Ltd – Integrated Urban Development and Management

Lavasa has kept its rationale of developing a smart city for all and is tailoring partnerships and tie ups with global leaders. Partnerships are well in place and many of these projects are moving towards completion.

In the hospitality space, the Accor group is successfully running its operation with the two brands - Mercure Lavasa and the 1500 plenary capacity Lavasa International Convention Centre (LICC). Another brand of the Accor group - Novotel is scheduled for opening in April 2017. Projects with renowned hospitality players like Formule 1, Holiday Inn, Langham and Eaton amongst others are slated to follow in quick succession.

As for the existing hospitality projects, Ekaant - The Retreat and Waterfront Shaw Apartment Hotel continue to flourish. Fortune Select Dasve is in its eighth year of successful operations with occupancy at 66%, while Accor's Mercure is in its seventh year of successful operation with occupancy at 56%. In the tourism space, Lakeshore Watersports, Neo Spark Games Arcade and Xthrill Adventure Sports & Academy are also functioning successfully. Lavasa has tied up with former Indian cricketer and chief of the BCCI Selection Committee, Mr. Sandeep Patil for building a Sports complex including a cricket stadium for corporate tournaments. There have been talks to set up sports academies for hockey, football, badminton, etc. at Lavasa. Other tie-ups include advance discussions on building a Hollywood & Bollywood Theme Park in Mugaon.

On the retail front, a significant area has already been leased. Restaurants like Smokin Joe's, Venkys Xpress, Subway, Café Coffee Day, Baskin Robbins, All American Diner, Granma's Homemade Patisserie, Chor Bizarre, Oriental Eight, Past Times Pub, Tabakh, Pizzavala, Naashta Paani, Paanchi Krunchy and Indulge have commenced operations. Many other non F&B outlets such as Mapro and Charosa Wine Boutique have successfully started operations including Lavasa's first miniplex- Fun Square Digital Cinema.

Significant progress was made in the education space. Christel House Lavasa is into its seventh year of operations with 432 students. 2015-16 also saw launch of Phase 2 of Christel House till grade VIII. Corporate entities such as EduSports, Yoga Blessing and Linguaphone showed keen interest to contribute towards Christel House Lavasa School by way of sports programmes, educational and Yoga workshops.

Ecole Hoteliere Lavasa started its seventh batch in June 2015-16. The operation of Ecole Hoteliere was taken over by Expat Properties in May 2015. Ecole Hoteliere will start its eighth batch from July 25, 2016.

Christ University offering courses like Post Graduate Diploma in Management (PGDM) program with specialization in Finance and Marketing started operations two years ago, with a total of 102 students now in its third batch, with a target of 60 students for the 2016-17 academic program.

Knowledge Vistas Limited (KVL) is already running Little Millennium, pre-primary school at Lavasa for last five years. It is also likely to start the K12 School from academic year 2017-18. Abhinav Shiksha Sansthan, New Delhi will start from the academic year 2018-19 across the area of 62,500 sq. ft. Other educational partners like Symbiosis Institute (Pune) are also in the process of launching their programs.

Residential sales have been sluggish in tune with the overall market sentiment. Institutional Sales team is on the anvil of closing transactions which would herald the entry of reputed corporations into Lavasa city. One such deal is with 'All that Jazz', a leading retailer who will bring reputed retail brands to make Lavasa an ideal shopping destination. This deal will boost retail businesses at Lavasa and make the promenade area more vibrant.

We are in advanced discussions with multiple educational institutes keen to set up residential schools at Lavasa. Sanjeevani Institute intends to bring in Kindergarten to Post Graduate courses. Likewise, vocational training institute from Germany, 'Kosbe' has been approached and they are keen to start courses. Lavasa being a smart city offers students ready on site learning of various subjects like waste management and functioning of water treatment plants. Symbiosis Institute has begun construction of a higher secondary education facility.

Lavasa continued its focus on branding and communication activities in 2015-16. Emphasis through the year was on communicating that development work at Lavasa has commenced with right earnest, raise awareness about the planned city and its advantages. Positioning Lavasa city as India's first smart city, building preference and restoring customer confidence in the project were the key goals.

The central government initiative to build smart cities across India generated a great deal of excitement among Indian and foreign stakeholders. The growing interest in smart cities augurs well for Lavasa. We played host to a number of government, business and student delegations keen on studying the Lavasa model of development.

As a proactive step to reach out to a wider audience, Lavasa was presented as a ready Smart City model at various platforms, the most prominent one being the Smart Cities India Exhibition at Delhi and the 13th Municipalika Smart Cities Exhibition at Jaipur. Our spokespeople also participated in various other seminars and discussions on Smart Cities.

Lavasa continued with the strategy of creating large events at Lavasa to attract good tourists.

A four day festival of adventure, music, dance and entertainment was organized as a lead up to the Republic Day on January 26, 2016. For the first time, a hot air balloon took flight over the Dasve town, Mentalist, Akshay Lakshmanan captivated audiences with his mind reading session and wall painting activity by the students of Christel House were the highlights of the Republic Day weekend festivities.

On May 1, 2015, Maharashtra Day was also celebrated with art & culture, music & dance programmes highlighting the rich cultural heritage of Maharashtra, along with a display of historic ancient Maratha arms & weapons livened up the Dasve Promenade.

The second edition of Freedom, a festival of music, food and entertainment saw 35,000 tourists enjoying good music, delectable cuisines and great entertainment.

Christmas and New Year celebrations started with live musical and dance performance at the Dasve promenade and Fortune Lawns. Renowned artist Sharon Prabhakar along with DJ Rayjack, DJ-Cyborg, DJ Sazz & DJ Shriki entertained the visitors.

Focus of the Public Relations campaign in 2015 was on building profile of Lavasa as India's first smart city and promoting the city as an ideal tourist destination. Feature stories in print media and TV channels, automobile magazines, national and international news portals resulted in good visibility for Lavasa.

Lavasa was prominently featured as a Smart City in a number of media reports. Trade magazine 'Realty' featured Lavasa as one of India's premier Smart Cities, while Hindustan Times, the Pioneer, Deccan Herald and Indiainfoline carried similar stories. Other trade supplements like Times Property and multiple regional publications also featured Lavasa as a Smart City.

CMD's comment was widely circulated to media post launch of AMRUT in Delhi, positioning him as the thought leader on Smart Cities. 'The Property Guide' guide show on leading business news channel ET Now did a report on residential properties at Lavasa and also carried an interview with the CEO.

Lavasa as a tourist destination was promoted through stories in relevant travel and lifestyle media and through tie ups with TV channels for shows that were shot at Lavasa. ELLE magazine did a 14 page photo shoot including the cover page at various scenic locations in the city. Lavasa was covered extensively in 'Man Chimb Pavasan' a travel based programme on Saam Marathi channel. A photo-feature on tourist options at Lavasa was also carried by leading news portals like rediff.com and indiatoday.in.

Auto-trade media was specifically engaged to promote Lavasa among bikers and adventure enthusiasts. Over 1000 bikers braved the rain and travelled to Lavasa in

June to celebrate World Motorcycle Day. This activity garnered coverage in all media including mainline publications, print and online auto media as well as regional publications. Motoring World magazine conducted the jury round of their annual car and bike awards at Lavasa which resulted in a six page story all of them featuring cars and bikes shot at Lavasa.

Lavasa viewpoint on the SDO order on restoring tribal lands was prominently reproduced by all print and TV media. Pune media was engaged extensively during the summer season to sensitise them on the water scarcity issue. Meetings with senior editors and the constant engagement with beat reporters in Mumbai and Pune has also helped in creating greater awareness of company's stand on various crucial issues.

Special Initiatives and events were highlighted regularly in mainstream and trade media to build preference and recall. Celebrations at Lavasa on Maharashtra Day, Independence Day weekend and initiative like the Dreamcatchers Summer camp were covered by all major publications and online portals. Launch of Jetovator, Segway and news about Lavasa bagging the PATWA Award were widely publicized.

Each month, Lavasa looks, feels and acts more like a city. Lavasa city now has a full-fledged operational Farmer's market known as 'Hara Bazar'; a two screen Movie theatre for visitors and residents; it has a fully operating Post office, DTDC – courier service, a Hospital with pharmacy and several new food and beverage establishments open for business. It also has four operating hotels. Four additional hotels will be opening soon which collectively will take the total number of hotel rooms in Lavasa to more than 600. Lavasa has a Petrol Pump, two bank branches along with ATMs, a state-of-art Convention Centre, a Public Safety Centre with Fire Engine & crew, Police outpost to be upgraded to a full-fledged Police station, Tourist Information Center with a 'Hop On - Hop Off' Bus facility; Multilevel Car parking facility, Nature trail, Citizen Contact Center with 24x7 support to citizens through emergency and non-emergency contact numbers, Rental housing for low income groups, simulated Golf Course facilities; Water Sports facility with latest "Jetovator", Adventure Sports facility, a modern Club with gym, Sports and Spa facilities, Public Transport system for citizens, Schools for local population and two operational College campuses. Additional Hotels, Retail shops and Family Entertainment Centre facilities for tourists will be opened shortly.

Building the infrastructure right, from the beginning, is a key strategy to ensuring long-term livability. Drinking water at Lavasa is fit for consumption, straight from the tap, without the need for additional filtration. Sewage is treated in a manner that exceeds government requirements and is subsequently reused for irrigation and other non-potable uses. Lavasa's power distribution grid is nearly 99.90% reliable and the young city is already on the cutting edge of urban environmental sustainability initiatives. Over 50 kilometers of well-maintained motorable roads are operational and more are being constructed, Lavasa has already opened parks and play areas to the public. The e-governance portal Lavasa App, and Security Command Centre will play a major role in communicating with citizens and providing services 24x7.

A round the clock Lavasa Citizen Contact Centre has been operational since 2009 and envisions making the lives of citizens and visitors easy and convenient. The Lavasa Citizen Contact Centre is a one-stop information source for non emergency and emergency related services. It provides a single window resolution for all customers' needs and visitors' requests; is involved in proactive information distribution, data collection and Property management services; Customer Satisfaction Surveys and Customer handovers and possession.

The City Management Services (CMS) Department is equally dynamic in seeking to coordinate services in this rapidly changing setting. It is currently divided into seven specialist divisions including Customer Services, Public Safety & Security, Enterprise Utilities, Public Works, Administration & Finance, Community Development and Geographic Information Systems & Management Information Systems.

The CMS department will slowly evolve into a new governance entity that will, at some point, be the core of a new replicable governance model. Lavasa aims to create this, so that the goals of the Master Plan can be realized and sustained and the various public – private partnerships can operate in a more consistent and predictable environment.

The CMS department meets on a monthly basis with a committee of villagers throughout the project area. The Village Committee is the first of several such citizen advisory groups that will together form a key component of the Lavasa citizen and stakeholder engagement mechanisms.

The Company had 10,574 acres of land including 455 acres of land on lease by the end of last financial year i.e. March 31, 2015. This has reduced to 10,515 acres as 59 acres of land in Mugaon was restored to tribals by SDO, Maval during the year.

The Environment Management Plan (EMP) continues to be implemented as per our Environment Impact Assessment (EIA) Report submitted to Ministry of Environment, Forests & Climate Change (MoEF & CC), New Delhi. Regular monitoring of environmental aspects such as air & noise quality, water & sediment quality, soil quality, DG stack & noise quality and biodiversity is being carried out by MoEF approved and NABL accredited laboratory as per the conditions mentioned in the Environment Clearance by MoEF & CC. All reports were found to be within the prescribed limit of MPCB. The six-monthly Environmental Compliance Report is being submitted to MoEF since 2012. The 7th compliance report was submitted in June 2015 and the 8th compliance report was submitted in December 2015 to MoEF, its Regional Office at Nagpur and Maharashtra Pollution Control Board (MPCB) at Pune. Yearly Environment Statement, a requirement as per the consent document of Maharashtra Pollution Control Board (MPCB), is being submitted in the month of September every year and the last report was submitted on September 30, 2015.

First town Dasve is ready with all basic infrastructure, such as access roads, internal roads, water treatment plant, water distribution network, sewage network, sewage treatment plant, telecom network and services is operational. Till date around 1,200 properties are ready for hand over to customers. Of these, around 972 units have already been handed over to customers. Work on rest of properties - Lake View apartments, Club View apartments, Delfino apartments, Valley View apartments, Brook View apartments, Rental housing, Retail and hostel tower B, Christel House Phase II, Novotel Hotel and Holiday Inn is in progress.

Work on infrastructure for the second town of Mugaon has been accelerated. Work on utilities is in progress. Work on 37 buildings at Mugaon has commenced. The improvement to the existing Mugaon-Tamhini Zilla Major District road excluding the stretch crossing through Forest Land is completed. A portion of this road will also form a part of the approach road for the proposed tunnel between Tamhini and Mugaon. Work on the inter village road from Mugaon to Dhamanohol is completed (6 kms). Rehabilitation work on new gaothans has commenced. This rehabilitation will also help augment the construction of the first phase of the apartments in Mugaon.

Lavasa has also initiated a number of development and empowerment programs for the local community. Some of the key initiatives include provision of treated drinking water to 18 villages in the project area at 72 locations on a daily basis. Calligraphy workshops, aptitude tests and counseling for students of Zilla Parishad (ZP) schools, crèche for labor children; starting the Apollo Lavasa Primary Health Centre at Bhoini and provision of free health check up, medicines and ambulance service to villagers; monthly health and awareness camps for HIV/ AIDS, malaria, nutrition, and water borne diseases. Employment and self employment opportunities to the locals have also been provided.

ii) HCC Real Estate Ltd

HCC Real Estate Ltd (HREL), a wholly owned subsidiary of your Company is into the business of building residential and office complexes in real estate sector.

HRL (Thane) Real Estate Limited

Your Company initiated the acquisition of 183 acres of land at Ghodbunder Road, Thane for Integrated Township Development. Till date the Development Agreement and Power of Attorney for 32 acres have been executed in favour of Company. The Company continued its activity of securing its position for land title and other documentation.

The Company has filed criminal case against Mr. Atul Sonawala and 8 other Directors of Om Gurukripa Realtors Pvt. Ltd. Police enquiry is in process for the said case.

HRL Township Developers Limited

No activities were carried out during the year. Your Company continued its search process for joint development opportunities.

Nashik Township Developers Limited

During the year, the Company sold its land and completed all the land related transactions. Further the Company is looking for joint development opportunities in residential sectors since Nashik city is growing industrially as well as economically.

Maan Township Developers Limited

The Company has acquired approx. 28 acres of land and the Development Agreement and Power of Attorney have been executed in favour of the Company. The Company in this year has decided to sell the land in piece parcels. MOU has been signed with a Real Estate Company for sale of 5 Acres of land and has executed sale deed for 4 Acres.

Powai Real Estate Developers Limited

No activities were carried out during the year though the Company continued to look for an opportunity to find ideal land parcels for joint development in residential sectors

HCC Realty Limited

No activities were carried out during the year.

Panchkutir Developers Limited

During the year, your Company continued its efforts on the following projects in residential sector:

Development of Vikhroli (E) land parcel: Out of the total land holding of around 32 acres by the Panchkutir Developers Ltd. in Vikhroli (E), the survey of tenements on Phase-I of 14.5 acres of land to ascertain the development potential of the free sale component is completed. Out of the 1960 slum residents, consent of about 1400 residents representing more than 70% has already been obtained and the process for forming the society is in progress. Proposal has been submitted to SRA for Phase-I comprising of 750 tenants of 4 Societies.

Slum declaration of Phase-I land was challenged and the same has been dismissed by the Special Slum Tribunal. Subsequently the litigant filed Writ Petition challenging the above said Order of the Slum Tribunal in High Court. High Court interalia asked tribunal for actual verification of slum. But the litigant filed an appeal challenging the above said Order of the Single Judge of High Court before the Divisional Bench.

Development of Powai land: MOU-cum-Development Agreement and Power of Attorney were executed by land owner in favor of the SPV, Panchkutir Developers Ltd a subsidiary of HCC for 12 acres of land. Due to non performance by the land owner of the various obligations under the MOU-cum-Development Agreement in spite of repeated reminders, we have been advised by our solicitor to invoke the Arbitration clause forming part of the MOU-cum-Development Agreement. Accordingly, Arbitration proceedings have been initiated and till date evidence of Claimant's witnesses is completed and matter is now fixed for evidence of Respondent.

During the pendency of the proceedings, Smt. Nayak, litigant has submitted a proposal to settle the matter by making lump sum payment which was accepted by the Company. Accordingly Consent Terms were executed on November 16, 2015 and the Learned Arbitrator has passed an award on December 15, 2015 in terms thereof. The Company has received full payment by banker's cheque and has executed cancellation Deeds of MOU and lease deed.

iii) HCC Infrastructure

HCC Infrastructure Company Ltd., a wholly owned subsidiary of your Company, operates its business through its subsidiaries HCC Concessions Ltd. (HCON), HCC Power Ltd., and HCC Operations & Maintenance Ltd (HOML). HCON develops and manages road assets, HOML operates commissioned assets and HCC Power is exploring opportunities in the power sector to leverage HCC's capabilities. HCON has developed 6 NHAI road concessions over the last 9 years. In the past financial year, after the sale of two of its de-risked operational projects i.e. Nirmal BOT Ltd and Dhule Palesner Tollway Ltd, the current portfolio has four National Highway concessions with ` 5,000 crore asset base.

In line with your Company's plan, the focus over the last fiscal year has been on strong construction management, efficient operations and raising capital. The management team at the Company has been continuously working to achieve quality and timely execution to create value for all its stakeholders with complete focus on financial discipline. The Company continues to provide reliable, safe and world class services to the country's end users.

In 2011, the Xander group, a global investment firm, had acquired a 14.5% stake in HCON for ` 240 crore.

Current Road Portfolio:

HCON's current portfolio comprises of four toll based projects: the Delhi Faridabad Elevated Expressway (dfskyway™) on NH2, and three contiguous sections of 250 km in West Bengal on NH34. Of these, Delhi Faridabad Expressway and the first leg of NH34 development i.e. the Baharampore Farakka Highways are operational. These two projects have been operational for five and two years, respectively.

In the last financial year, your Company completed the stake sale of two assets. The transaction for Nirmal BOT Ltd, the annuity project in Telengana (erstwhile Andhra Pradesh) was completed in December 2015 and the sale of Dhule Palesner Tollway, the 89 km highway on NH3 connecting Agra and Mumbai, was consummated in October 2015.

Farakka Raiganj Highway, the second and largest leg of NH-34 development in West Bengal, achieved significant progress in the last fiscal year. The project is expected to be commissioned in the next few months while final completion is expected by the end of next fiscal year. The last leg of NH34, Raiganj Dalkhola, which has been delayed nearly 6 years due to delays in land acquisition, has seen significant improvement in availability of Right of Way (ROW), and your Company has approached the lenders consortium and NHAI for support in restarting the project. While the NHAI has acknowledged the sizeable cost increase, they remain reluctant on supporting the project with funds including additional grant. In the interest of all stakeholders and being prod by NHAI, the concessionaire has started basic earthworks, but full scale mobilization will depend on appropriate support from NHAI and lenders.

Material defaults by NHAI, largely due to delayed handing over of land for all three NH-34 packages have resulted in the Concessionaire's filing of a claim of ` 1,528 crore as damages. Of these the Company has started the arbitration proceedings for the Baharampore-Farakka and Farakka-Raiganj projects. After muted growth due to the recent economic slowdown, the traffic growth on Baharampore-Farakka has been strong in the last financial year and NH-34 projects continue to be a substantial source of value creation for your Company.

In the last financial year, ~1,600 km of highways were awarded on BOT basis. The Ministry of Road Transport and Highways (MoRTH) and NHAI have introduced a new Hybrid Annuity model for development of road assets on PPP mode. Your Company is evaluating bidding for select Hybrid Annuity projects, potentially in partnership with third parties.

Status of Operational Assets:

Baharampore Farakka Highway (NH-34)

This is the first section of HCON's ` 4,300 crore development of NH-34 (West Bengal) from Baharampore to Dalkhola. The project stretch is the arterial connectivity between North and South Bengal providing nearest access to Kolkata and Haldia ports for the north eastern states of India and neighbouring Bangladesh, Bhutan and Nepal. The traffic on NH34 comprises 85-90% commercial traffic, carrying a diversified mix of manufactured goods, sand, quarry stones, building materials, steel, jute, food grains and tea.

The concession period for the project is 25 years, including a construction period of 30 months. The project is being implemented with an investment of ` 1,424 crore. The project achieved commercial operations in May 2014 for partial length of the highway while land was being acquired for the remaining portion. The total revenue for the last fiscal year was ` 112 crore, an increase of 37% over the previous financial year. The operations and maintenance is being managed by HOML. The Company has successfully implemented the 10x tolling for overloaded vehicles since August 2014 as per NHAI circular, to prevent the economic deterioration of the asset and to meet the increased costs due to overloading.

The balance land for the Baharampore bypass was handed over in the second quarter of last fiscal. The completion of the project is delayed by 34 months as of March 2016, largely due to material defaults by NHAI in providing land on a timely basis. The Final

Completion (FCOD) is expected to be completed after a delay of 56 months due to delayed handover of ROW, tardy design clearances for major bridges and structures, removal of various hindrances, utilities shifting, etc. The Concessionaire has filed ` 578 crore worth of claims from the NHAI for the damages suffered due to NHAI defaults. The Concessionaire will submit further claims for increased costs and arbitration proceedings are underway. The Company has filed the Statement of Claim before the arbitration tribunal.

The Company has also achieved the sanctions from the lenders consortium for cost overrun in the last fiscal to complete the project in the absence of timely realization of claim from NHAI.

Delhi Faridabad Elevated Expressway (NH-2) (dfskyway™)

The Delhi Faridabad Elevated Expressway or dfskyway™, awarded in 2008, is a six lane 4.4 km elevated highway connecting Delhi and Haryana at Badarpur, developed by HCON with an investment of nearly ` 600 crore. The dfskyway™ reduced travel time by over 40 minutes through an extremely congested corridor that benefits residents and inter-state traffic alike.

The project has a concession period of 20 years, including construction period of 2 years. In the last fiscal year the Company suffered a material impact due to a Supreme Court order for collecting Environmental Compensation Charge from commercial vehicles entering New Delhi (thereby discouraging their entry into the capital), resulting in a substantial dip of ~40% in commercial vehicles. It is clear that the Apex Court and the Delhi government are working hard to prevent commercial vehicles using Delhi as a thoroughfare (admittedly for good reason to check pollution), but which has unfortunately caused a devastating impact and potential political event by permanently curtailing revenues.

The Company is evaluating several options with the lenders including restructuring options as per RBI guidelines and potential termination with NHAI due to Force Majeure event.

In order to enhance the revenue on this project and reduce maintenance costs, the Company is also in the process of implementing 10x tolling for overloaded vehicles in accordance with NHAI Fee Rules.
The Company has also submitted its proposal for deferment of premium payments to improve liquidity, as well as a comprehensive proposal for advertising along the project highway. The project is a signature project in Delhi having very high visibility and the Company is expecting significant revenues from the latter sources.

Status of Assets under Construction:

Farakka Raiganj Highway (NH-34)

Farakka Raiganj is the middle and largest section of the 250 km development. This section is about 102 km in length and traverses through Farakka barrage, Kalia Chawk Bazaar and Malda city in Malda and North Dinjapur districts of West Bengal. It also passes through various small villages like Sujapur, Gazole, Stalkuri, Itahar and ends before Raiganj town. The concession period is 30 years, including a construction period of 30 months. The project is being implemented with an investment of ` 1,720 crore.

A substantial stretch of roads and structures of this second and largest leg of NH-34 development has been completed and toll collection is expected to commence by Q1 of financial year 2017. In the last year, almost the entire land has been made available for construction after a substantial delay of ~4 yrs by NHAI. The Provisional Completion (PCOD) is estimated to be achieved 35 months after SFLD (Scheduled Four-laning Date) while Final Completion (FCOD) will be delayed by a total of 44 months due to delayed handover of ROW, tardy design clearances for major bridges and structures, removal of various hindrances, utilities shifting, etc. As of June 30, 2015, the Concessionaire has filed ` 681 crore of claims from the NHAI for the damages suffered due to NHAI defaults. The arbitration proceedings are underway and the Company has filed its Statement of Claim and Rejoinder to the Statement of Defense filed by the NHAI. The Concessionaire will submit further claims for increased costs beyond June 30, 2015.

The Company has also achieved the sanctions from the lenders consortium for cost overrun in the last fiscal to complete the project in the absence of timely realization of claim from Authority.

Raiganj Dalkhola Highway

This is the smallest northern section of the NH-34 development which has suffered the worst delay of nearly 6 years due to non-acquisition of land. The project stretch starts at Raiganj (Km 398.000) and terminates at the town of Dalkhola (Km 452.750). The 50 km project stretch traverses through Raiganj and Dalkhola towns in North Dinjapur district of West Bengal. It also passes through various small villages like Soharai, Karandighi, Maheshbathna and ends at the intersection of NH31. The concession period is 30 years which includes a construction period of 30 months. The project cost has increased to ` 1,204 crore and progress is contingent on appropriate support from NHAI and Lenders.

In the last 1.5 years, a significant portion of land has been made available for construction after a delay of nearly 6 years; Pre-construction activities such as clearing & grubbing and earthwork has started in the interest of all stakeholders.

As of June 30, 2014, the Concessionaire has filed ` 269 crore worth of claims from the NHAI for the damages suffered due to NHAI defaults. The Concessionaire will submit further claims for increased costs beyond June 30, 2014. Since the realization of claim from the Authority is a lengthy process, the SPV meanwhile had approached its Lenders to assist in funding the large cost overrun and has received sanction from the lead bank for additional funding. Once the financing arrangement is in place with adequate support from NHAI, the Company will start full-fledged construction work with an aim to complete within next 30 months.

iv) Steiner AG, Switzerland

Steiner AG, one of the leading project developers, total and general contractors (TC/GC) in Switzerland, offers comprehensive services in the fields of new constructions, refurbishment and Real Estate Development.

Your Company owns 100% stake in Steiner AG through HCC Mauritius Enterprises Limited and HCC Mauritius Investment Limited, wholly owned subsidiaries.

As per IGAAP Accounting Standards, Steiner AG has registered a revenue of CHF 636.8 million (` 4255.3 crore) compared to CHF 853.9 million (` 5604.9 crore) in the previous year with a loss of CHF 0.98 million (` 6.5 crore) compared to a net profit of CHF 1.7 million (` 10.8 crore) in the previous year. While as per Swiss GAAP Accounting Standards, Steiner AG has registered a revenue of CHF 649.7 million (` 4341.8 crore) compared to CHF 854.1 million (` 5605.8 crore) in the previous year with a net profit of CHF 1.9 million (` 12.7 crore) compared to CHF 2.0 million (` 13.1 crore) in the previous year.

The Company secured fresh orders worth CHF 850 million (` 5843.6 crore). The order backlog was CHF 1.32 billion (` 9074.8 crore) at the end of the year. In addition to this, the company has secured orders for more than CHF 700 million (` 4812.4 crore), where the contracts are yet to be signed. The closing cash balance of the company was CHF 87.1 million (` 598.7 crore)as per Swiss GAAP while as per IGAAP closing cash balance was CHF 85.4 million (` 587.1 crore), reflecting the company's steady financial performance and strong liquidity position.

Steiner India Ltd, 100% subsidiary of Steiner AG, had a revenue of ` 75.5 crore and loss of ` 5.9 crore in FY 2015-16.

v) Highbar Technologies Ltd

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

In the financial year 2015-16, which is just the sixth year of operations, Highbar has been able to cross the total number of customers beyond 100. This has been achieved when Highbar's primary customer segment, the infrastructure industry, is dealing with slowdown.

Highbar is now providing SAP related services and IT infrastructure services across multiple sectors like Manufacturing, BPO, Agro-Chemicals in addition to Infrastructure, Real Estate, Retail, Telecom, Consumer Products, PEB (Pre-engineered Buildings), Iron & Steel etc. It has developed capabilities to successfully concurrently execute large sized projects. Highbar has already started expanding its reach in government sector by exploring opportunities with dedicated team working on it. This year Highbar's services for Government sector made one of its prominent government customers go paperless.

Apart from this, Highbar has been honoured with two prominent industry recognitions. First one is SAP Partner Awards in the category of 'Best Pre-sales Customer Engagements' for effectively engaging customers through appropriate solutions across industries. Second one is 'ChannelWorld Premier 100 awards'. This award was given to the IT players for being agile and adapting rapidly to the changing technology and business landscape. Highbar has been recognised as one of the 100 agile IT players. This is the 2^{nd} time that Highbar has been recognised with Premier 100 awards. Agility is one of Highbar's nine brand drivers. With speed, agility and hunger for success. Highbar Technologies has already created a niche for itself in infrastructure and real estate industry by dominating 'IT for Infrastructure market' with 100 customers in a short span of 6 years.

Highbar has grown its IT capabilities and the expertise in various areas including ERP (Enterprise Resource Planning), Business Intelligence and dashboards, cloud offerings through Highbar CloudConnect, Employee Portals, CRM (Customer Relationship Management), DMS (Document Management System), BPC (Business Planning & Consolidation), Treasury Management, FLM (File Lifecycle Management). It has also ventured into new areas like SAP HANA, S/4 HANA, Simple Finance, SAP Fiori, Screen Persona, Mobility Solutions, e-procurement etc. The business has now established and is ready to expand in multiple industries and geographies like India, Middle East, Europe and Africa. Highbar's first customer in Switzerland has already gone live on SAP system and started garnering benefits of SAP.

Services provided by Highbar have gone much beyond SAP into process consulting and IT infrastructure support such as data-centre and networking. Solutions like Highbar RapidStart and Highbar RapidStart Analytics are based on templatised approach to ERP and Business Intelligence respectively and are intellectual properties (IP) assets of Highbar. Highbar remains as preferred partner for SAP implementation and re-implementation for the infrastructure industry. Eleven numbers of Highbar's implementations have now become global case studies, published on SAP's website as reference cases.

Highbar continues to support your Company's group companies including your Company, HCC Infrastructure, HCC Real Estate, Lavasa and Steiner India across the IT value chain. Your Company's SAP Customer Centre of Expertise (CCOE) was certified by SAP this year and benchmarked amongst top 1% out of 2,93,000 SAP customers globally. With a view to be at the forefront of IT, entire SAP systems at your Company viz. ERP, CRM, DMS etc were upgraded to the latest versions, thereby ensuring SAP support for at least the next ten years i.e. till 2025 along with access to new business functionalities which were hitherto not available. The underlying hardware, Operating systems and Database were also upgraded and is now scalable for SAP usage at much higher levels and at better speed. The drive undertaken for last few years to harness IT for bringing about operational efficiency and cost controls continues with the same vigour through further business process automations, process refinements and tighter controls supported by intelligent reporting and alert mechanisms.

Highbar, the successful spin-off from your Company's internal IT function, has established a proper scalable organization structure with all the functions in place to facilitate and sustain future growth. It is on the course towards accomplishing its vision of being 'the most preferred end-to-end IT solution provider' for infrastructure industry.

5. Subsidiaries, Joint Ventures and Associate Companies

During the year under review, the following changes have taken place with respect to subsidiaries, joint Ventures and Associate Companies:

a) HCC Power Ltd (the wholly owned step-down subsidiary company) has incorporated HCC Energy Ltd, a wholly owned subsidiary company on August 11, 2015, making it a subsidiary of your Company from the date of its incorporation.

b) Ecomotel Hotel Ltd (Associate Company) has become a subsidiary (step-down subsidiary Company) of your Company w.e.f. July 15, 2015.

c) Apollo Lavasa Health Corporation Ltd (step-down subsidiary Company) and Starlit Resort Ltd (step-down subsidiary Company) have become an

Associate Company w.e.f. November 16, 2015 and May 14, 2015 respectively.

d) HCC Concessions Ltd (the step-down subsidiary company) has transferred its 74% stake in Nirmal BOT Ltd on December 23, 2015; accordingly Nirmal BOT Ltd ceases to be a subsidiary of your Company w.e.f. December 23, 2015.

e) HCC Concessions Ltd (the step-down subsidiary company) has transferred its equity stake in Dhule Palesner Tollway Ltd, a joint venture company on 29.10.2015; accordingly HCC ceases to hold any share in the said joint venture Company w.e.f. from 29.10.2015.

f) Sirrah Palace Hotels Ltd (step-down subsidiary Company) has ceased to be a subsidiary of your Company w.e.f. November 6, 2015.

<u>Subsidiary Companies</u>

1. Western Securities Ltd
2. HCC Aviation Ltd
3. HCC Construction Ltd
4. Highbar Technologies Ltd
5. Highbar Technologies FZ LLC
6. HCC Mauritius Enterprises Limited
7. HCC Mauritius Investment Limited
8. Steiner AG (Formerly known as Karl Steiner AG)
9. Steiner Promotions et Participations SA
10. VM + ST AG
11. Eurohotel SA
12. Steiner (Deutschland) GmbH
13. Steiner Leman SAS
14. SNC Valleiry Route De Bloux
15. Steiner India Ltd
16. HCC Infrastructure Company Ltd
17. HCC Concessions Ltd (Formerly known as HCC Infrastructure Ltd)
18. Badarpur Faridabad Tollway Ltd
19. Baharampore - Farakka Highways Ltd
20. Farakka - Raiganj Highways Ltd
21. Raiganj - Dalkhola Highways Ltd
22. Dhule Palesner Operations & Maintenance Ltd
23. HCC Power Ltd
24. HCC Energy Ltd
25. HCC Operations & Maintenance Ltd
26. Narmada Bridge Tollway Ltd
27. HCC Real Estate Ltd
28. HRL Township Developers Ltd
29. HRL (Thane) Real Estate Ltd
30. Nashik Township Developers Ltd
31. Maan Township Developers Ltd
32. Charosa Wineries Ltd
33. Powai Real Estate Developers Ltd
34. HCC Realty Ltd
35. Pune-Paud Toll Road Company Ltd
36. Panchkutir Developers Ltd
37. Lavasa Corporation Ltd
38. Lavasa Hotel Ltd
39. Lakeshore Watersports Company Ltd
40. Dasve Convention Centre Ltd
41. Dasve Business Hotel Ltd
42. Dasve Hospitality Institutes Ltd
43. Lakeview Clubs Ltd
44. Dasve Retail Ltd
45. Full Spectrum Adventure Ltd
46. Spotless Laundry Services Ltd
47. Lavasa Bamboocrafts Ltd
48. Green Hill Residences Ltd
49. My City Technology Ltd
50. Reasonable Housing Ltd
51. Future City Multiservices SEZ Ltd
52. Rhapsody Commercial Space Ltd
53. Valley View Entertainment Ltd
54. Warasgaon Tourism Ltd
55. Our Home Service Apartments Ltd

56. Warasgaon Power Supply Ltd
57. Sahyadri City Management Ltd
58. Hill City Service Apartments Ltd
59. Kart Racers Ltd
60. Warasgaon Infrastructure Providers Ltd
61. Nature Lovers Retail Ltd
62. Osprey Hospitality Ltd
63. Warasgaon Valley Hotels Ltd
64. Rosebay Hotels Ltd
65. Mugaon Luxury Hotels Ltd
66. Warasgaon Assets Maintenance Ltd
67. Hill View Parking Services Ltd
68. Whistling Thrush Facilities Services Ltd
69. Verzon Hospitality Ltd
70. Ecomotel Hotel Limited

Integrated Joint Ventures

1. HCC- L & T Purulia Joint Venture
2. HCC Samsung Joint Venture CC-34
3. Alpine Samsung HCC Joint Venture
4. Alpine HCC Joint Venture
5. Nathpa Jhakri Joint Venture
6. Kumagai -Skanska-HCC Itochu Group
7. ARGE Prime Tower, Zurich

Associate Companies

1. Nirmal BOT Limited
2. Warasgoan Lake View Hotels Limited
3. Andromeda Hotels Limited
4. Knowledge Vistas Limited
5. Bona Sera Hotels Limited
6. Apollo Lavasa Health Corporation Ltd
7. Starlit Resort Ltd
8. Evostate AG
9. Projektentwicklungsges,
   Parking Kunstmuseum AG.
10. MCR Managing Corp. Real Estate AG

The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies of the Company forms part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2016.

The Company has formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. www.hccindia.com and can be accessed at http://www.hccindia.com/pdf/HCC_Policy_for_determining_Material_Subsidiaries.pdf

6. Qualified Institutions Placement of Equity Shares (QIP) / Change in Share Capital

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

On April 10, 2015, your Company has issued and allotted 13,33,32,800 Equity Shares of ` 1 each at an issue price of ` 30 per Equity Share (including premium of ` 29 per equity share) for an amount aggregating ` 399,99,84,000 to Qualified Institutional Buyers in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Section 42 of the Companies Act, 2013 and the Rules made thereunder.

Post the QIP Issue, the present paid up Equity Share Capital of the Company is ` 77,91,58,906 which comprises 77,91,58,906 Equity Shares of ` 1 each.

7. Public Deposits

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

8. Particulars of Loans, Guarantees & Investments

Particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Companies Act, 2013 (Hereinafter "The Act") are given in the notes to the Standalone Financial Statements.

Also, pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, particulars of Loans/Advances given to Subsidiaries have been disclosed in the notes to the Standalone Financial Statements.

9. Employee Stock Option Scheme (ESOP)

As on March 31, 2016, 16,54,630 stock options are outstanding, in aggregate, for exercise as per the exercise schedule and are exercisable at a price of ` 52.03 per stock option.

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

During the year under review, no options got vested in the employees of the Company. 15,84,700 stock options got lapsed between April 1, 2015 and March 31, 2016.

The particulars with regard to the ESOPs as on March 31, 2016 as required to be disclosed pursuant to the provisions of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014, are set out in Annexure I to this Report.

10. Consolidated Financial Statements

In accordance with the Companies Act, 2013, Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates and AS – 27 on Financial Reporting of Interests in Joint Ventures and as prescribed by Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), the Audited Consolidated Financial Statements are provided in this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of each of the subsidiary and joint venture in the prescribed form AOC-1 is annexed to the Annual Report.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the subsidiaries are kept for inspection by the shareholders at the Registered Office of the Company. The said financial statements of the subsidiaries are also available on the website of the Company www.hccindia.com under the Investors Section.

11. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by Securities and Exchange Board of India(SEBI).

The report on Corporate Governance as prescribed in Schedule V (C) of the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance alongwith a declaration signed by the Chairman & Managing Director stating that the members of the Board of Directors and Senior Management personnel have affirmed compliance with the respective codes of conduct of the Board of Directors and Senior Management is attached to the report on Corporate Governance.

12. Directors

Mr. D. M. Popat, Director of the Company, who was liable to retire by rotation at the 89^{th} Annual General Meeting of the Company held last year had expressed his intention not to seek re-election as a Director of the Company and accordingly had retired from his directorship on July 14, 2015.

After a prolonged illness, Mr. Popat passed away on December 23, 2015. The Board of Directors has expressed its deep regret and offered condolences on the sad demise of Mr. Popat.

Mr. Popat was a Senior partner at M/s Mulla & Mulla & Craigie Blunt & Caroe, Solicitors & Advocates since 1969 and was one of the most eminent solicitors of the country. He was associated with our Company for a very long time.

The Board has also placed on record the invaluable contribution of Late Mr. D. M. Popat to the Board and the Company.

The Board of Directors of the Company at its meeting held on May 2, 2016 has appointed Mr. Rajgopal Nogja as the Group Chief Executive Officer (Group CEO) of the Company w.e.f. May 3, 2016.

Pursuant to his appointment, Mr. Nogja has stepped down from the Board as Group COO & Whole-time Director w.e.f. May 2, 2016.

The Board placed on record its appreciation for the valuable services rendered and contribution made by Mr. Rajgopal Nogja during his tenure as Whole-time Director (prior to his appointment as Group CEO) of the Company.

Mr. N. R. Acharyulu was employed with our Company as Chief Business Development Officer and on conclusion of his contract period, the Board of Directors has appointed Mr. N. R. Acharyulu (DIN: 02010249) as an Additional Director on the Board of the Company in the category of Non-Executive Director, who is liable to retire by rotation, with effect from May 2, 2016, in accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company.

The Company has received a Notice under Section 160 of the Companies Act, 2013, from a member signifying an intention to propose Mr. N. R. Acharyulu as a candidate for the office of Director at the forthcoming Annual General Meeting.

Brief Profile of the Director seeking appointment has been given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

The Company has received Form DIR-8 from all Directors pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

The Independent Directors of the Company viz., Mr. Rajas R, Doshi, Mr. Ram P. Gandhi, Mr. Sharad M. Kulkarni, Mr. Anil C. Singhvi and Dr. Omkar Goswami have furnished necessary declarations to the Company under Section 149(7) of the Act, confirming that they meet with the criteria of Independence as prescribed for Independent Directors under Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations.

13. Key Managerial Personnel

Following persons are the Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder:

i) Mr. Ajit Gulabchand, Chairman and Managing Director

ii) Mr. Rajgopal Nogja, Group Chief Executive Officer

iii) Mr. Arun V. Karambelkar, President & CEO – E&C

iv) Mr. Praveen Sood, Chief Financial Officer of the Company designated as Group CFO & EVP – HCC Group Office

v) During the year under review, Mr. V. P. Kulkarni, resigned as Company Secretary with effect from July 30, 2015 and therefore he was a Key Managerial Personnel till July 30, 2015

The Board placed on record its appreciation for the valuable services rendered and contribution made by Mr. Vithal P. Kulkarni during his long tenure as Company Secretary of the Company.

vi) Mr. Sangameshwar Iyer was appointed by the Board of Directors, in place of Mr. V. P. Kulkarni, as the Company Secretary of the Company with effect from July 31, 2015 and thereby is designated as Key Managerial Personnel with effect from the said date.

vii) Mr. Rajgopal Nogja was appointed by the Board of Directors of the Company at its meeting held on May 2, 2016, as the Group Chief Executive Officer (Group CEO) of the Company w.e.f. May 3, 2016. Pursuant to his appointment, Mr. Nogja has stepped down from the Board as Group COO & Whole-time Director w.e.f. May 2, 2016.

Remuneration and other details of the said Key Managerial Personnel for the financial year ended March 31, 2016 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

14. Board Committees

The Board of Directors of your Company had already constituted various Committees and approved their terms of reference/role in compliance with the provisions of the Companies Act, 2013 and Listing Agreement (applicable uptil November 30, 2015)/ SEBI Listing Regulations (applicable from December 1, 2015) viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee.

During the financial year 2014-15, in accordance with the provisions of the erstwhile Clause 49 of the Listing Agreement, the Board had voluntarily constituted the Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Report on Corporate Governance in the Annual Report.

15. Meetings

A calendar of Board Meetings, Annual General Meetings and Committee Meetings is prepared and circulated in advance to the Directors of your Company.

The Board of Directors of your Company met 4 times during 2015-16. The meetings were held on April 30, 2015, July 30, 2015, October 29, 2015 and January 28, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

16. Familiarisation Programme of Independent Directors

In compliance with the requirements of SEBI Listing Regulations, the Company has put in place a familiarization program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc.

The details of the familiarization program are explained in the Corporate Governance Report and the same is also available on the website of the Company and can be accessed by web link http://www.hccindia.com/pdf/familiarisation_program_for_independent_directors.pdf

17. Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, Annual Performance Evaluation of the Directors as well as that of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

18. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on March 29, 2016, inter-alia, to discuss:

i) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.

ii) Evaluation of performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.

iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

19. Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration Committee has laid down well-defined criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by them and approved by the Board of Directors, which is attached to the Board's Report as Annexure II.

20. Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Employees

The Nomination and Remuneration Committee has laid down the policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration Policy recommended by it and approved by the Board of Directors, which is attached to the Board's Report as Annexure II.

21. CSR Policy

The brief outline of the Corporate Social Responsibility (CSR) Policy as recommended by the CSR Committee of the Directors and approved by the Board of Directors of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is attached to this Report as **Annexure III** and is available on the website of the Company i.e. www.hccindia.com

22. Related Party Transactions

All related party transactions entered during the year were in the ordinary course of business and on an arm's length basis.

The related party transactions attracting compliance under Section 177 of the Companies Act, 2013 and / or erstwhile Clause 49 of the Listing Agreement / Regulation 23 of the SEBI Listing Regulations were placed before the Audit Committee for approval.

There are no transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

There were no related party transactions which were placed for prior omnibus approval of the Audit Committee.

A statement of all related party transactions entered was presented before the Audit Committee on a quarterly basis, specifying the nature, value and any other related terms and conditions of the transactions.

Further the details of the transactions with Related parties are provided in the Company's financial statements in accordance with the Accounting Standards.

The Related Party Transactions Policy as approved by the Board of Directors of the Company has been uploaded on the website of the Company at http://www.hccindia.com/pdf/HCC_Policy_for_Related_Party_Transactions.pdf

23. Directors' Responsibility Statement

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date.

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) the annual accounts have been prepared on a going concern basis.

e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are generally operated effectively during the year.

Internal financial control over carrying cost of investment in subsidiaries and recoverability of dues from subsidiaries, is covered under internal financial control.

The management is of the view that diminution in the carrying cost of investment in subsidiaries, if any, is temporary in nature and recoverability of dues from subsidiaries are good. The view of the management is also supported by a third party expert report.

However, in view of the uncertainties involved, your Auditors have given a qualified opinion in their report in this regard, without quantifying the impact. Other than this, your Auditors have opined that the Company has in, all material respects, maintained adequate internal financial controls over financial reporting (IFCoFR) and that they were operating effectively.

This response by Directors is based on the management note given under Para 29 of this report.

f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

24. Industrial Relations

The industrial relations continued to be generally peaceful and cordial during the year.

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

Your Company has, during the year under review, transferred a sum of ` 11,95,382 to Investor Education and Protection Fund, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said amount represents dividend for the year 2007-08 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

26. Particulars of Employees and other additional information.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure V to this Report.

The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the Report and the Accounts are being sent to the members excluding the said Annexure. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

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

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014, is given in Annexure VI forming part of this Report.

28. Statutory Auditors

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

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

At the 89th AGM held on July 14, 2015, the shareholders had ratified the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai for the period covering their second year of appointment viz., from the conclusion of the last AGM held on July 14, 2015 until the conclusion of the Annual General Meeting to be held in the financial year 2016-17.

The said appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai covering their third year of appointment viz, from the conclusion of the ensuing AGM in financial year 2016-17 until the conclusion of the next Annual General Meeting to the held in the financial year 2017-18, has to be ratified by Members at the forthcoming AGM and accordingly the said proposal is being placed for members' ratification.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder, as may be applicable.

29. Statutory Auditors' Remarks

a. Statutory Auditors Qualification:

The Auditors' Report to the Members on the Audited Financial Results of the Company for the financial year ended March 31, 2016 contains the following qualification(s):

As stated in Note 32 to the Standalone financial statements, the Company's long term investments as at March 31, 2016 include investments aggregating ` 474.37 crore in its subsidiaries, namely, HCC Real Estate Limited and Lavasa Corporation Limited; and the long term loans and advances, non-current assets and other current assets as on that date include dues from such subsidiaries aggregating ` 554.17 crore, ` 32.51 crore and ` 13.35

crore, respectively, being considered good and recoverable by the management. However, these subsidiaries have accumulated operational losses and their net worth is fully/ substantially eroded as at March 31, 2016. Further, such subsidiaries are facing liquidity constraints due to which they may not be able to realize projections made as per their business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these investments and recoverability of the aforesaid dues and the consequential impact, if any, on the accompanying standalone financial statements.

b. Statutory Auditor's Qualification on the Internal Financial Controls relating to the above matter

The Auditors' Report to the Members on the Internal Financial Controls over financial reporting (IFCoFR) with respect to the Audited Financial Results of the Company for the financial year ended March 31, 2016 contains the following qualification(s):

In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2016:

The Company did not have appropriate internal financial controls over financial reporting in respect of its assessment of (a) 'other-than-temporary' diminution in the carrying value of the Company's long-term investments in its subsidiaries and (b) recoverability of long-term loans and advances, non-current assets and other current assets due from such subsidiaries. The inadequate supervisory and review controls over Company's process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investment in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, also impact the profit after tax.

In our opinion, except for the effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, maintained adequate IFCoFR as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note and were operating effectively as at March 31, 2016.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Management Note

The Company, as at March 31, 2016, has (i) an investment amounting to ` 474.36 crore (31 March 2015: ` 474.36 crore), long term loans and advances ` 443.96 crore (31 March 2015: ` 404.06 crore), other non-current assets ` 19.43 crore (31 March 2015: ` 25.01 crore) and other current assets ` 5.07 crore (31 March 2015: ` 3.43 crore) in HCC Real Estate Limited (HREL) which is holding 68.70% share in Lavasa Corporation Limited (LCL) and (ii) an investment amounting to ` 0.01 crore (March 31, 2015: ` 0.01 crore), long term loans and advances ` 110.21 crore (March 31, 2015:Nil), other non-current assets ` 13.08 crore (March 31, 2015: ` 14.30 crore) and other current assets ` 8.28 crore (31 March 2015: ` 77.24 crore) in LCL. While such entities have incurred losses during its initial years and consolidated net-worth of all these entities as at March 31, 2016 has been substantially/fully eroded, the underlying project in such entities are in the early stages of development and are expected to achieve adequate profitability on substantial completion and / or have current market value of certain properties which are in excess of the carrying values, hence net-worth of these subsidiaries does not represent its true market value. Therefore, the decline in the value of above investments is considered to be temporary in nature and the loans and advances, non-current assets and other current assets together with the interest thereon are good and recoverable.

Based on the above, management believes that the Company's internal financial control in respect of assessment of the carrying value of investment, recoverability of loans and advances, current and non-current assets in subsidiaries were operating effectively and there is no material weakness in such controls and procedures.

30. Secretarial Audit

Secretarial Audit for the financial year 2015-16 was conducted by M/s BNP Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached to this Report as **Annexure VII**. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

31. Cost Audit

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on July 30, 2015 had appointed M/s Joshi Apte & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2015-16. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for financial year 2015-16.

32. Risk Management

Pursuant to the requirement of Section 134 (3)(n)of the Companies Act, 2013, the Company has already in place a Risk Management Policy.

The Company has a robust Business Risk Management (BRM) framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance your Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level.

In accordance with the provisions of the erstwhile Clause 49 of the Listing Agreement, during the financial year 2014-15, the Board had voluntarily constituted the Risk Management Committee.

33. Internal Control Systems and their adequacy

The Company has Internal Control Systems, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

34. Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Companies Act 2013.

35. Vigil Mechanism Policy

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The vigil mechanism policy is uploaded on the website of the Company at www.hccindia.com

36. Sexual Harassment

HCC has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. HCC has a well formulated Policy on Prevention & Redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. This policy has striven to prescribe a code of conduct for the employees and all employees have access to the Policy document and are required to strictly abide by it. The policy covers all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee.

During the year 2015-16, one case of Sexual Harassment was reported which was investigated by a committee (including an external member) as defined under the Policy of Prevention & Redress of Sexual Harassment and appropriate action was taken in the said case.

37. Reporting of Frauds:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

38. Significant and Material Orders passed by the Regulators/Courts, if any

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

39. **Material changes & commitment if any, affecting financial position of the Company from the end of financial year till the date of the report.**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

40. Extract of Annual Return

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed hereto as **Annexure VIII** and forms the part of this Report.

41. Acknowledgements

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

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

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

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

Place : Mumbai
Date : June 3, 2016

Annexure I to the Board's Report

Disclosure pursuant to the provisions of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 as at March 31, 2016:

No.	Particulars	Details
a)	Options granted	93,05,100 Options
b)	Pricing Formula	Pricing formula for remaining Options The closing market price on the Stock Exchange, which recorded the highest trading volume in the Company's share prior to the date of the Meeting of ESOP Compensation Committee in which Options were granted.
c)	Options vested	16,54,630 (Adjusted – vested options only with respect to options outstanding)
d)	Options exercised	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
e)	Total No. of shares arising as a result of exercise of Options	1,11,220 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
f)	Options lapsed	57,42,890 (Adjusted for Bonus Issue of Equity Shares (1:1) in August 2010)
g)	Variation of terms of Options / Exercise Price	In accordance with the approval of the Board of Directors of the Company, the ESOP Compensation Committee had during financial year 2009-10 re-priced 41,31,600 Options granted by the Company at ` 104.05 per Stock Option (Earlier ` 132.50 per Stock Option) Post Adjustment for Bonus Issue of Equity Shares in August 2010, the said Options were priced at ` 52.03 per Equity Share
h)	Money realized by exercise of Options	` 34,36,133
i)	Total No. of Options in force	16,54,630

Employee wise details of Outstanding Options as of March 31, 2016:

Sr. No.	Directors & Senior Managerial Personnel		Number of Options granted and in force
	Name	Designation	
1.	Mr. Rajas R. Doshi	Director	20,580
2.	Mr. Ram P. Gandhi	Director	20,580
3.	Mr. Sharad M. Kulkarni	Director	20,580
4.	Mr. Anil C. Singhvi	Director	20,580
5.	Mr. Arun V. Karambelkar*	President & CEO – E&C	1,64,700
6.	Mr. Rajgopal Nogja	Group Chief Executive Officer	1,02,960
7.	Mr. Praveen Sood*	Group Chief Financial Officer – Executive Vice President - HCC Group Office	1,64,700

Sr. No.	Directors & Senior Managerial Personnel		Number of Options granted and in force
	Name	Designation	
8.	Mr. Aditya Jain	Group Executive Vice President – Human Resources	2,20,330
9.	Mr. Pervez Alam*	Jt. Chief Operating Officer – HCC E&C	2,05,920
10.	Mr. N. R. Acharyulu*	Chief Business Development Officer -E & C Business	2,05,920
11.	Mr. D. M. Kudtarkar*	Ex-employee	2,05,920
12.	Mr. Vithal P. Kulkarni	Ex-employee	82,320
13.	Mr. Satish Pendse	President - Highbar Technologies	82320
14.	Mr. S. W. Gaitonde*	Vice President – Central Project Planning & Monitoring	1,37,220
	Total No. of Options Outstanding		**16,54,630**

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

The above list also includes the details of options granted to the Key Managerial Personnel of the Company

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

For and on behalf of Board of Directors,

AJIT GULABCHAND
Chairman & Managing Director

Registered Office:
Hincon House, 11th Floor,
247Park, Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Place : Mumbai
Date : June 3, 2016

Annexure II to the Board's Report

Nomination and Remuneration Policy of the Company:

The Remuneration Committee of Hindustan Construction Company Ltd ("the Company") was originally constituted on August 30, 2000 consisting of three Independent Directors.

In order to align with the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder and as per the revised Listing Agreement, the Board of Directors of the Company at its meeting held on May 2, 2014, has renamed the Remuneration Committee as "Nomination and Remuneration Committee" ('Committee').

1. OBJECTIVE

   This policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and erstwhile Clause 49 under the Listing Agreement/SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. EFFECTIVE DATE

   This policy is effective from January 29, 2015.

3. SCOPE

   This policy is applicable to Directors and Senior Management of the Company including Key Managerial Personnel.

4. DEFINITIONS

   4.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

   4.2. Board means Board of Directors of the Company.

   4.3. Directors means Directors of the Company.

   4.4. Key Managerial Personnel means

   1. Managing Director
   2. Group Chief Operating Officer & Whole-time Director
   3. President & CEO - E & C Business
   4. Company Secretary and
   5. Group Chief Financial Officer

   4.5. Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

   Senior Management in the Company means and includes the following positions:-

   1. Key Managerial Personnel (KMP) under Clause 4.4
   2. Group EVP - HR
   3. Chief Operating Officer – E& C Business
   4. Chief Business Development Officer – E& C Business
   5. CFO – E & C Business

5. ROLE OF THE COMMITTEE

   a) To formulate criteria for identifying Directors and Senior Management employees of the Company.

   b) To recommend to the Board in relation to appointment and removal of Directors and Senior Management.

   c) To formulate criteria for evaluation of Independent Directors and the Board.

   d) To carry out evaluation of the performance of the Directors on the Board.

   e) To formulate and recommend to the Board a policy relating to the remuneration payable to Directors, Key managerial personnel and Senior Management employees covered under Clause 4.5.

   f) To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.

   g) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks ; and

   h) Also to ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and variable performance linked payout (PLP) reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

   i) to devise a policy on Board diversity.

6. POLICY FOR IDENTIFICATION, APPOINTMENT AND RETIREMENT OF DIRECTORS AND SENIOR MANAGEMENT

6.1 Appointment criteria for Directors and Senior Management:

a) A person who is proposed to be appointed as a Director and/or in Senior Management as a KMP should possess adequate qualification, expertise and experience for the position he / she is considered for appointment and has to be recommended by the Committee to the Board for appointment.

b) A person shall not be eligible for appointment as a Director of a Company if he stands disqualified under the provisions mentioned in Section 164 of the Companies Act, 2013, Rules made thereunder, Listing Agreement or any other enactment for the time being in force.

c) The Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, Rules made thereunder, Listing Agreement or any other enactment for the time being in force.

d) Appointment of Independent Directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules made thereunder the Act and Clause 49 of the Listing Agreement (as amended from time to time).

e) On appointment to the Board, Independent Directors shall have to be issued a formal letter of appointment in accordance with the provisions of the Act and the Rules made thereunder.

f) Appointment of Key Managerial Personnel (KMP) is subject to compliance of provisions of Section 203 of the Companies Act, 2013, read with Rules made thereunder the Act (as amended from time to time).

g) The appointment of Senior Management Personnel (excluding KMPs) will be decided by the Managing Director and their terms of appointment will be in accordance with the Company Rules and policy framework.

6.2 Term / Tenure of appointment for Directors and Senior Management:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director/ Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c) Senior Management:

In case of Senior Management (excluding KMPs at Board level), term/tenure of appointment will be as per Company Rules and policy framework.

6.3 Retirement and Removal of Directors and Senior Management

a. The Director shall retire as per the applicable provisions of the Act.

b. Should the Board decide, it will have the discretion to retain the Director in the same position/ remuneration or otherwise even after attaining the retirement age, in the interest of the Company subject to necessary approvals under the applicable laws, if any.

c. Due to reasons for any disqualification mentioned in the Act or the Rules made thereunder or under any other applicable Act, Rules and regulations thereunder, a Director shall be removed from his directorship held with the Company.

d. Extension of the term of appointment of a KMP (excluding those at Board level) and any Senior Management Personnel beyond his/her retirement age will be decided by the Managing Director.

e. The proposal for removal of any KMP shall be put forth by the Committee to the Board for approval. Removal of Senior Management Personnel (excluding KMPs) will be in line with the provisions of the terms of appointment and will be decided by the Managing Director.

7. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT EMPLOYEES

7.1 General:

a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract retain and motivate Directors of the quality required to run the Company successfully;

b) Moreover it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

d) The remuneration payable to the Directors of a Company including Managing Director/ Whole-time Directors shall be recommended by the Committee to the Board for approval. Such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.

e) In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.

f) Professional indemnity and liability insurance for Directors, Key Managerial Personnel and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7.2 Remuneration to Managing Director/Whole-time Directors:

The remuneration for the Managing Director/ Whole-time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time

7.3 Remuneration to Non- Executive & Independent Directors:

a) The remuneration payable to Directors who are neither Managing Director nor Whole-time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.

b) Sitting Fees:

These Directors may receive remuneration by way of fees for attending meetings of the Board or any Committee thereof. Provided that the amount of such fees shall not exceed ` 1 lac (One Lac) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Remuneration:

Remuneration may be paid by way of commission within the monetary limit approved by Members, subject to the limit as per the applicable provisions of the Companies Act, 2013.

Independent Directors shall not be entitled to any stock options of the Company under the Companies Act, 2013.

7.4 Remuneration to KMP and Senior Management employees:

As mentioned earlier, the remuneration as approved by the Board of Directors shall be payable to KMPs. The annual increment to the KMP and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.

8. POLICY ON BOARD DIVERSITY:

a) The Board of Directors shall have an optimum combination of Directors from different areas / fields as may be considered appropriate, as well as gender.

b) The Board shall have at at-least one Board member who has accounting or related financial management expertise and other members of the Board should be financially literate.

c) The Board shall also have at-least one Woman Director.

d) To the extent feasible, the composition of the Board should be of individuals from different functional domain areas.

9. DISCLOSURE OF THE POLICY

The Remuneration Policy and the Evaluation Criteria of the Committee shall be disclosed in the Board's Report forming a part of the Annual Report of the Company.

10. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such regular intervals as may be required.

11. QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

12. CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting, to answer the Members queries. However it would be upto the Chairman to nominate some other member to answer the Members' queries.

13. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

14. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

15. MISCELLEANOUS:

(a) In respect of any policy matters relating to Senior Management (excluding KMPs), the Committee may delegate any of its powers to one or more Company representatives occupying Senior management position.

(b) This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other applicable enactment for the time being in force.

Annexure III to the Board's Report

Corporate Social Responsibility (CSR) Policy of the Company:

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of Hindustan Construction Company Ltd ("the Company") was constituted by the Board of Directors of the Company at its meeting held on May 2, 2014.

The composition of the said Committee is three Directors viz., Mr. Ajit Gulabchand (Chairman) along with Mr. Rajas R. Doshi and Mr. Ram P. Gandhi as the Independent Directors.

1. OBJECTIVE

   This Corporate Social Responsibility Policy("the CSR Policy") has been formulated in compliance with Section 135 of the Companies Act, 2013 ('the Act') read along with the applicable Rules thereto.

2. CSR VISION

   The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. HCC's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the Company, industry, and society at large.

   At HCC, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

   The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

3. SCOPE

   This Policy shall apply to all CSR projects/programmes/ activities undertaken by the Company in India as per Schedule VII to the Act.

4. DEFINITIONS:

1. Corporate Social Responsibility (CSR) means and includes but is not limited to:

   Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act').

2. CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

3. CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.

4. Net Profit means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198) and Rules framed thereunder, but shall not include the following viz;

   (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and

   (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act

   Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

5. ROLE OF THE CSR COMMITTEE

   a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.

   b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.

   c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

   d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.

   e. Monitor the implementation of the CSR Policy from time to time.

   f. Such other functions as the Board may deem fit.

6. ROLE OF THE BOARD

   a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.

   b. Ensure that the CSR activities included in this CSR Policy are undertaken by the Company.

   c. The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established under Section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities.

d. Ensure that in each financial year, the Company spends at least 2% of the average net profits of the Company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates.

e. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

7. CSR ACTIVITIES FOR IMPLEMENTATION:

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII to the Companies Act, 2013.

8. CSR MONITORING AND REPORTING FRAMEWORK

In compliance with the Act and to ensure that the funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets alongwith the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

9. CSR EXPENDITURE

The expenditure incurred on CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity with or not in line with activities which fall within the purview of Schedule VII to the Act.

10. DISCLOSURE OF THE POLICY

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

11. CSR REPORTING

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

12. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such periodic intervals as may be required.

13. QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

14. CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

15. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

16. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

17. MISCELLEANOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, Rules made thereunder or any other applicable enactment for the time being in force.

Annexure IV to the Board's Report

Format of reporting of Corporate Social Responsibility (CSR)

[Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   As a pioneer and trend-setter in the construction industry in India, HCC is aware of the social responsibilities that accompany its leadership status. The Company remains steadfast on its objective of pursuing holistic growth with responsibility towards the people and the environment. The Company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. The Company's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

   The Company's CSR Policy aims at implementing its CSR activities in accordance with Section 135 of the Companies Act 2013 and the notified Rules. The CSR Committee shall periodically review the implementation of the CSR Policy.

   The objectives of the CSR policy are -

   - To translate the underlying principal of the vision into action and continue to contribute towards the organization and society at large.
   - Promote business policies that are ethical, equitable, environmentally conscious and sensitive to the societal needs.
   - To ensure proactive participation in the community development for the wellbeing of the society.
   - Set high standards of quality in executing the CSR initiatives by creating robust processes.

   Main Focus Areas:

   The activities selected are in accordance with Schedule VII of the Companies Act, 2013. Following are the main Heads of the CSR activities of the Company:

   Health: The Company will promote various initiatives to support health and preventive health care in the community.

   Education: The Company will undertake initiatives in the field of education to enhance employability and wellbeing of the community.

   Environment: The Company will promote environmental sustainability and conservation of natural resources.

   Rural Development Projects: The Company will undertake rural development initiatives to improve the standard of living, infrastructural development, initiatives for wellbeing for significant improvement in the socio-economic conditions of the community and support response to natural calamities including preparedness and relief.

   The Company's CSR projects or programs or activities will be identified and implemented according to the Board's approved CSR policy.

   The expenditure of the CSR will be approved by the CSR committee and the Report will be published annually. The CSR reporting will be done annually. The CSR policy has been approved by the Board and the same will be disclosed on the Company's website.

2. **The Composition of the CSR Committee.**

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

   i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

   ii) Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy

   iii) Monitor the CSR Policy of the Company and its implementation from time to time.

   iv) Such other functions as the Board may deem fit.

3. **Average net profit of the company for last three financial years (as per Section 198 of the Companies Act, 2013)**

Year	Profit/Loss (crore)
FY 2012-13	(209.06)
FY 2013-14	12.79
FY 2014-15	139.54

Average net profit of the Company for the last three financial years is negative.

4. **Prescribed CSR Expenditure (two per cent of the average net profit stated in item 3 above)**

   Not Applicable as average net profit of the three preceding years is negative.

5. **Details of CSR spent during the financial year.**

   a) Total amount to be spent for the financial year: Not Applicable:

   b) Amount unspent, if any; Not Applicable

   c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (bud get) project or programs wise	Amount spent on the projects or programs 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
							Direct	Through Implementing Agency
1	Scholarships for the Students, Salaries for the School/institute Teachers	Education	Across India	NA	39,00,612	39,00,612	39,00,612	0
2	Distribution of Blankets for tribal community during heavy colds, Blood Donation Camps	Health	Across India	NA	51,535	51,535	44,800	6,735
3	Sports promotion, development of Tribal's in the field of Agriculture and empowerment of Local community	Rural Development	Across India	NA	61,000	61,000	0	61,000
4	Food Supply and other materials distributed among the affected people	Disaster relief	Across India	NA	76,350	76,350	76,350	0
TOTAL					4,089,497	4,089,497	40,21,762	67,735

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – Not Applicable.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

   RESPONSIBILITY STATEMENT

   The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is as stated below:

   "The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with the CSR Objectives and Policy of the Company."

AJIT GULABCHAND

Chairman & Managing Director
& Chairman of the CSR Committee

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

Place : Mumbai
Date : June 3, 2016

Annexure V to the Board's Report

Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.

Mr. Ajit Gulabchand	:	1:133
Mr. Rajgopal Nogja	:	1: 68
Ms. Shalaka Gulabchand Dhawan	:	1:15

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors:

Mr. Ajit Gulabchand	:	0%
Mr. Rajgopal Nogja	:	8.86%
Ms. Shalaka Gulabchand Dhawan	:	0%

Key Managerial Personnel:

Mr. Arun V. Karambelkar, President & CEO – E&C	:	0%
Mr. Praveen Sood, Group CFO	:	17.58%
Mr. Vithal P. Kulkarni, Ex-Company Secretary	:	0%
Mr. Sangameshwar Iyer, Company Secretary	:	0%

iii) The percentage increase in the median remuneration of employees in the financial year - 0%

iv) The number of permanent employees on rolls of the company: 1673 employees as on March 31, 2016.

v) The explanation on the relationship between average increase in remuneration and company performance.

There was no increase in remuneration for employees in the Company during the financial year 2015-16.

vi) Comparison of the remuneration of Key Managerial Personnel against the performance of the company.

The increase in remuneration of Mr. Praveen Sood, Group CFO was on account of change of his employment type from regular to contractual.

vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.

a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 was ` 1519.36 crore (` 2111.85 crore as on March 31, 2015)

b) Price Earnings ratio of the Company was 17.82 as at March 31, 2016 and was 25.83 as at March 31,2015.

c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company had come out with initial public offer (IPO) in 1984. An amount of ` 1,000 invested in the said IPO would be worth ` 0.78 lakh as on March 31, 2016 indicating a Compounded Annual Growth Rate of 14.64%. This is excluding the dividend accrued thereon.

viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Salary Increase for KMPs (other than CMD and WTD):	0% (excluding Group CFO)
Average Salary Increase for non-KMPs:	0%

ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

Same as in point vi) above.

x) The key parameters for any variable component of remuneration availed by the Directors.

No Director has received any variable component of remuneration.

xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

Mr. Rajgopal Nogja was the highest paid Director. No employee received remuneration higher than him.

xii) Affirmation that the remuneration is as per the Remuneration policy of the Company.

The remuneration paid to employees is as per the remuneration policy of the Company.

Annexure VI to the Board's Report

Information as per Section 134 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2016.

I. Conservation of Energy

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

II. Technology Absorption

Efforts made in technology absorption.

1. Research and Development (R&D)

R&D is being carried out with the objectives of continual efficiency enhancement, reductions in material costs, process development, improving speed, enhancement of construction quality and sustainability. These efforts are undertaken through interdisciplinary engineering within the organization and in technical collaboration with vendors, consultants and academia sharing similar interests.

Some of the R&D efforts are listed below:

i. Optimizing concrete ingredients with specific focus on reducing cement content, reducing carbon footprint and making Portland cement concrete a sustainable choice. This is partly achieved using less energy intensive chemical additives, enhanced use of alternate cementing materials (like fly ash, slag, micro silica, etc.) and optimal quality assurance planning.

ii. Controlled quarrying and crushing of aggregates for construction with an objective of reducing wastage and environmental impact.

iii. Through the use of the philosophy of materials integrated design, maximization of locally available construction materials is achieved.

iv. Development of alternate equivalent, less expensive construction materials from industrial wastes in close coordination with specialized vendors.

v. Speedier Construction technologies as roller compacted concrete (RCC) for the construction of dams.

vi. Alternate feasible structural designs (ex. alternate pavement design) with objectives such as improvement in the specifications, enhanced design life, reduced use of natural construction materials and improved sustainability.

vii. Construction methods such as pumping of concrete through 2.4 km for productivity enhancement.

2. Technology Absorption and Adaptation

a) **Efforts made towards technology absorption and adaptations during the last five years are:**

1. Roller Compacted Concrete (RCC) Material And Construction Technology For Dam Construction, 2012 – 2015, Technology absorbed. This construction material and technology were used for completing the dam construction at the Teesta Low Dam Project (TLDP-IV).

2. Long-Distance Pumping of Self-Compacting Concrete, 2012 – 2015, Technology adapted. Concrete pumping at Sainj hydel project in Himachal Pradesh for the lining of its headrace tunnel was accomplished using pumping of self-compacting concrete through 2.432 km. incidentally this also lead to creation of World record in pumping concrete through such long distance.

3. TBM Tunneling In Himalayan Geology, 2010 – 2014, Technology adapted. For the first time, a double-shielded Tunnel Boring Machine (TBM) was used successfully to bore the headrace tunnel in the challenging Himalayan geology at the Kishangagnga HEP. A record boring of 816 meter/ month was achieved at peak.

4. Incremental Launching of 125 M Double Decker Steel Bridge 125 M Span, 2014 ~

ongoing, Technology being absorbed. HCC with its consortium partner from Germany is using the method for incremental (continuous) launching of ten spans of 125 meter each, road cum railway double-decker steel bridge over river Bramhaputra. This steel bridge is also unique for using welded connections.

5. Composite Pavement Construction, 2013 ~ ongoing, Technology being adapted. HCC is making use of various pavement design methods, construction machineries and alternate materials to reduce the construction time and construction materials and increase the life of the construction pavements. Demonstration stretches have been constructed at NH34 and, while designs are being developed for the Indo-Nepal border and Numaligarh-Jorhat road projects.

6. Use of 3D Analysis For Optimized Design, 2014~ongoing, Technology being adapted. Optimized design of the powerhouse complex for the Tehri Pumped Storage Project is being done by using FLAC-3D Software in close coordination of experts from France and Canada is used in optimizing the rock supports.

7. Dam Construction Using Concrete Faced Rockfill Dam (CFRD), 2013 ~ ongoing, Technology being adapted. A CFRD dam is being constructed at the Kishanganga HEP with expertise from Greece. Constructing CFRD at such height i.e. at elevation of close to 2400 m and working at sub-zero temperature conditions makes it more challenging.

Based on these efforts, over 10 technical papers were published/ presented in various forums including international and national research journals, periodicals, conferences and magazines.

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

   i. Faster progress implying earlier completion of projects

   ii. Efficiency improvements

   iii. Enhancement of quality

   iv. Enhanced life of built-structures

   v. Improved sustainability

III. **Foreign Exchange earnings and Outgo:**

(a) **Total Foreign Exchange used and earned:**

The information on Foreign Exchange earnings and Outgo is contained in Note No. 39(D), 39(A) & 39(B). forming part of the Standalone Financial Statements.

AJIT GULABCHAND
Chairman & Managing Director

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

Place : Mumbai
Date : June 3, 2016

Annexure VII to the Board's Report

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

HINDUSTAN CONSTRUCTION COMPANY LIMITED

Hincon House, 11th Floor, 247Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400083.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Hindustan Construction Company Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, and subject to our separate letter attached as Annexure – I, we hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines, to the extent applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes

(ii) Listing Agreement entered into by the Company with the Stock Exchanges(s)

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

(i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999;

(ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that –

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, regulations and guidelines.

We further report that during the audit period, the company had

(i) Obtained approval of members by way of special resolution pursuant to the provisions of Clause 49(V) of the Equity Listing Agreement to sell, transfer or otherwise dispose of the whole or substantially the whole of the entire investments / shares held by HCC Concessions Limited, a Subsidiary of the Company, in Nirmal BOT Limited, a Subsidiary Company, Dhule Palesner Tollway Limited, a Joint Venture Company, Baharampore – Farakka Highways Limited and Farakka – Raiganj Highways Limited, Subsidiary Companies, for a consideration.

(ii) Obtained approval from the members for raising funds by way of issuance of Foreign Currency Convertible Bonds or through Depository receipts or QIP, etc for an amount not exceeding ` 1000 crore.

(iii) issued and allotted on April 10, 2015, 133,332,800 equity shares of face value of Re. 1 each at a price of ` 30 per Equity Share (including a premium of ` 29 per Equity Shares), aggregating to ` 399,99,84,000 (Rupees Three Hundred Ninety Nine crore Ninety Nine Lacs and Eighty Four Thousand Only).

For BNP & Associates
Company Secretaries

Keyoor Bakshi
Partner
FCS 1844 / CP No. 2720

Place: Mumbai
Date: April 28, 2016

Annexure I

The Members,

Hindustan Construction Company Limited

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, Rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, Rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries

Keyoor Bakshi
Partner
FCS 1844 / CP No. 2720

Place: Mumbai
Date: April 28, 2016

Annexure VIII to the Board's Report

Form No. MGT-9

Extract of Annual Return

For the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

	CIN	L45200MH1926PLC001228
ii)	Registration Date	January 27, 1926
iii)	Name of the Company	Hindustan Construction Company Limited
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Hincon House, 11th Floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083. Tel: +91 22 25751000 Fax: +91 22 25775950
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400011

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Engineering and Construction Activities	42101,42201,42204	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
1	Western Securities Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U67120MH1985PLC037511	Subsidiary	97.87	2 (87) (ii)
2	HCC Real Estate Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70100MH2005PLC154004	Wholly Owned Subsidiary	100.00	2 (87) (ii)
3	Panchkutir Developers Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45201MH2006PLC165073	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
4	HCC Mauritius Enterprises Limited	St James Court – Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
5	HCC Construction Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2009PLC190725	Wholly Owned Subsidiary	100.00	2 (87) (ii)
6	Highbar Technologies Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U72900MH2009PLC197299	Wholly Owned Subsidiary	100.00	2 (87) (ii)
7	HCC Infrastructure Company Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC210944	Wholly Owned Subsidiary	100.00	2 (87) (ii)
8	HCC Mauritius Investment Limited	St James Court – Suite 308, St Denis Street, Port Louis, Republic of Mauritius	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
9	HRL Township Developers Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45201MH2006PLC163478	Wholly Owned Subsidiary	100.00	2 (87) (ii)
10	HRL (Thane) Real Estate Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45201MH2006PLC163515	Wholly Owned Subsidiary	100.00	2 (87) (ii)
11	Nashik Township Developers Ltd	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2007PLC167416	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
12	Maan Township Developers Ltd	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2007PLC167462	Wholly Owned Subsidiary	100.00	2 (87) (ii)
13	Charosa Wineries Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U52208MH2007PLC176631	Wholly Owned Subsidiary	100.00	2 (87) (ii)
14	Powai Real Estate Developer Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70102MH2009PLC189760	Wholly Owned Subsidiary	100.00	2 (87) (ii)
15	HCC Realty Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70102MH2010PLC200209	Wholly Owned Subsidiary	100.00	2 (87) (ii)
16	Pune-Paud Toll Road Company Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45203MH2005PLC152028	Wholly Owned Subsidiary	100.00	2 (87) (ii)
17	HCC Aviation Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U63033MH2008PLC182384	Wholly Owned Subsidiary	100.00	2 (87) (ii)
18	Steiner AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
19	Steiner Promotions et Participations SA	Route de Lully 5, 1131 Tolochenaz, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
20	Steiner (Deutschland) GmbH	Einsteinstrasse 7, D-33104 Paderborn, Germany	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
21	VM + ST AG	Hagenholzstrasse 56, CH-8050 Zürich, Switzerland	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
22	Steiner Leman SAS	Site d'Archamps - Athéna 1, 74160 Archamps, France	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
23	SNC Valliery Route de Bloux	Site d'Archamps - Athéna 1, 74160 Archamps, France	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
24	Eurohotel SA	Rue de Lyon 87, 1203 Genève, Switzerland	Not Applicable	Subsidiary	95.00	2 (87) (ii)
25	Steiner India Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45203MH2011FLC221029	Wholly Owned Subsidiary	100.00	2 (87) (ii)
26	Highbar Technologies FZ LLC	DIC P04-B16-G-EO-21,Ground Floor, DIC Building 16,Dubai, United Arab Emirates	Not Applicable	Wholly Owned Subsidiary	100.00	2 (87) (ii)
27	Dhule Palesner Operations & Maintenance Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U93000MH2011PLC217639	Wholly Owned Subsidiary	100.00	2 (87) (ii)
28	HCC Power Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U40300MH2011PLC218286	Wholly Owned Subsidiary	100.00	2 (87) (ii)
29	HCC Concessions Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45202MH2008PLC178890	Subsidiary	85.45	2 (87) (ii)
30	HCC Operations & Maintenance Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U93030MH2012PLC237676	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
31	Narmada Bridge Tollway Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2012PLC232354	Subsidiary	85.45	2 (87) (ii)
32	Badarpur Faridabad Tollway Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45203MH2008PLC184750	Subsidiary	85.45	2 (87) (ii)
33	Baharampore-Farakka Highways Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2010PLC200748	Subsidiary	85.45	2 (87) (ii)
34	Farakka–Raiganj Highways Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC200733	Subsidiary	85.45	2 (87) (ii)
35	Raiganj–Dalkhola Highways Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC200734	Subsidiary	85.45	2 (87) (ii)
36	HCC Energy Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U40300MH2015PLC267394	Wholly Owned Subsidiary	100.00	2 (87) (ii)
37	Lavasa Corporation Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2000PLC187834	Subsidiary	68.70	2 (87) (ii)
38	Lavasa Hotel Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55100MH2007PLC173728	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
39	Lakeshore Watersports Company Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U92400MH2008PLC185314	Wholly Owned Subsidiary	100.00	2 (87) (ii)
40	Dasve Convention Center Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70101MH2008PLC185945	Wholly Owned Subsidiary	100.00	2 (87) (ii)
41	Dasve Business Hotel Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2008PLC185939	Wholly Owned Subsidiary	100.00	2 (87) (ii)
42	Dasve Hospitality Institutes Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55100MH2008PLC186901	Wholly Owned Subsidiary	100.00	2 (87) (ii)
43	Lakeview Clubs Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2008PLC186900	Wholly Owned Subsidiary	100.00	2 (87) (ii)
44	Dasve Retail Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U51109MH2008PLC187367	Wholly Owned Subsidiary	100.00	2 (87) (ii)
45	Full Spectrum Adventure Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2008PLC188519	Subsidiary	90.90	2 (87) (ii)
46	Spotless Laundry Services Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2009PLC189732	Subsidiary	76.02	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
47	Lavasa Bamboocrafts Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2009PLC190551	Wholly Owned Subsidiary	100.00	2 (87) (ii)
48	Green Hills Residences Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2009PLC192224	Subsidiary	60.00	2 (87) (ii)
49	My City Technology Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U72900MH2009PLC194613	Subsidiary	63.00	2 (87) (ii)
50	Reasonable Housing Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U70102MH2009PLC195985	Wholly Owned Subsidiary	100.00	2 (87) (ii)
51	Future City Multiservices SEZ Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2009PLC197467	Wholly Owned Subsidiary	100.00	2 (87) (ii)
52	Verzon Hospitality Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC198686	Wholly Owned Subsidiary	100.00	2 (87) (ii)
53	Rhapsody Commercial Space Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74930MH2010PLC198921	Wholly Owned Subsidiary	100.00	2 (87) (ii)
54	Valley View Entertainment Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2010PLC199136	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
55	Whistling Thrush Facilities Services Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC199381	Subsidiary	51.00	2 (87) (ii)
56	Warasgaon Tourism Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U63040MH2010PLC200459	Wholly Owned Subsidiary	100.00	2 (87) (ii)
57	Our Home Service Apartments Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC200692	Wholly Owned Subsidiary	100.00	2 (87) (ii)
58	Warasgaon Power Supply Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U40101MH2010PLC200845	Wholly Owned Subsidiary	100.00	2 (87) (ii)
59	Sahyadri City Management Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC200834	Wholly Owned Subsidiary	100.00	2 (87) (ii)
60	Hill City Service Apartments Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45400MH2010PLC201322	Wholly Owned Subsidiary	100.00	2 (87) (ii)
61	Kart Racers Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74900MH2010PLC201574	Wholly Owned Subsidiary	100.00	2 (87) (ii)
62	Warasgaon Infrastructure Providers Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U45200MH2010PLC201647	Wholly Owned Subsidiary	100.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
63	Nature Lovers Retail Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2010PLC202616	Wholly Owned Subsidiary	100.00	2 (87) (ii)
64	Osprey Hospitality Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC210078	Wholly Owned Subsidiary	100.00	2 (87) (ii)
65	Warasgaon Valley Hotels Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC210104	Wholly Owned Subsidiary	100.00	2 (87) (ii)
66	Rosebay Hotels Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC210289	Wholly Owned Subsidiary	100.00	2 (87) (ii)
67	Mugaon Luxury Hotels Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC210390	Wholly Owned Subsidiary	100.00	2 (87) (ii)
68	Warasgaon Assets Maintenance Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74990MH2011PLC219078	Wholly Owned Subsidiary	100.00	2 (87) (ii)
69	Hill View Parking Services Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U74120MH2011PLC219079	Wholly Owned Subsidiary	100.00	2 (87) (ii)
70	Ecomotel Hotel Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2008PLC185873	Subsidiary	51.00	2 (87) (ii)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
71	Warasgaon Lake View Hotels Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55100MH2007PLC173733	Associate Company	27.00	2 (6)
72	Andromeda Hotels Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55101MH2010PLC199240	Associate Company	40.00	2 (6)
73	Knowledge Vistas Limited	401 & 402, 4th Floor, Kaatyayni Busines Park, OFF:Mahakali Caves Road, MIDC,Andheri, Kurla Road, Mumbai - 400093	U80301MH2009PLC190552	Associate Company	49.00	2 (6)
74	Bona Sera Hotels Limited	640-B, Khorshed Villa, Khareghat Road, Parsi Colony, Dadar, Mumbai – 400 014	U55101MH2008PLC185253	Associate Company	26.00	2 (6)
75	Evostate AG	Hagenholzstrasse 56, 8050 Zürich, Switzerland	Not Applicable	Associate Company	30.00	2 (6)
76	Projektentwicklungsges Parking Kunstmuseum AG	Kunstmuseum Basel AG, c/o Peter Andreas Zahn, St. Jakobs-Strasse 7, 4052 Basel, Switzerland	Not Applicable	Associate Company	38.64	2 (6)
77	MCR Managing Corp. Real Estate AG	Route de Lully 5, 1131,Tolochenaz, Switzerland	Not Applicable	Subsidiary of Evostate AG	30.00	2 (6)
78	Apollo Lavasa Health Corporation Limited	Plot No. 13, Parsik Hill Road, Off. Uran Road, Sector 23, CBD Belapur, Navi Mumbai 400614	U85100MH2007PLC176736	Associate Company	49.00	2(6)

Sr. N0	NAME OF THE COMPANY	ADDRESS	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held by the Company / subsidiary / Associate company	Applicable Section
79	Starlit Resort Limited	Hincon House, 11th floor, 247Park, LBS Marg, Vikhroli (West) Mumbai – 400083.	U55204MH2010PLC210107	Associate Company	26.00	2(6)
80	Nirmal BOT Limited	Unit No. 316 & 317, C Wing, Third Floor, Kanakia Zillion, LBS Marg, BKC Annexe, Mumbai 400 070.	U45201MH2006PLC164728	Associate Company	22.22	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Members	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2127294	0	2127294	0.33	2127294	0	2127294	0.27	-0.06
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	278887786	0	278887786	43.18	278887786	0	278887786	35.79	-7.39
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	**281015080**	**0**	**281015080**	**43.51**	**281015080**	**0**	**281015080**	**36.07**	**-7.45**
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**281015080**	**0**	**281015080**	**43.51**	**281015080**	**0**	**281015080**	**36.07**	**-7.45**

Category of Members	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	12396486	5000	12401486	1.92	92054349	5000	92059349	11.82	9.89
b) Banks/FI	1258238	6500	1264738	0.20	5328075	6500	5334575	0.68	0.49
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	9929618	0	9929618	1.54	8382144	0	8382144	1.08	-0.46
g) FIIS//FPIs-Corp	76702525	66000	76768525	11.89	80373995	66000	80439995	10.32	-1.56
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	**100286867**	**77500**	**100364367**	**15.54**	**186138563**	**77500**	**186216063**	**23.90**	**8.36**
(2) Non Institutions									
a) Bodies corporates	48187351	87000	48274351	7.47	45838034	87000	45925034	5.89	-1.58
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ` 1 lakhs	154820065	7831323	162651388	25.19	189590342	7600938	197191280	25.31	0.12
ii) Individuals shareholders holding nominal share capital in excess of ` 1 lakhs	21738891	168000	21906891	3.39	32851360	168000	33019360	4.24	0.85
c) Others (specify)									
Clearing Members	15033505	0	15033505	2.33	15083294	0	15083294	1.94	-0.39
LLP	601779	0	601779	0.09	997679	0	997679	0.13	0.03
Ind - HUF	7046286	0	7046286	1.09	10426316	0	10426316	1.34	0.25
Trust	12000	0	12000	0.00	68000	0	68000	0.01	0.01
NRI- Individuals	8901299	1860	8903159	1.38	9214940	1860	9216800	1.18	-0.20
SUB TOTAL (B)(2):	**256341176**	**8088183**	**264429359**	**40.94**	**304069965**	**7857798**	**311927763**	**40.03**	**-0.91**
Total Public Shareholding (B)= (B)(1)+(B)(2)	356628043	8165683	364793726	56.48	490208528	7935298	498143826	63.93	7.45
C. Shares held by Custodian for GDRs & ADRs	17300	0	17300	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**637660423**	**8165683**	**645826106**	**100.00**	**771223608**	**7935298**	**779158906**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Member's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Ajit Gulabchand	2117294	0.33	0	2117294	0.27	0	-0.06
2	Hincon Holdings Ltd	216023600	33.45	200703600	216023600	27.73	200703600	-5.72
3	Hincon Finance Limited	62261186	9.64	0	62261186	7.99	0	-1.65
4	Shalaka Gulabchand Dhawan	10000	0.00	0	10000	0.00	0	0.00
5	Shalaka Investment Pvt Ltd	538000	0.08	0	538000	0.07	0	-0.01
Member of the Promoter Group								
6	Arya Capital Management Pvt Ltd	65000	0.01	0	65000	0.01	0	0.00
		281015080	43.51	200703600	281015080	36.07	200703600	-7.45

(iii) Change in Promoters' Shareholding:-

		Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	There is no change in promoter holding.			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat / equity etc.):				
	At the end of the year				

(iv) Shareholding Pattern of top ten Members (other than Directors, Promoters):

Sl. No.	Name of the Member	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	HDFC Trustee Company Limited	0	0.00	69621087	8.94
2	SIWA Holdings Limited	36082151	5.59	36082151	4.63
3	Reliance Capital Trustee Co Ltd A/C-Reliance Regular Savings Fund-Balanced Option	0	0.00	20000000	2.57
4	India Opportunities Growth Fund Ltd - Pinewood Strategy	950000	0.15	7600000	0.98
5	Life Insurance Corporation of India	5940480	0.92	5940480	0.76
6	Jai-Vijay Resources Pvt Ltd	5000006	0.77	5000006	0.64

Sl. No.	Name of the Member	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
7	Dimensional Emerging Markets Value Fund	5073959	0.79	4906646	0.63
8	Vanguard Total International Stock Index Fund	2007730	0.31	4177864	0.54
9	Axis Bank Limited	184935	0.03	4008510	0.51
10	The Indiaman Fund (Mauritius) Limited.	2825000	0.44	3950000	0.51
11	Pragmatic Traders Pvt Ltd	3673522	0.57	3673522	0.47
12	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group INC (DFAIDG)	2773413	0.43	3426002	0.44
13	MV SCIF Mauritius	4317305	0.67	3202552	0.41
14	Amal N Parikh	3200000	0.50	3200000	0.41
15	Copthall Mauritius Investment Limited	2777127	0.43	1606	0.00
16	Sundaram Mutual Fund A/C Sundaram Select Midcap	9985780	1.55	0	0.00
17	Kotak Mahindra Investments Ltd	3392746	0.53	0	0.00
18	HSBC Global Investment Funds A/C HSBC GIF Mauritius Limited	11389870	1.76	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors				
1	Mr. Ajit Gulabchand	2117294	0.35	2,117,294	0.27
2	Mr. Rajas R. Doshi	32,000	0.01	32,000	0.00
3	Mr. Ram P. Gandhi	48,000	0.01	48,000	0.01
4	Mr. D. M. Popat (till July 14, 2015)	Nil	0.00	Nil	0.00
5	Mr. Sharad M. Kulkarni	20,000	0.00	20,000	0.00
6	Mr. Anil C. Singhvi	Nil	0.00	Nil	0.00
7	Ms. Harsha Bangari	Nil	0.00	Nil	0.00
8	Dr. Omkar Goswami	Nil	0.00	Nil	0.00
9	Mr. Rajgopal Nogja	Nil	0.00	Nil	0.00
10	Ms. Shalaka Gulabchand Dhawan	10,000	0.00	10,000	0.00
	Key Managerial Personnel				
1	Mr. Arun V. Karambelkar	2,000	0.00	2,000	0.00
2	Mr. Praveen Sood	1,000	0.00	1,000	0.00
3	Mr. Vithal P. Kulkarni	19,000	0.00	19,000	0.00
4	Mr. Sangameshwar Iyer	Nil	0.00	Nil	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	48,12,18,08,757	1,98,68,31,930	-	50,10,86,40,687
ii) Interest due but not paid	66,83,17,474	-	-	66,83,17,474
iii) Interest accrued but not due	35,70,46,456	-	-	35,70,46,456
Total (i+ii+iii)	**49,14,71,72,687**	**1,98,68,31,930**	-	**51,13,40,04,617**
Change in Indebtedness during the financial year			-	
• Addition	4,75,90,64,129	87,00,000	-	4,76,77,64,129
• Reduction	3,85,50,79,336	1,98,10,31,930	-	5,83,61,11,266
Net Change	90,39,84,793	(1,97,23,31,930)	-	10,60,38,75,395
Indebtedness at the end of the financial year			-	
i) Principal Amount	49,02,57,93,550	1,45,00,000	-	49,04,02,93,550
ii) Interest due but not paid	36,48,22,231	-	-	36,48,22,231
iii) Interest accrued but not due	31,59,02,862	-	-	31,59,02,862
Total (i+ii+iii)	**49,70,65,18,644**	**1,45,00,000**	-	**49,72,10,18,644**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration paid / payable to Managing Director, Whole-time Directors and/or Manager:

(Amount in `)

Sl. no.	Particulars of Remuneration	Mr. Ajit Gulabchand, Chairman and Managing Director*	Mr. Rajgopal Nogja, Group COO & Whole-time Director**	Ms. Shalaka Gulabchand Dhawan, Whole-time Director#	Total Amount
1	Gross salary				
	(a) **Salary as per provisions contained** in section 17(1) of the Income-tax Act,1961	4,80,00,000	2,56,13,710	52,40,833	7,88,54,543
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,56,00,000	2,17,71,654	44,54,708	7,18,26,362
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option(Nos.)	-	1,02,960	-	1,02,960
3	Sweat Equity	-	-		-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-

(Amount in `)

Sl. no.	Particulars of Remuneration	Mr. Ajit Gulabchand, Chairman and Managing Director*	Mr. Rajgopal Nogja, Group COO & Whole-time Director**	Ms. Shalaka Gulabchand Dhawan, Whole-time Director#	Total Amount
5	Others, please specify (Contribution to Provident Fund and other Funds)	1,29,60,000	69,15,702	14,15,025	212,90,727
	Total (A)	**1065,60,000**	**54,301,066**	**11,110,566**	**171,971,632**
	Ceiling as per the Act	The Company has made application to MCA for payment of remuneration in excess of the ceiling as prescribed under the Act	Not Applicable as Mr. Nogja was a Professional Director on Board	The remuneration paid is within the ceiling as per the Act	

* The Company has made an application seeking approval from the Ministry of Corporate Affairs ("MCA") for payment of managerial remuneration of ` 10,65,60,000 which is in excess of the limits specified under the Companies Act, 2013, for the financial year ended March 31, 2016 and approval for the same is awaited.

** Was appointed as Group CEO w.e.f May 3, 2016. Has stepped down as Group COO & Whole-time Director w.e.f May 2, 2016.

Appointed as a Whole-time Director w.e.f. April 30, 2015

B. Remuneration to other directors:

(Amount in `)

Sl. no.	Particulars of Remuneration	Rajas R Doshi	D M Popat	Ram P Gandhi	Sharad M Kulkarni	Anil Singhvi	Harsha Bangari	Dr. Omkar Goswami	Total Amount
1.	Independent Directors								
	• Fee for attending board / committee meetings	16,00,000	-	7,00,000	11,00,000	20,00,000	-	3,00,000	57,00,000
	• Commission	-	-	-	-	-	-		-
	• Others i.e. Technical / Professional Fees	-	-	-	-	-	-		
	Total (1)	**16,00,000**	-	**7,00,000**	**11,00,000**	**20,00,000**	-	**3,00,000**	**57,00,000**
2.	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	-	-	-	-	-	3,00,000	-	3,00,000
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	3,00,000	-	3,00,000
	Total (B)=(1+2)	16,00,000	-	7,00,000	11,00,000	20,00,000	3,00,000	3,00,000	60,00,000
	Total Managerial Remuneration								@ 171,971,632

@ Total remuneration paid / payable to Chairman and Managing Director and the Whole-time Directors of the Company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

		(Amount in `)				
Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Arun V. Karambelkar, President & CEO – E&C	Mr. Praveen Sood, Group CFO	Mr. Vithal P. Kulkarni, Company Secretary (Upto July 30, 2015)	Mr. Sangameshwar Iyer Company Secretary (w.e.f. July 31, 2015)	Total
	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,98,62,757	3,35,31,394	47,56,886	26,15,670	7,07,66,707
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,89,600	6,43,955	9522	60,003	20,03,080
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
	Stock Option (Nos.)	1,64,700	1,64,700	82,320	-	4,11,720
	Sweat Equity	-	-	-		-
	Commission - as % of profit - others, specify	-	-	-	-	-
	Others (Contribution to Provident Fund and other funds)	11,80,000	6,72,120	0	2,16,436	20,68,556
	Total	**3,23,32,357**	**3,48,47,469**	**47,66,408**	**28,92,109**	**7,48,38,343**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY - NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS - NIL					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT – NIL					
Penalty					
Punishment					
Compounding					

Independent Auditors' Report

To the Members of Hindustan Construction Company Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Hindustan Construction Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Basis for Qualified Opinion

8. As stated in Note 32 (a) to the standalone financial statements, the Company's long term investments as at 31 March 2016 include investments aggregating ` 474.37 crore in its subsidiaries, namely, HCC Real Estate Limited and Lavasa Corporation Limited; and the long term loans and advances, other non-current assets and other current assets as at that date include dues from such subsidiaries aggregating ` 554.17 crore, ` 32.51 crore and ` 13.35 crore, respectively, being considered good and recoverable by the management. However, these subsidiaries have accumulated operational losses and their net worth is fully/ substantially eroded as at 31 March 2016. Further, such subsidiaries are facing liquidity constraints due to which they may not be able to realize projections made as per their business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these investments and recoverability of the aforesaid dues and the consequential impact, if any, on the accompanying standalone financial statements.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

10. We draw attention to:
    a) Notes 26.1 and 26.3 to the standalone financial statements regarding remuneration of ` 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director (CMD), which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review / an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not qualified in respect of this matter.
    b) Note 32 (b) to the standalone financial statements regarding the Company's investments in a subsidiary, long term loans and advances, other non-current assets and other current assets due from such subsidiary ` 0.25 crore, ` 984.82 crore, ` 127.48 crore and ` 18.31 crore, respectively, as at 31 March 2016. The consolidated net-worth of aforesaid subsidiary have been fully eroded; however, based on certain estimates and the other factors, including subsidiary's future business plans and growth prospects, as described in the said note, management considers the decline in the value of investment as temporary in nature and believes that long-term loans and advances, other non-current assets and other current assets are good and recoverable. Our opinion is not qualified in respect of this matter.
    c) Note 33 to the standalone financial statements regarding uncertainties relating to recoverability of uncompleted contracts and value of work done (inventory) and long-term trade receivables aggregating ` 978 crore and ` 206 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying standalone financial statements. Our opinion is not qualified in respect of this matter.

Other Matters

11. We did not audit the financial statements of six unincorporated integrated joint ventures, included in the standalone financial statements, whose financial statements reflect Company's share in net loss of ` 13.66 crore for the year ended 31 March 2016. These financial statements have been audited by other auditors whose audit reports have been furnished to us, by the management, and our opinion on the standalone financial statements of the Company for the year then ended, to the extent they relate to the financial statements not audited by us as stated in this paragraph, is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As required by Section 143(3) of the Act, we report that:
    a. we have sought and except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b. except for the possible effects of the matter described in the Basis for Qualified opinion paragraph,in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. the standalone financial statements dealt with by this report are in agreement with the books of account;
    d. except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
    e. the matters described in paragraphs 8, 10(b) and 10(c) under the Emphasis of Matters/ Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
    f. on the basis of the written representations received from the directors as on 31 March 2016and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section164(2) of the Act;
    g. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
    h. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 April 2016 as per Annexure 2 expressed a qualified opinion.
    i. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. as detailed in Notes 31A (i) to (iii),33 and 43 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
        ii. except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Company has made provisions as detailed in Note 10 (b) to the standalone financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**
Partner
Membership No.: 108840

Place : Mumbai
Date : 28 April 2016

Annexure 1

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has granted unsecured loan to six companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion, the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the Company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) since the schedule of repayment has not been stipulated, the provisions of clause 3 (iii) (c) of the Order are not applicable to the Company.

(iv) In our opinion, the Company has complied with the provisions of sections 185 and 186 of the Act,to the extent applicable,in respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there have been delays in few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax, service tax and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (` in Crore)	Amount Paid Under Protest (` in Crore)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	24.63	24.63	A.Y. 2006-2007 to 2010-2011	Income Tax Appellate Tribunal
The Sales Tax Act	Sales Tax/ Value Added Tax/ Entry Tax	0.08	0.08	A.Y. 2010-2011	Supreme Court
		4.70	-	A.Y. 1997-1998 and 2012-2013	High Court
		7.57	1.00	A.Y 1996-97 to 2000-01, 2005-2008, A.Y. 2007-08 to 2009-10 and 2012-13	Taxation Tribunal
		93.78	3.33	A.Y 2002-2003, A.Y 2004-2005 to 2012-2013	Appellate Authority- up to Commissioner level
The Finance Act, 1994	Service tax including interest and penalty, as applicable	289.10	-	January 2004 to March 2012	Custom, Excise and Service Tax Appellate Tribunal
		0.18	-	A.Y. 2004 -2007	Commissioner –Appeal

(viii) There are no loans or borrowings payable to government. The Company has defaulted in repayment of following dues to the financial institutions, banks and debenture holders during the year,which were paid on or before the Balance Sheet date.

(` in crore)

Debenture – Holders	Days	Principal	Interest	Total Amount
AXIS Non-Convertible	0 – 30 days	-	1.10	1.10
	31 – 90 days	-	6.60	6.60
	91 – 180 days	6.00	2.18	8.18
LIC Non-Convertible	0 – 30 days	-	0.92	0.92
	31 – 90 days	2.50	6.39	8.89
	91 – 180 days	2.50	0.90	3.40
Banks				
Axis Bank	0 – 30 days	-	3.35	3.35
	31 – 90 days	1.50	10.26	11.76
	91 – 180 days	11.48	3.82	15.30
Bank of Baroda	0 – 30 days	-	0.58	0.58
	31 – 90 days	1.80	1.99	3.79
Bank of Maharashtra	0 – 30 days	-	0.29	0.29
	31 – 90 days	1.02	1.72	2.74
	91 – 180 days	0.78	0.56	1.34
Canara Bank	0 – 30 days	-	6.72	6.72
	31 – 90 days	12.25	19.96	32.21
	91 – 180 days	9.63	3.26	12.89
Central Bank of India	0 – 30 days	-	0.22	0.22
	31 – 90 days	2.40	1.26	3.66
	91 – 180 days	1.85	0.40	2.25
Federal Bank	0 – 30 days	-	0.65	0.65
	31 – 90 days	0.77	1.30	2.07
	91 – 180 days	0.63	-	0.63
IDBI Bank	0 – 30 days	-	7.45	7.45
	31 – 90 days	14.56	14.73	29.29

Annexure to the Independent Auditors' Report

(` in crore)

Banks: Contd.	Days	Principal	Interest	Total Amount
Indian Overseas Bank	0 – 30 days	-	0.89	0.89
	31 – 90 days	3.15	5.28	8.43
	91 – 180 days	2.40	1.72	4.12
Oriental Bank of Commerce	0 – 30 days	1.25	-	1.25
	31 – 90 days	-	1.06	1.06
	91 – 180 days	-	0.42	0.42
Punjab National Bank	0 – 30 days	-	1.38	1.38
	31 – 90 days	2.99	2.74	5.73
State Bank of Hyderabad	0 – 30 days	-	0.88	0.88
	31 – 90 days	2.39	3.04	5.43
State Bank of Mysore	0 – 30 days	-	0.93	0.93
	31 – 90 days	5.75	6.40	12.15
	91 – 180 days	-	0.90	0.90
Syndicate Bank	0 – 30 days	-	1.86	1.86
	31 – 90 days	6.50	11.03	17.53
	91 – 180 days	5.00	3.59	8.59
Union Bank of India	0 – 30 days	-	0.93	0.93
	31 – 90 days	2.88	3.20	6.08
United Bank of India	0 – 30 days	-	2.79	2.79
	31 – 90 days	9.75	19.21	28.96
	91 – 180 days	7.50	2.69	10.19
State Bank of Travancore	0 – 30 days	-	0.27	0.27
	31 – 90 days	0.86	0.96	1.82
Toronto Dominion Bank	0 – 30 days	-	0.45	0.45
	31 – 90 days	-	0.59	0.59
Standard Chartered Bank	31 – 90 days	-	1.64	1.64
	91 – 180 days	-	0.81	0.81
Development Bank of Singapore	0 – 30 days	-	0.71	0.71
	31 – 90 days	3.26	1.34	4.60
Financial Institutions				
SREI Equipment Finance Limited	0 – 30 days	-	1.08	1.08
	31 – 90 days	0.87	3.20	4.07
	91 – 180 days	5.78	5.31	11.09
National Bank of Agricultural and Development	0 – 30 days	-	0.44	0.44
	31 – 90 days	2.26	2.62	4.88
	91 – 180 days	1.98	0.83	2.81
Life Insurance Corporation of India	0 – 30 days	-	0.03	0.03
	31 – 90 days	0.75	0.06	0.81
Export Import Bank of India	0 – 30 days	-	4.64	4.64
	31 – 90 days	27.86	36.56	64.42
Industrial Finance Corporation of India	0 – 30 days	-	1.35	1.35
	31 – 90 days	1.62	1.37	2.99
	91 – 180 days	7.50	7.93	15.43

The Company has defaulted in repayment of following dues to the financial institutions, banks and debenture holders during the year, which were not paid as at the Balance Sheet date.

(` in crore)

Financial Institutions	Days	Principal	Interest	Total Amount
SREI Equipment Finance Limited	0 – 30 days	-	1.01	1.01
	31 – 90 days	1.98	-	1.98
Export Import Bank of India	0 – 30 days	-	4.8	4.8
	31 – 90 days	12.51	4.3	16.81
Industrial Finance Corporation of India	0 – 30 days	-	1.27	1.27
Banks	**Days**	**Principal**	**Interest**	**Total Amount**
Development Bank of Singapore	31 – 90 days	-	0.23	0.23
	91 – 180 days	-	-	-
Standard Chartered Bank	0 – 30 days	-	1.15	1.15
	31 – 90 days	2.29	0.56	2.85
	91 – 180 days	2.29	-	2.29

(` in crore)

Banks: Contd.	Days	Principal	Interest	Total Amount
Toronto Dominion Bank	0 – 30 days	3.28	-	3.28
	31 – 90 days	-	0.15	0.15
United Bank of India	0 – 30 days	-	2.70	2.70
Union Bank of India	0 – 30 days		0.43	0.43
	31 – 90 days	1.25	0.43	1.68
State Bank of Travancore	0 – 30 days	-	0.27	0.27
	31 – 90 days	-	0.13	0.13
State Bank of Mysore	0 – 30 days	-	0.04	0.04
State Bank of Hyderabad	0 – 30 days	-	0.57	0.57
Punjab National Bank	0 – 30 days	-	0.43	0.43
	31 – 90 days	1.26	0.43	1.69
IDBI Bank	0 – 30 days	-	2.43	2.43
	31 – 90 days	6.75	4.66	11.41
Federal Bank	0 – 30 days	-	0.25	0.25
	31 – 90 days	-	0.20	0.20
Debenture – Holders				
LIC Non-Convertible	0 – 30 days	-	0.88	0.88
	31 – 90 days	2.50	0.88	3.38

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans availed during the year were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion, managerial remuneration for the year ended 31 March 2016 has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act, read with Schedule V to the Act, except for remuneration paid/payable ` 10.66 crore for which the Company's application for approval, in excess of the limit prescribed by ` 8.71 crore is pending with the Central Government. Pending such approval, excess remuneration paid by the Company is held under trust.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has made a private placement of equity shares. In respect of the same, in our opinion, the Company has complied with the requirement of section 42 of the Act and the amounts raised have been used for the purposes for which the funds were raised.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Adi P. Sethna
Partner
Membership No.:108840

Place : Mumbai
Date : 28 April 2016

Annexure 2

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the standalone financial statements of Hindustan Construction Company Limited ('the Company') as at and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting('the Guidance Note') issued by the Institute of Chartered Accountants of India('the ICAI'). These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems on financial reporting and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2016:

The Company did not have appropriate internal financial controls over financial reporting in respect of its assessment of (a) 'other-than-temporary' diminution in the carrying value of the Company's long-term investments in its subsidiaries and (b) recoverability of long-term loans and advances, other non-current assets and other current assets due from such subsidiaries. The inadequate supervisory and review controls over Company's process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investment in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, also impact the profit after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has, in all material respects, maintained adequate IFCoFR as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note and were operating effectively as at 31 March 2016.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2016 standalone financial statements of the Company, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 28 April 2016

Balance Sheet as at 31 March 2016

Particulars	Note No.	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	77.92	64.59
Reserves and surplus	3	1,784.91	1,322.86
		1,862.83	1,387.45
Non-current liabilities			
Long-term borrowings	4	2,482.26	2,627.63
Deferred tax liabilities (net)	5	116.17	68.07
Long-term provisions	6	37.97	38.62
		2,636.40	2,734.32
Current liabilities			
Short-term borrowings	7	2,048.15	1,954.69
Trade payables	8		
- Total outstanding dues of Micro Enterprises and Small Enterprises		2.65	1.71
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,406.08	1,536.89
Current maturities of long-term borrowings	4	373.61	428.55
Advance from contractees		1,164.25	1,069.25
Other current liabilities	9	339.71	378.49
Short-term provisions	10	116.29	134.91
		5,450.74	5,504.49
TOTAL		9,949.97	9,626.26
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	11	667.59	783.81
- Intangible assets	11	1.49	0.93
- Capital work-in-progress		1.68	4.53
- Intangible assets under development		-	1.72
		670.76	790.99
Non-current investments	12	514.72	597.29
Long-term loans and advances	13	1,869.29	1,343.00
Long term Trade receivables	14	2,161.35	1,494.16
Other non-current assets	15	179.18	324.65
		4,724.54	3,759.10
Current assets			
Current investments	16	77.72	95.60
Inventories	17	3,620.49	3,567.76
Short-term trade receivables	18	507.36	922.74
Cash and bank balances	19	90.83	96.42
Short-term loans and advances	20	127.18	137.44
Other current assets	21	131.09	256.21
		4,554.67	5,076.17
TOTAL		9,949.97	9,626.26

Notes 1 to 45 form an integral part of the standalone financial statements
This is the Balance Sheet referred to in our audit report of even date

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

Place : Mumbai,
Dated : 28 April 2016

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	*Directors*
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

Statement of Profit and Loss for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Revenue			
Revenue from operations (gross)	22	**4,190.90**	4,301.14
Less: Company's share of turnover in integrated joint ventures		**124.82**	174.44
Add/(less): Company's share of profit/(loss) in integrated joint ventures (net)		**(13.66)**	8.10
Total revenue from operations		**4,052.42**	4,134.80
Other income	23	**187.76**	147.32
Total revenue		**4,240.18**	4,282.12
Expenses			
Cost of construction materials consumed	24	**951.72**	941.96
Purchase of traded goods		**0.32**	1.84
Subcontracting expenses		**1,315.37**	1,455.00
Construction expenses	25	**489.38**	481.49
Employee benefit expenses	26	**370.35**	361.11
Finance costs	27	**689.88**	651.13
Depreciation and amortisation expense	11.1	**135.85**	150.30
Other expenses	28	**127.76**	111.97
Total expenses		**4,080.63**	4,154.80
Profit before exceptional items and tax		**159.55**	127.32
Exceptional items	29	**(26.48)**	-
Profit before Tax		**133.07**	127.32
Tax expense			
Current tax		**30.12**	15.16
Less : MAT credit entitlement		**30.12**	15.16
Net current tax		**-**	-
Deferred tax charge		**48.10**	45.67
		48.10	45.67
Profit for the year		**84.97**	81.65
Earnings per equity share of nominal value ` 1 each	30		
Basic and diluted (in `)		**1.10**	1.27

Notes 1 to 45 form an integral part of the standalone financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 28 April 2016

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	*Directors*
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

Cash Flow Statement for the year ended 31 March 2016

			Year ended 31 March 2016	Year ended 31 March 2015
		` crore	` crore	` crore
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit before tax		133.07	127.32
	Adjustments for			
	Depreciation and amortisation expense	135.85		150.30
	Finance costs	689.88		651.13
	Interest income	(176.75)		(121.94)
	Profit on sale of long-term investments (Exceptional item)	(72.16)		-
	Trade receivables and work in progress written off (Exceptional item)	98.64		-
	Provision for foreseeable losses	(16.34)		(17.14)
	Dividend income	(0.02)		(0.03)
	Foreign currency monetary translation (net)	(5.46)		(4.14)
	Unrealised foreign exchange loss/ (gain) (net)	6.68		(8.31)
	Loss on sale of fixed assets (net)	1.94		3.20
	Excess provision no longer required written back	(2.08)		(0.34)
			660.18	652.73
	Operating profit before working capital changes		793.25	780.05
	Adjustments for changes in working capital:			
	(Increase) / Decrease in trade receivables	(350.43)		(723.96)
	(Increase) / Decrease in loans and advances / other advances	10.65		(39.16)
	(Increase) / Decrease in inventories	(52.73)		90.94
	Increase / (Decrease) in trade and other payables	(121.88)		129.17
	Increase / (Decrease) in advance from contractees	95.00		158.59
			(419.39)	(384.42)
	Cash generated from operations		373.86	395.63
	Direct taxes paid (net of refunds received)		2.90	12.33
	NET CASH GENERATED FROM OPERATING ACTIVITIES		370.96	383.30
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of fixed assets (including capital work in progress and capital advances)	(23.74)		(29.56)
	Proceeds from sale of fixed assets	8.98		4.19
	Proceeds from sale of long term investments in an associate company	154.73		-
	Inter corporate deposits given	(52.43)		(60.84)
	Inter corporate deposits recovered	-		1.50
	Net investments in bank deposits (having original maturity of more than three months)	(17.28)		(20.52)
	Interest received	3.76		9.98
	Dividend received	0.02		0.03
	NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES		74.04	(95.22)
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from issue of Share Capital (including securities premium)	399.99		-
	Proceeds from long-term borrowings	185.20		25.00
	Repayment of long-term borrowings	(397.08)		(209.77)
	Proceeds from short-term borrowings (net)	92.59		417.21
	Inter corporate deposits taken	0.87		-
	Interest and other finance charges	(724.34)		(587.37)
	Share issue expenses	(9.71)		(2.64)
	Dividend paid	(0.13)		(0.16)
	NET CASH USED IN FINANCING ACTIVITIES		(452.61)	(357.73)
	NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(7.61)	(69.65)
	Cash and cash equivalents at the beginning of the year		75.02	144.67
	Unrealised foreign exchange gain	0.01		0.01
	Cash and cash equivalents at the end of the year (Refer note 19)	67.40		75.01
			67.41	75.02
			(7.61)	(69.65)

Notes 1 to 45 form an integral part of the standalone financial statements
This is the Cash Flow Statement referred to in our audit report of even date

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 28 April 2016

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	*Directors*
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

Note 1 Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The standalone financial statements ("the financial statements") of Hindustan Construction Company Limited ("the Company" or "HCC") have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, read with Rule 7 to the Companies (Accounts) Rules 2014 (as amended) in respect of Section 133 of the Companies Act, 2013. The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Companies Act, 2013.

Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

1.2 Accounting Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

1.3 Fixed Assets

a Tangible fixed assets

Fixed assets are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition / installation of the assets and improvement thereon less accumulated depreciation and accumulated impairment losses, if any.

b Intangible assets under development

Intangibles under development represent expenditure incurred in respect of intangible assets under development and are carried at cost.

c Other intangible assets

Intangible assets comprise of license fees, implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

d Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of assets under development and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalised and other direct expenditure.

1.4 Depreciation/ Amortisation

Depreciation/ amortisation is provided:

i) In respect of buildings and sheds, on the written down value basis considering the useful lives prescribed in Schedule II to the Companies Act, 2013.

ii) In respect of furniture and fixtures, office equipment, computers, plant and machinery, heavy vehicles, light vehicles and speed boat on straight line basis at rates determined on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis. However, certain class of plant and machinery used in construction projects are depreciated on a straight line basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets, that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in Schedule II.

iii) In respect of helicopter and aircraft, on straight line basis considering the useful life, that is a period of eighteen years and fourteen years, respectively, determined based on the technical evaluation and the management's experience of use of the assets, as against the period of twenty years as prescribed in Schedule II.

iv) Leasehold improvements are amortised over the useful lives prescribed in Schedule II to the Companies Act, 2013 or the period of lease, whichever is lower.

v) Software and implementation costs including users license fees and other application software costs are amortised over their estimated useful lives that is a period of three to five years.

1.5 Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost and provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. Trade investments are the investments made for or to enhance the Company's business interests.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares, securities or other assets, the acquisition cost is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.6 Employee Benefits

i) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

ii) Defined Benefit Plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Company also provides for retirement/ long-term benefits in the form of gratuity and compensated absences. The Company's liability towards such defined benefit plans is determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the period in which they arise. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report. Accumulated leave which is expected to be utilised within next 12 months, is treated as short-term employee benefit.

iii) Short-term employee benefits are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

1.7 Inventories

a) The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition.

b) Project Work-in-Progress is valued at the contract rates and site mobilisation expenditure of incomplete contracts is stated at the lower of cost and net realisable value.

1.8 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

1.9 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.10 Borrowing costs

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued.

1.11 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transactions

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of short term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

1.12 Financial Derivatives and Hedging Transactions

Financial derivatives and hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts is recognised in the Statement of Profit and Loss along with the underlying transactions.
The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.
Forward exchange contracts outstanding as at the year end on account of firm commitment/highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

1.13 Revenue Recognition

i) Accounting of construction contracts

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Accounting Standard 7 and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

a) In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.

b) In case of Lump sum contracts, revenue is recognised on the completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

ii) Accounting of supply contracts-sale of goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

iii) Accounting for claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as contract revenue on receipt of favorable award.

iv) Dividend income

Dividend is recognized when the right to receive the payment is established.

v) Interest income

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

1.14 Accounting for Joint Venture Contracts

(a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed by the Company.

(b) In respect of contracts executed through Joint Ventures under profit sharing arrangement (assessed as AOP under the Income tax laws), the services rendered to the Joint Ventures are accounted as income on accrual basis. The Company's share in the profit / loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans & advances or current liabilities, as the case may be.

1.15 Taxation

Current tax:

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.
Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Deferred tax:

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Where there is no unabsorbed depreciation/carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

1.16 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.17 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the Statement of Profit and Loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.19 Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities Premium Account.

		As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 2 Share Capital			
Authorised Share Capital			
900,000,000	Equity shares of ` 1 each	90.00	90.00
10,000,000	Redeemable cumulative preference shares of ` 10 each	10.00	10.00
	TOTAL	100.00	100.00
Issued, Subscribed and Paid-up Equity Share Capital:			
779,158,906	Equity shares of ` 1 each fully paid up (Previous year: 645,826,106 equity shares of ` 1 each)	77.91	64.58
	Add : 13,225 Forfeited equity shares (Previous year: 13,225 equity shares)	0.01	0.01
	TOTAL	77.92	64.59

a. **Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year**

	As at 31 March 2016		As at 31 March 2015	
	Number	` crore	Number	` crore
Balance at the beginning of the year	645,826,106	64.58	606,610,420	60.66
Add: Issued during the year [Refer note (h)]	133,332,800	13.33	39,215,686	3.92
Balance at the end of the year	779,158,906	77.91	645,826,106	64.58

b. **Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ` 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. **Shares held by subsidiary company:**

Western Securities Limited, a subsidiary company, holds 52,000 equity shares (Previous year: 52,000 equity shares) in the Company.

d. Shareholding of more than 5%:	As at 31 March 2016		As at 31 March 2015	
Name of the Shareholder	**% held**	**No. of shares**	% held	No. of shares
Promoter				
Hincon Holdings Limited	27.73%	216,023,600	33.45%	216,023,600
Hincon Finance Limited	7.99%	62,261,186	9.64%	62,261,186
Non-Promoter				
HDFC Trustee Company Limited	8.94%	69,621,087	-	-
Siwa Holding Limited	4.63%	36,082,151	5.59%	36,082,151

e. **Shares reserved for issue under Employee Stock Options Scheme (ESOP):**

As on 31 March 2016, there are 1,654,630 (Previous year: 3,239,330) stock options outstanding convertible into 1,654,630 (Previous year: 3,239,300) equity shares of ` 1 each convertible at an exercise price of ` 52.03 per share.

During the year ended 31 March 2016, none of the Options were exercised / converted into equity shares and 1,584,700 (Previous year: 1,455,470) stock options lapsed.

i. **Options granted**

a) The Company offered 4,458,800 Stock Options on 25 April 2008 (each option carrying entitlement for one equity share of the face value of ` 1 each) at a price of ` 132.50 per equity share.

In accordance with the approval of the board of directors and shareholders of the Company, the ESOP compensation committee at its meeting held on 20 July 2009 repriced 4,131,600 options at ` 104.05 per equity share.

b) The ESOP Compensation Committee of the Company at its Meeting held on 12 August 2010 decided to double the number of employee stock options (vested and unvested), not exercised and in-force, as on the Record Date i.e. 11 August 2010 and halved the exercise price on account of issuance and allotment of Bonus Equity Shares in the proportion of 1:1.

Accordingly, 3,553,760 employee stock options in-force granted by the Company on 25 April 2008 were doubled i.e. 7,107,520 and the exercise price in respect of the same was reduced from ` 104.05 to ` 52.03 per equity share.

ii. **Settlement**

Through Equity Shares

iii. **Options vested**

1,654,630 number of options remain vested and outstanding as at 31 March 2016

f. **Bonus shares/ buy back/shares for consideration other than cash issued during past five years:**

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

(ii) Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares

303,256,460 Equity Shares were issued as fully paid bonus shares by capitalisation of Securities Premium Account on 12 August 2010.

(iii) Aggregate number and class of shares bought back - Nil

g. Pursuant to bonus issue of equity shares in the proportion to 1:1, outstanding 95,146 Global Depository Shares (outstanding as of Record Date i.e. 11 August 2010) have increased to 190,292. Out of the total Global Depository Shares (GDR) issued, NIL (Previous year: 17,300) GDR's are outstanding as on 31 March 2016.

h. (i) Pursuant to the approval of the Qualified Institutional Placement Committee constituted by the Board of Directors on 10 April 2015, the Company issued 133,332,800 equity shares of ` 1 each, at an issue price of ` 30 per equity share (of which ` 29 per share is towards securities premium) aggregating ` 399.99 crore to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder.

(ii) During the previous year ended 31 March 2015, on exercise of conversion option by share warrant holders, the Company converted 39,215,686 share warrants into 39,215,686 equity shares of ` 1 each at a price of ` 16.32 per equity share (inclusive of securities premium of ` 15.32 per equity share) which were allotted to the Promoters of the Company (Hincon Holdings Limited and Hincon Finance Limited) pursuant to resolution passed by the Committee of Directors at its meeting held on 2 May 2014.

		As at 31 March 2016	As at 31 March 2015
Note 3 Reserves and Surplus		` crore	` crore
(a)	Capital Reserve (Forfeited Equity Share Warrants) #	15.19	15.19
(b)	Forfeited Debentures Account #	0.02	0.02
(c)	Securities Premium Account		
	Balance at the beginning of the year	946.30	888.86
	Add : Additions during the year [Refer note 2(h)]	386.66	60.08
	Less : Share issue expenses	9.71	2.64
		1,323.25	946.30
(d)	Debenture Redemption Reserve		
	Balance at the beginning of the year	34.99	34.99
	Add : Transferred from the surplus in the Statement of Profit and Loss	20.00	-
		54.99	34.99
(e)	Foreign Currency Monetary Translation Account (Refer note 3.1)		
	Balance at the beginning of the year	4.06	4.29
	Add : Additions during the year	5.59	3.91
	Less : Amount credited to the Statement of Profit and Loss	5.46	4.14
		4.19	4.06
(f)	General Reserve #	174.38	174.38
(g)	Surplus as per the Statement of Profit and Loss		
	Balance at the beginning of the year	147.92	69.00
	Less: Impact of depreciation/ amortisation (Refer note 3.2)	-	(2.73)
	Less: Transferred to Debenture Redemption Reserve	(20.00)	-
	Add: Transferred from the Statement of Profit and Loss	84.97	81.65
		212.89	147.92
	TOTAL	1,784.91	1,322.86

No movement during the year

3.1 The Company (Accounting Standards) Second Amendment Rules 2011 has amended the provision of Accounting Standard 11 relating to "The Effects of the Changes in Foreign Exchange Rates" vide notification dated 29 December 2011. In terms of these amendments, the Company has carried over long term monetary exchange gain of ` 4.19 crore (previous year ` 4.06 crore) through "Foreign Currency Monetary Translation Account", to be recognised over the balance period of such long term asset/ liability.

3.2 During the previous year ended 31 March 2015, consequent to the introduction of Schedule II to the Companies Act, 2013, the useful lives of certain fixed assets had been revised. Accordingly, ` 2.73 crore (net of deferred tax ` 1.31 crore) representing carrying value of the fixed assets with revised useful life as NIL were adjusted against opening balance of Statement of Profit and Loss as of 1 April 2014.

Note 4 Long Term Borrowings		Non-current portion		Current maturities	
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
		` crore	` crore	` crore	` crore
I.	Secured				
(A)	Non-Convertible Debentures	162.80	184.80	24.50	25.30
(B)	Rupee Term Loans (RTL-1)				
	(i) From Banks	375.44	426.30	59.99	57.61
	(ii) From Others	337.11	387.34	54.07	51.53
(C)	Rupee Term Loans (RTL-2)				
	(i) From Banks	962.71	1,096.72	132.86	152.79
	(ii) From Others	229.77	130.09	35.06	18.46
(D)	Working Capital Term Loan from Banks (WCTL - 1)	20.42	41.13	20.56	5.25
(E)	Working Capital Term Loan from Banks (WCTL - 2)				
	(i) From Banks	18.50	20.99	2.50	2.88
	(ii) From Others	37.00	42.00	6.98	5.75
(F)	Foreign Currency Term Loans from Banks	153.31	172.26	37.09	31.97
(G)	Funded Interest Term Loan (FITL)				
	(i) From Banks	-	-	-	52.36
	(ii) From Others	-	-	-	2.55
(H)	Rupee Term Loans (RTL - A)				
	From Banks	140.24	-	-	-
	From Others	44.96	-	-	-
Sub-Total (A+B+C+D+E+F+G+H)		2,482.26	2,501.63	373.61	406.45

Note: For terms of repayment and securities, please refer notes given below.

II.	Unsecured				
A)	Term Loans - Other than banks	-	126.00	-	17.25
B)	Funded Interest Term Loan - Other than banks	-	-	-	4.85
	Sub-Total (A+B)	-	126.00	-	22.10
Total (I+II)		2,482.26	2,627.63	373.61	428.55

4.1 Corporate Debt Restructuring (CDR) Package

The Company received Letter of Approval (LOA) on 29 June 2012 issued by the Corporate Debt Restructuring Empowered Group (CDREG) approving the CDR package. The CDR related documents have been executed and creation of security stands completed.

4.2 Terms of repayment and details of security

I. Secured

(A) Debentures

i) Axis

On restructuring by the CDREG, these debentures are classified as RTL - 1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

ii) LIC

On restructuring by CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer Note 4.2.1 for security details.

(B) Rupee Term Loans 1 (RTL - 1) and Rupee Term Loans 2 (RTL - 2)

RTL - 1 and RTL - 2 carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer Note 4.2.1 for security details.

(C) Working Capital Term Loan (WCTL - 1)

Working Capital Term Loan (WCTL - 1) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 16 quarterly instalments commencing 15 April 2014 and ending on 15 January 2018. Refer Note 4.2.1 for security details.

(D) Working Capital Term Loan (WCTL - 2)

Working Capital Term Loan (WCTL - 2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. Refer Note 4.2.1 for security details.

(E) Other Term Loans

(i) Standard Chartered Bank - External Commercial Borrowings (ECB) USD 13.36 million

As at 31 March 2016, the ECB loan from Standard Chartered Bank carries an interest rate of 4.13% p.a. % (3 month LIBOR plus 350 basis points). This loan is repayable in 17 quarterly instalments commencing 15 April 2014 and ending on 15 March 2018. The facility is secured by first charge by way of hypothecation of plant and machinery acquired under the facility described in the first schedule to the memorandum of hypothecation executed on 10 November 2009.

(ii) Development Bank of Singapore - ECB USD 10.18 million

As at 31 March 2016, the ECB loan from Development Bank of Singapore carries an interest rate of 4.48% p.a. (3 month LIBOR plus 385 basis points). This loan is repayable in 17 quarterly instalments commencing 5 October 2014 and ending on 5 October 2018. The facility is secured by first charge by way of hypothecation of plant and machinery and heavy vehicles acquired under the facility described in the schedule I (2) to the deed of hypothecation executed on 29 April 2010.

(iii) Toronto Dominion LLC - ECB USD 9.36 million

As at 31 March 2016, the ECB loan from The Toronto Domino Bank LLC carries an interest rate of 1.83% (3 month LIBOR plus 120 basis points). This loan is repayable in 35 equal quarterly instalments commencing 16 March 2011 and ending on 16 September 2019. The facility is secured by first priority mortgage and security interest to and in favour of Wilmington Trust Company (the security trustee) on one Hawker model 4000 airframe bearing manufacture's serial number RC-26 together with two installed model PW208 engines more particularly described under Clause 2.1 as per the Aircraft Charge Agreement executed on 6 January 2011.

(F) Funded Interest Term Loan (FITL)

FITL, carried an interest rate of 11.50% p.a., has been fully repaid during the year.

(G) Rupee Term Loans (RTL-A)

During the year ended 31 March 2016, the Company has received approval under Joint Lenders Forum mechanism to avail ` 350 crore term loan. The said facility carries interest rate of 11.75% p.a. (Individual Bank's Base Rate + Applicable Spread), payable monthly, to be reset annually with a two years moratorium and repayment terms of five years starting from financial year 2017-18. The said facility is having same security as RTL - 1 lenders under the CDR Loan. The security creation would be done as per stipulated time frame.

II. Unsecured

A) Term Loan from Industrial Finance Corporation of India Limited (IFCI)

The loan carries an interest rate of 11.50% p.a. This loan is repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. IFCI has joined CDR package by signing Deed of Accession on 8 March 2016 and have right to security that is same as RTL-2 lenders.

B) FITL from Other Parties

FITL, carried an interest rate of 11.50% p.a. and has been fully repaid during the year.

4.2.1 RTL - 1, RTL - 2, WCTL - 1 and WCTL - 2 are secured in the form of:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the Master Restructuring Agreement (MRA).

The above security having ranking in respect to RTL - 1, WCTL - 1 and RTL - A are as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the First Mortgaged Properties and Second Mortgaged Properties.
2. A second ranking and pari passu security interest by way of legal mortgage over the Third Mortgaged Properties, Fourth Mortgaged Properties and the Fifth Mortgaged Properties.

The above security having ranking in respect to RTL - 2 and WCTL - 2 are as below:

A second ranking and pari passu security interest by way of legal mortgage over all the Mortgaged Properties.

Collateral security pari-passu with all CDR lenders

1. Corporate guarantee of HCC Real Estate Limited (HREL) for ` 9,477.60 crore, against which HREL's outstanding amount is ` 8,800.11 crore (Previous year: ` 8,464.98 crore).
2. Pledge of 200,703,600 equity shares of the Company held by Hincon Holdings Limited.
3. Personal guarantee of Mr. Ajit Gulabchand, Chairman and Managing Director

4.2.2 Loan principal amounting to ` 34.11 crore (Previous year: ` 66.38 crore) and the interest amount of ` 28.20 crore (Previous year: ` 58.24 crore) which is due and outstanding to be paid as at 31 March 2016 pertains to the period from October 2015 to March 2016. Out of this, principal amounting to ` 21.87 crore and interest amounting to ` 1.35 crore have been subsequently paid.

4.3 MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers depends on various factors including improved performance of the borrowers and other conditions. The aggregate present value of the sacrifice made/ to be made by CDR Lenders as per the MRA is ` 209.76 crore (Previous year: ` 205.66 crore) as at 31 March 2016.

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	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 5 Deferred Tax Liabilties (Net)		
Components of deferred tax assets and liabilities arising on account of timing differences are:		
Deferred Tax Liabilty		
Timing difference on tangible and intangible assets depreciation and amortisation	85.06	98.15
Claims/Arbitration Awards	943.56	680.43
Others	7.19	8.96
Deferred Tax Asset		
Business Loss/ Unabsorbed Depreciation	(879.19)	(683.85)
Others	(40.45)	(35.62)
TOTAL	116.17	68.07

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 6 Long Term Payables		
Provision for employee benefits (Refer note 41)		
- Gratuity	28.27	28.40
- Leave entitlement	9.70	10.22
TOTAL	37.97	38.62

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 7 Short-Term Borrowings		
I. Secured		
Rupee Loan from Banks :		
1) Cash credit facilities (Repayable on demand)	1,964.39	1,900.74
2) Working capital demand loan (Repayable on demand)	59.87	50.00
3) Buyer's credit	22.44	3.37
	2,046.70	1,954.11
II. Unsecured (Repayable on demand)		
Loans from related party (Refer note 42)	1.45	0.58
	2,048.15	1,954.69

Note 7.1 Security for Cash Credit Facilities, Working Capital Demand Loan and Buyer's Credit:

1. The parcel of land (immovable non-residential property) admeasuring 22 acres and 24 gunthas at Tara Village, Panvel Taluka described as the First Mortgaged Properties.
2. All the present and future movable assets of the Borrower (excluding 'Current Assets' and 'Specified Assets') as the Second Mortgaged Properties.
3. All current assets of the Borrower (other than those forming part of 'Additional Assets') as the Third Mortgaged Properties.
4. All of the 'Additional Assets' collectively referred to as the Fourth Mortgaged Properties.
5. All of the 'Specified Assets' collectively referred to as the Fifth Mortgaged Properties.

The terms 'Current Assets', 'Specified Assets' and 'Additional Assets' have been defined in the MRA.

The above security having ranking as below:

1. A first ranking and pari passu security interest by way of legal mortgage over the Third and Fourth Mortgaged Properties.
2. In the form of a second ranking and pari passu security interest by way of a legal mortgage over the First, Second and the Fifth Mortgaged Properties.

Collateral security pari-passu with all CDR lenders are same as indicated in Note 4.2.1

The Company has provided first charge over specific fixed assets (having WDV of ` 50 crore) of the Company for the loan extended by Export Import Bank of India (EXIM Bank) to HCC Mauritius Enterprise Limited through Loan Agreement dated 27 September 2010. The same security has also been extended for the loan of USD 25 million given by EXIM Bank to HCC Mauritius Investment Limited.

YES Bank, the lender of HCC Infrastructure Company Limited, a subsidiary company is having subservient charge on identified receivables of the Company. YES Bank issued NOC on 4 September 2012 for ceding first charge in favour of working capital lenders and second charge in favour of term lenders.

The securities towards working capital facilities also extend to guarantees given by the banks on behalf of the Company.

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 8 Trade Payables		
Trade payables		
- Total outstanding dues of Micro Enterprises and Small Enterprises	2.65	1.71
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,406.08	1,536.89
TOTAL	1,408.73	1,538.60

8.1 The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 March 2016.

The disclosure pursuant to the said Act is as under:

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Principal amount due to suppliers under MSMED Act	2.65	1.71
Interest accrued and due to suppliers under MSMED Act on the above amount	0.30	0.23
Payment made to suppliers (other than interest) beyond appointed day during the year	0.97	0.83
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	0.04	0.06
Interest accrued and remaining unpaid at the end of the accounting year	0.30	0.23
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	2.46	2.16

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 9 Other Current Liabilities		
a) Interest Accrued but not due	31.59	35.70
b) Interest Accrued and due	36.48	66.83
Note 9 Other Current Liabilities: Contd.		
c) Unpaid Dividends#	0.59	0.72
d) Others		
i) Advance towards sale of investment (Refer notes 16.2 and 40)	37.70	55.58
ii) Tax Payable	21.97	18.83
iii) Due to Employees	65.10	60.39
iv) Interest payable on contractee advances	78.52	63.91
v) Statutory Dues Payable	3.17	1.51
vi) Due to / advance from related parties	0.76	0.45
vii) Liability for capital goods	18.93	20.76
viii) Other liabilities	44.90	53.81
TOTAL	339.71	378.49

Not due for credit to Investor Education and Protection Fund

Note 10 Short Term provisions		
(a) Provision for employee benefits (Refer note 41)		
- Gratuity	2.65	4.78
- Leave entitlement	4.98	5.13
(b) Provision for foreseeable losses (Refer note 10.1)	108.66	125.00
TOTAL	116.29	134.91

Note 10.1 The Company has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

Note 11 Fixed Assets

` crore

	TANGIBLE ASSETS											INTANGIBLE ASSETS	
Particulars	Freehold land	Leasehold improvements	Building and sheds	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Helicopter/ Aircraft	Speed boat	Computers	Total	Computer software	Total
Gross block													
As at 1 April 2014	8.68	18.37	33.57	1,518.43	20.55	9.69	195.82	179.46	1.96	16.84	2,003.37	22.43	22.43
Additions	-	-	-	40.36	-	-	0.76	2.81	-	2.73	46.66	-	-
Deductions/ disposals	-	-	3.68	46.43	-	0.06	10.66	-	0.52	4.65	66.00	-	-
As at 31 March 2015	8.68	18.37	29.89	1,512.36	20.55	9.63	185.92	182.27	1.44	14.92	1,984.03	22.43	22.43
Additions	-	-	-	24.95	0.02	-	1.05	3.14	-	0.24	29.40	1.72	1.72
Deductions/ disposals	-	-	-	74.07	-	0.11	12.16	-	-	1.39	87.73	-	-
As at 31 March 2016	**8.68**	**18.37**	**29.89**	**1,463.24**	**20.57**	**9.52**	**174.81**	**185.41**	**1.44**	**13.77**	**1,925.70**	**24.15**	**24.15**
Accumulated depreciation / amortisation													
Balance as at 1 April 2014	-	7.38	19.67	855.09	11.72	7.01	127.05	45.25	0.61	16.50	1,090.28	20.12	20.12
Depreciation/ amortisation charge	-	2.02	0.95	120.79	1.36	1.93	22.24	10.37	0.13	0.26	160.05	1.38	1.38
Accumulated depreciation/ amortisation on disposals	-	-	3.68	32.32	-	0.06	9.11	-	0.34	4.60	50.11	-	-
As at 31 March 2015	-	9.40	16.94	943.56	13.08	8.88	140.18	55.62	0.40	12.16	1,200.22	21.50	21.50
Depreciation/ amortisation charge	-	2.00	0.87	105.02	1.31	0.16	13.90	10.37	0.11	0.95	134.69	1.16	1.16
Accumulated depreciation/ amortisation on disposals	-	-	-	64.47	-	0.10	10.85	-	-	1.38	76.80	-	-
As at 31 March 2016	**-**	**11.40**	**17.81**	**984.11**	**14.39**	**8.94**	**143.23**	**65.99**	**0.51**	**11.73**	**1,258.11**	**22.66**	**22.66**
Net block													
As at 31 March 2015	8.68	8.97	12.95	568.80	7.47	0.75	45.74	126.65	1.04	2.76	783.81	0.93	0.93
As at 31 March 2016	**8.68**	**6.97**	**12.08**	**479.13**	**6.18**	**0.58**	**31.58**	**119.42**	**0.93**	**2.04**	**667.59**	**1.49**	**1.49**

Note 11.1 Depreciation and amortisation expense		
	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Depreciation of tangible assets	134.69	160.05
Amortisation of intangible assets	1.16	1.38
Less: Allocated to group companies	-	7.09
Less: Transferred to retained earnings (Refer note 3.2)	-	4.04
TOTAL	135.85	150.30

	As at 31 March 2016		As at 31 March 2015	
	Unquoted	Quoted	Unquoted	Quoted
	` crore	` crore	` crore	` crore
Note 12 Non-Current Investments (valued at cost, fully paid-up, unless otherwise specified)				
I. Trade Investment				
(A) Investments in Equity Shares:				
(I) In Subsidiary Companies in India				
(i) Western Securities Limited 1,957,500 (Previous year: 1,957,500) Equity Shares of ` 10 each	5.38	-	5.38	-
(ii) HCC Real Estate Limited [Refer note 32 (a)] 66,193,185 (Previous year: 66,193,185) Equity Shares of ` 10 each	474.36	-	474.36	-
(iii) HCC Infrastructure Company Limited [Refer note 32 (b)] 250,000 (Previous year: 250,000) Equity Shares of ` 10 each	0.25	-	0.25	-
(iv) HCC Construction Limited 50,000 (Previous year: 50,000) Equity Shares of ` 10 each	0.05	-	0.05	-
(v) Highbar Technologies Limited (Refer notes 12.2 and 12.3) 6,250,000 (Previous year: 6,250,000) Equity Shares of ` 10 each	6.25	-	6.25	-
(vi) Lavasa Corporation Limited [Refer note 32 (a)] 2,387 (Previous year: 2,387) Equity Shares of ` 10 each	0.01	-	0.01	-
(II) In Subsidiary Companies outside India				
(i) HCC Mauritius Enterprises Limited (Refer note 12.2) 5,005,000 (Previous year: 5,005,000) Equity Shares of USD 1 each	22.23	-	22.23	-
(ii) HCC Mauritius Investments Limited (Refer note 12.2) 1,000,000 (Previous year: 1,000,000) Equity Shares of USD 1 each	6.06	-	6.06	-
(III) In Others				
(i) Vikhroli Corporate Park Private Limited (Refer note 12.1 below) 260 (Previous year: 1,000,000) Equity Shares of ` 10 each (ceased to be an associate w.e.f. 10 July 2015)	0.00*	-	1.00	-
(B) Preference Shares:				
In Subsidiary Company in India				
Lavasa Corporation Limited 28 (Previous year: 28) 6% Cumulative Redeemable Preference Shares of ` 10 each	0.00*	-	0.00*	-
(c) Investments in Debentures in Associates:				
Vikhroli Corporate Park Private Limited (VCPPL) (ceased to be an associate w.e.f. 10 July 2015)				
(i) VCPPL 17.91% Optionally Fully Convertible Debenture Series-I Nil (Previous year: 4,904) Debentures of ` 100,000 each	-	-	49.04	-
(ii) VCPPL 6.32% Optionally Fully Convertible Debenture Series-II Nil (Previous year: 2,432) Debentures of ` 100,000 each	-	-	24.32	-
(iii) VCPPL 0% Optionally Fully Convertible Debenture Series-IV Nil (Previous year: 821) Debentures of ` 100,000 each	-	-	8.21	-
II. Non-trade Investments:				
(i) Walchand Co-op. Housing Society Limited 5 (Previous year: 5) Equity Shares of ` 50 each	0.00*	-	0.00*	-
(ii) Shushrusha Citizens Co-Op. Hospitals Limited 100 (Previous year: 100) Equity Shares of ` 100 each	0.00*	-	0.00*	-
(iii) Housing Development Finance Corporation Limited 15,220 (Previous year: 15,220) Equity Shares of ` 2 each	-	0.01	-	0.01
(iv) HDFC Bank Limited 2,500 (Previous year: 2,500) Equity Shares of ` 10 each	-	0.00*	-	0.00*
(v) Khandwala Securities Limited 3,332 (Previous year: 3,332) Equity Shares of ` 10 each	-	0.00*	-	0.00*
(vi) Hincon Finance Limited 120,000 (Previous year: 120,000) Equity Shares of ` 10 each	0.12	-	0.12	-
	514.71	0.01	597.28	0.01
		514.72		597.29

Details:	As at 31 March 2016 Cost	As at 31 March 2016 Market Value	As at 31 March 2015 Cost	As at 31 March 2015 Market Value
	` crore	` crore	` crore	` crore
Aggregate of Investments:				
(i) Quoted Investments	**0.01**	**1.96**	0.01	2.26
(ii) Unquoted Investments	**514.71**	**-**	597.28	-
(iii) Provision towards diminution in value of investments	**-**	**-**	-	-

Note 12.1 During the year ended 31 March 2016, the Company divested 26% equity stake in VCPPL for an aggregate consideration of ` 90.03 crore out of which the Company has received ` 77.03 crore resulting in gain of ` 72.16 crore. Balance ` 13 crore will be realised and accounted for on fulfilment of certain conditions.

Note 12.2 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies as indicated below:

Name of the Company	No. of equity shares pledged 31 March 2016	31 March 2015
Highbar Technologies Limited	**1,875,000**	1,875,000
HCC Mauritius Enterprise Limited	**5,005,000**	5,005,000
HCC Mauritius Investments Limited	**1,000,000**	1,000,000

Note 12.3 The Company has given an "Non Disposal Undertaking" to the lenders of Highbar Technologies Limited to the extent of 3,074,940 equity shares

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 13 Long Term Loans and Advances		
Unsecured, Considered Good		
a) Capital Advances		
- related party	**7.00**	-
- others	**0.09**	0.16
b) Security and Other Deposits		
- related party	**0.50**	7.54
- others	**13.17**	6.02
c) Advance payment of taxes (net of provision)	**22.25**	49.48
Advance tax ` 167.63 crore (Previous year : ` 164.74 crore)		
Provision for Tax ` 145.38 crore (Previous year : ` 115.26 crore)		
d) MAT credit entitlement	**109.69**	79.56
e) Loans and advances to related parties# (Refer notes 32 and 42)	**1,641.08**	1,135.07
f) Loans and advances to employees	**0.19**	0.22
g) Advances recoverable in cash or in kind	**1.25**	1.79
h) Balance with government authorities	**74.07**	63.16
TOTAL	**1,869.29**	1,343.00

Loans and advances to related parties represent inter corporate deposits placed with subsidiaries.

Note 13.1 Disclosure pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of loans and advances in the nature of loans

Loans and advance in the nature of loans given to subsidiaries for business purposes.

Name of the entity	Outstanding balance As at 31 March 2016 ` crore	Outstanding balance As at 31 March 2015 ` crore	Maximum balance outstanding during the year As at 31 March 2016 ` crore	Maximum balance outstanding during the year As at 31 March 2015 ` crore
i) HCC Infrastructure Company Limited	**984.82**	634.81	**984.82**	634.81
ii) HCC Real Estate Limited #	**443.96**	404.06	**443.96**	404.06
iii) Lavasa Corporation Limited	**110.21**	-	**110.21**	-
iv) HCC Mauritius Enterprise Limited ##	**99.70**	94.11	**99.70**	94.11
v) HCC Concession Limited	**-**	-	**18.00**	-
vi) Highbar Technologies Limited	**2.39**	2.09	**2.39**	2.09
Total	**1,641.08**	1,135.07	**1,659.08**	1,135.07

Includes interest free loan ` 294.27 crore (Previous year: ` 294.27 crore).

Loans given at interest rate of "3 months LIBOR +3%" and "6 months LIBOR +4%".

Note 13.2 Investment by the loanee in the Company's/ subsidiary companies shares

HCC Infrastructure Company Limited has invested in following subsidiary companies.

Name of the company	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Equity shares		
HCC Concessions Limited	**573.48**	523.55
HCC Power Limited	**0.50**	0.50
Dhule Palesner Operations & Maintenance Limited	**0.50**	0.50
HCC Operations & Maintenance Limited	**0.05**	0.05
Preference shares		
HCC Concessions Limited	**285.99**	285.99
TOTAL	**860.52**	810.59

HCC Real Estate Limited has invested in following subsidiary companies

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Name of the company		
Equity shares		
Lavasa Corporation Limited	**417.81**	417.81
Maan Township Developers Limited	**0.10**	0.10
Nashik Township Developers Limited	**0.10**	0.10
HRL Township Developers Limited	**0.10**	0.10
HRL (Thane) Real Estate Limited	**0.10**	0.10
Charosa Wineries Limited	**13.00**	13.00
Powai Real Estate Limited	**0.05**	0.05
HCC Aviation Limited	**0.05**	0.05
Pune-Paud Toll Road Company Limited	**6.05**	6.05
HCC Realty Limited	**0.05**	0.05
Preference shares		
Lavasa Corporation Limited	**97.34**	97.34
TOTAL	**534.75**	534.75

Note 13.2 Investment by the loanee in the Company's/ subsidiary companies shares (contd.)

Lavasa Corporation Limited has invested in following subsidiary companies

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Name of the company		
Equity shares		
Dasve Retail Limited	0.05	0.05
Dasve Business Hotel Limited	0.05	0.05
Reasonable Housing Limited	0.05	0.05
Hill City Service Apartments Limited	0.05	0.05
Lakeshore Watersports Company Limited	0.05	0.05
Nature Lovers Retail Limited	0.05	0.05
Future City Multiservices SEZ Limited	0.05	0.05
Verzon Hospitality Limited	0.41	0.41
Hill View Parking Services Limited	0.05	0.05
Warasgaon Valley Hotels Limited	0.05	0.05
Osprey Hospitality Limited	0.05	0.05
Rosebay Hotels Limited	0.05	0.05
Valley View Entertainment Limited	0.05	0.05
Our Home Service Apartments Limited	0.05	0.05
Mugaon Luxury Hotels Limited	0.05	0.05
Sirrah Palace Hotels Limited	-	0.05
Kart Racers Limited	0.05	0.05
Lavasa Bamboocrafts Limited	0.05	0.05
Rhapsody Commercial Space Limited	0.05	0.05
Warasgaon Power Supply Limited	5.05	5.05
Warasgaon Infrastructure Providers Limited	0.05	0.05
Lavasa Hotel Limited	0.05	0.05
Sahyadri City Management Limited	0.05	0.05
Dasve Hospitality Institutes Limited	5.55	5.55
Warasgaon Assets Maintenance Limited	593.05	10.05
Dasve Convention Center Limited	0.05	0.05
Lakeview Clubs Limited	0.05	0.05
Warasgaon Tourism Limited	0.05	0.05
Starlit Resort Limited	-	0.05
Apollo Lavasa Health Corporation Limited	-	75.00
My City Technology Limited	14.93	14.93
Whistling Thrush Facilities Services Limited	0.23	0.23
Spotless Laundry Services Limited	7.08	7.08
Full Spectrum Adventure Limited	0.05	0.05
Ecomotel Hotel Limited	11.77	-
Green Hills Residences Limited	2.36	2.36
Preference Shares		
Dasve Hospitality Institutes Limited	27.06	27.06
Nature Lovers Retail Limited	1.73	1.73
Hill City Service Apartments Limited	10.33	10.33
Sahyadri City Management Limited	38.71	38.71
Warasgaon Tourism Limited	9.84	9.84
Future City Multiservices SEZ Limited	1.69	1.69
Reasonable Housing Limited	19.66	19.66
Lavasa Bamboocrafts Limited	7.90	7.90
Dasve Retail Limited	78.91	78.91
Lakeview Clubs Limited	19.36	19.36

Note 13.2 Investment by the loanee in the Company's/ subsidiary companies shares (contd.)

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Preference Shares: Contd.		
Lakeshore Watersports Limited	10.98	10.98
Dasve Convention Center Limited	51.78	51.78
Dasve Business Hotels Limited	23.40	23.40
Warasgaon Asset Management Company Limited	0.47	-
TOTAL	943.46	423.31

HCC Mauritius Enterprise Limited has invested in following subsidiary companies

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Name of the company		
Equity shares		
Steiner AG (Refer note below)	213.15	201.29
TOTAL	213.15	201.29

Note: Increase in investment is due to exchange rate fluctuation.

HCC Concession Limited has invested in following subsidiary companies

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Name of the company		
Equity shares		
Badarpur Faridabad Tollways Limited	98.00	86.00
Baharampore-Farakka Highways Limited	33.30	33.30
Farakka-Raiganj Highways Limited	37.00	37.00
Raiganj-Dalkhola Highways Limited	27.00	27.00
Nirmal BOT Limited	-	31.50
Narmada Bridge Tollways Limited	0.05	0.05
Investments in Compulsorily Convertible Cumulative Preference Shares (CCCPS)		
Baharampore-Farakka Highways Limited	172.25	172.25
Farakka-Raiganj Highways Limited	200.22	200.22
Raiganj-Dalkhola Highways Limited	82.07	72.52
TOTAL	649.89	659.84

Highbar Technologies Limited has invested in following subsidiary companies

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Name of the company		
Equity shares		
Highbar Technologies FZLLC	0.06	0.06
TOTAL	0.06	0.06

Note 14 Long-Term Trade Receivables (Refer note below)

Unsecured, Considered Good		
Trade receivables (Refer notes 33 and 43)	2,161.35	1,494.16
[Including retention ` 32.69 crore (Previous year: ` 0.79 crore)]		
TOTAL	2,161.35	1,494.16

Note: Net off advance received against work bill / claims ` 353.71 crore (Previous year: ` 211.56 crore)

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 15 Other Non Current Assets		
Unsecured, Considered Good		
a) Interest receivable from related parties	**162.38**	323.11
b) Margin money deposit	**16.80**	1.54
TOTAL	**179.18**	324.65
Note 16 Current Investments		
Investments in Equity Instruments (Refer note 40):		
(Unquoted, in subsidiary Companies in India)		
(i) Panchkutir Developers Limited (Refer note 16.2 below)	**50.02**	50.02
1,400,000 (Previous year: 1,400,000) Equity Shares of ` 10 each fully paid		
(ii) Raiganj Dalkhola Highways Limited (Refer note 16.1 below)	**3.00**	3.00
3,000,000 (Previous year: 3,000,000) Equity Shares of ` 10 each fully paid		
(iii) Baharampore Farakka Highways Limited (Refer note 16.1 below)	**11.70**	11.70
11,700,000 (Previous year: 11,700,000) Equity Shares of ` 10 each fully paid		
(iv) Farakka Raiganj Highways Limited (Refer note 16.1 below)	**13.00**	13.00
13,000,000 (Previous year: 13,000,000) Equity Shares of ` 10 each fully paid		
(v) Dhule Palesner Tollways Limited (Refer note 16.1 below)	**0.00***	17.88
100 (Previous year: 17,882,800) Equity Shares of ` 10 each fully paid		
TOTAL	**77.72**	95.60

Note 16.1 The Company has pledged the following shares in favour of the lenders as a part of the financing agreements for facilities taken by subsidiary companies and joint ventures as indicated below:

Name of the company	No. of equity shares pledged 31 March 2016 ` crore	31 March 2015 ` crore
Raiganj Dalkhola Highways Limited	**510,000**	510,000
Baharampore Farakka Highways Limited	**510,000**	510,000
Farakka Raiganj Highways Limited	**510,000**	510,000
Dhule Palesner Tollways Limited	-	94,350

16.2 The Company has received ` 10 crore as advance towards sale of investment in Panchkutir Developers Limited

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 17 Inventories		
a) Stores, spares and embedded goods	**163.64**	215.62
b) Fuel	**4.78**	6.71
c) Materials in transit	-	0.56
d) Work in progress (Refer note 33):		
Uncompleted contracts and value of work done (Refer note below)	**3,452.07**	3,344.87
TOTAL	**3,620.49**	3,567.76

Note: Net off advance received against work bill ` 145.97 crore (Previous year: ` 134.12 crore)

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 18 Trade Receivables		
Unsecured, Considered Good		
a) Outstanding over six months	**85.63**	112.41
[including retention of ` 6.63 crore (Previous year: ` 16.15 crore)		
b) Others	**421.73**	810.33
[including retention of ` 285.60 crore (Previous year: ` 270.22 crore)]		
TOTAL	**507.36**	922.74

Note: Net off advance received against work bill ` 291.10 crore (Previous year: ` 4.14 crore)

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 19 Cash and Bank Balances		
a) **Cash and Cash Equivalents**		
1) Balances with Bank		
(i) Current Accounts in Indian Rupees	**64.04**	64.27
(ii) Current Accounts in Foreign Currency	**2.67**	0.21
2) Cash on Hand	**0.70**	0.78
3) Cheques on Hand	**0.00***	9.76
SUB-TOTAL	**67.41**	75.02
b) **Other Bank Balances**		
1) Margin Money Deposits	**22.83**	20.68
2) Balances with Bank for Unpaid Dividend	**0.59**	0.72
SUB-TOTAL	**23.42**	21.40
TOTAL	**90.83**	96.42
Note 20 Short-Term Loans & Advances		
Unsecured, Considered Good		
a) Advances recoverable in cash or in kind		
- Related parties (Refer note 42)	**13.15**	13.09
- Others	**96.88**	96.34
b) Loans to employees	**0.02**	0.02
c) Balance with Government Authorities	**12.29**	14.19
d) Earnest money and other deposits	**4.84**	13.80
TOTAL	**127.18**	137.44
Note 21 Other Current Assets		
a) Receivable from related parties (Refer notes 32 and 42)		
- against sale of assets	**56.83**	56.83
- against reimbursements, others	**69.01**	188.87
b) Interest accrued on deposits / advances	**5.25**	10.51
TOTAL	**131.09**	256.21

	Year ended 31 March 16 ` crore	Year ended 31 March 15 ` crore
Note 22 Revenue from operations		
a) Contract Revenue	4,044.17	4,095.96
Add: Company's share of turnover in integrated joint ventures	124.82	174.44
b) Sale of Products	21.91	30.74
TOTAL	4,190.90	4,301.14
Note 23 Other Income		
a) Interest Income	176.75	121.94
b) Dividend from long-term investments	0.02	0.03
c) Other Non-Operating Income		
i) Exchange gain (net)	-	12.45
ii) Excess provision no longer required written back	2.08	0.34
iii) Miscellaneous	8.91	12.56
TOTAL	187.76	147.32
Note 24 Cost of construction materials consumed		
Stock at beginning of the year	215.62	255.75
Add: Purchases	909.35	918.03
	1,124.97	1173.78
Less: Scrap and unserviceable sold	9.61	16.20
	1,115.36	1157.58
Less: Stock at the end of the year	163.64	215.62
TOTAL	951.72	941.96
Note 25 Construction Expenses		
a) Power, fuel and water charges	126.62	142.38
b) Insurance	37.06	48.86
c) Rates and taxes	211.00	180.73
d) Rent and Hire charges	50.97	55.91
e) Transportation charges	33.43	32.82
f) Others	30.30	20.79
TOTAL	489.38	481.49

Note 25.1 The Company has taken various construction equipment and vehicles under non-cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2016 are as follows:

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Minimum Lease Rental payments		
i) Payable not later than one year	4.17	4.08
ii) Payable later than one year and not later than five years	2.64	2.31
iii) Payable later than five years	-	-
	6.81	6.39

The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

Further, the Company has entered into cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc.

Lease payments in respect of the above leases are recognised in the Statement of Profit and Loss under the heads "Construction Expenses" and "Other Expenses" (Refer Note 25 and 28, respectively)

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 26 Employee Benefit Expenses (net of recoveries)		
a) Salaries and Wages	327.31	319.54
b) Contribution to provident and other funds (Refer note 41.1)	21.15	21.72
c) Staff Welfare Expenses	21.89	19.85
TOTAL	370.35	361.11

Note 26.1 In respect of year ended 31 March 2014, the Company's request for remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs (the 'Ministry'), to reconsider their approval of ` 1.92 crore against the entire remuneration of ` 10.66 crore paid to the Chairman and Managing Director (CMD), is pending with the Ministry.

Note 26.2 In respect of year ended 31 March 2015, the Company has provided for remuneration for CMD of ` 10.66 crore. The Company has made an application to the Ministry seeking its approval for payment of ` 10.66 crore which is in excess of the limits specified under Schedule V to the Companies Act, 2013.

Note 26.3 In respect of year ended 31 March 2016, the Company's application to the Ministry for approval of remuneration paid/ payable ` 10.66 crore to the CMD which is in excess of the limit prescribed and held in trust, is pending with the Ministry.

Note 26.4 The Draft Companies (Amendment) Act, 2016 proposes that waiver of the recovery of any excess amount of managerial remuneration can be approved by the Company by special resolution within specified period after obtaining approval of such waiver from secured creditors of the Company (till now permissible only with approval of Central Government). The Draft also proposes that any application made to the Central Government under section 197 and which is pending with the Government shall abate and the Company shall obtain the approval as per amended provision within one year of commencement of Companies (Amendment) Act, 2016.

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 27 Finance Costs (net of recoveries)		
a) Interest Expense		
(i) On Debentures	23.89	23.16
(ii) On Others	635.19	601.79
b) Other Borrowing costs		
(i) Guarantee Commission Charges	21.22	17.96
(ii) Finance Charges	9.58	8.22
TOTAL	689.88	651.13
Note 28 Other Expenses (net of recoveries)		
(a) Stationery, postage, telephone and advertisement	5.99	7.29
(b) Travelling and conveyance	14.26	13.96
(c) Rent	14.27	12.01
(d) Professional	34.51	28.12
(e) Repairs and maintenance	12.11	6.21

			Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 28 Other Expenses (net of recoveries): Contd.				
(f)	Building maintenance		6.02	6.88
(g)	Directors' sitting fees		0.60	0.52
(h)	Auditors' remuneration: #			
	(i) Audit Fees	1.10		0.95
	(ii) Tax Audit Fees	0.20		0.20
	(iii) For reviews and certification work	1.24		1.01
	(iv) Reimbursement of out of pocket expenses	0.01		0.01
			2.55	2.17
(i)	Computer maintenance and development		13.75	14.37
(j)	Loss on sale of fixed assets (net)		1.94	3.20
(k)	Exchange loss (net)		1.22	-
(l)	Corporate social responsibility (CSR) expenses ##		0.41	0.20
(m)	Miscellaneous		20.13	17.04
TOTAL			127.76	111.97

Auditors' remuneration for the year ended 31 March 2016 excludes ` 0.65 crore towards fee for miscellaneous certifications relating to Qualified Institutional Placements, which has been charged off against the available balance in the Securities Premium Account.

The Company is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013.

Note 29 Exceptional Items		
A. Profit on sale of long-term investments (Refer note 12.1)	72.16	-
B. Trade receivables and work in progress written off	(98.64)	-
TOTAL	(26.48)	-

Note 30 Earnings per share (EPS)

Basic and diluted EPS

A. Profit computation for basic earnings per share of ` 1 each			
Net profit as per the Statement of Profit and Loss available for equity shareholders	(` crore)	84.97	81.65
B. Weighted average number of equity shares for EPS computation	(Nos.)	775,880,231	642,495,459
C. EPS - Basic and Diluted EPS	(`)	1.10	1.27

Note 31 Contingent liabilities and commitments	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
A. Contingent Liabilities		
(i) Claims not acknowledged as debts by the Company	10.72	13.24
(ii) Income Tax liability that may arise in respect of which Company is in appeals	24.63	24.63

Note 31 Contingent liabilities and commitments (Contd.)	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
A. Contingent Liabilities (Contd.)		
(iii) Sales Tax liability / Works Contract Tax liability / Service Tax / Customs Liability that may arise in respect of matters in appeal	109.42	92.02
(iv) Corporate Guarantees:		
The Company has provided an undertaking to pay in the event of default on loan given by lenders to the subsidiaries and fellow subsidiaries		
a) Lavasa Corporation Limited (LCL)	336.10	419.64
b) HCC Mauritius Enterprises Limited	42.81	58.03
c) HCC Mauritius Investment Limited	173.34	138.31
d) HCC Infrastructure Company Limited	200.00	200.00
e) HCC Concession Limited	-	100.00
v) Counter indemnities given to banks in respect of contracts executed by subsidiaries and joint ventures	101.43	155.39

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities except in respect of matter stated in (iv) above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Commitments		
B.1 Capital Commitment (net of advances)	7.47	1.61
B.2 Put option given to lenders of LCL to sell debentures to the Company in the event of default (including interest and penal charges thereon)	494.10	350.00

Note 32(a) The Company, as at 31 March 2016, has (i) an investment amounting to ` 474.36 crore (31 March 2015: ` 474.36 crore), long term loans and advances ` 443.96 crore (31 March 2015: ` 404.06 crore), other non-current assets ` 19.43 crore (31 March 2015: ` 25.01 crore) and other current assets ` 5.07 crore (31 March 2015: ` 3.43 crore) in HCC Real Estate Limited (HREL) which is holding 68.70% share in Lavasa Corporation Limited (LCL) and (ii) an investment amounting to ` 0.01 crore (31 March 2015: ` 0.01 crore), long term loans and advances ` 110.21 crore (31 March 2015: Nil), other non-current assets ` 13.08 crore (31 March 2015: ` 14.30 crore) and other current assets ` 8.28 crore (31 March 2015: ` 77.24 crore) in LCL. While such entities have incurred losses during its initial years and consolidated net-worth of all these entities as at 31 March 2016 has been substantially/ fully eroded, the underlying projects in such entities are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values, hence net-worth of these subsidiaries does not represent its true market value. Therefore, the decline in the value of above investments is considered to be temporary in nature and the loans and advances, other non-current assets and other current assets together with the interest thereon are good and recoverable.

Note 32(b) The Company, as at 31 March 2016, has an investment amounting to ` 0.25 crore (31 March 2015: ` 0.25 crore), long term loans and advances ` 984.82 crore (31 March 2015: ` 634.81 crore), other non-current assets ` 127.48 crore (31 March 2015: ` 283.80 crore) and other current assets ` 18.31 crore (31 March 2015: ` 35.84 crore) in HCC Infrastructure Company Limited (HIL) which is holding 85.45% in HCC Concession Limited having various Build, Operate and Transfer (BOT) SPVs under its fold. While this entity has incurred losses during its initial years and consolidated net-worth as at 31 March 2016 has been fully eroded, the underlying projects are in the early stages of development and are expected to achieve adequate profitability on substantial completion, hence net-worth of this subsidiary does not represent its true market value. Therefore, the decline in the value of above investment is considered to be temporary in nature and the loans and advances, other non-current assets and other current assets together with the interest thereon are good and recoverable.

Note 33 Uncompleted Contracts and Value of Work Done (Inventories)' and 'Long-Term Trade Receivables' includes ` 978 crore (Previous year: ` 1,181 crore) and ` 206 crore (Previous year: ` 241 crore), respectively, outstanding as at 31 March 2016 representing various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ` 89 crore (Previous year: ` 149 crore) of arbitration awards received in favour of the Company, which have been subsequently set aside by District Court/ High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

Note 34 The Company has a single segment namely "Engineering & Construction". Therefore, the Company's business does not fall under different business segments as defined by Accounting Standard 17 - "Segmental Reporting" referred to in Section 133 of the Companies Act, 2013.

Note 35 Disclosure in accordance with Accounting Standard - 7 (Revised) - Amount due from / to customers on Construction Contracts

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Contract revenue for the year	**4,044.17**	4,095.96
Aggregate amount of cost incurred and recognized profits less recognized losses up to the reporting date on contract under progress	**33,714.69**	29,669.97
Advances received from customer	**1,164.25**	1,069.25
Retention money	**324.92**	287.16
Gross amount due from customer for contract work	**5,795.86**	5,474.61
Gross amount due to customer for contract work	-	-

Note 36 (a) Contracts executed by the following Joint Ventures (JV's) are accounted for as per accounting policy no. 1.14(a)

i) HCC Van Oord ACZ Joint Venture
ii) Samsung- HCC Joint Venture
iii) L & T - HCC Joint Venture
iv) HCC- KBL Joint Venture
v) HCC- NCC Joint Venture
vi) HCC- CEC Joint Venture
vii) HCC- NOVA Joint Venture
viii) HCC - CPL Joint Venture
ix) HCC - MEIL - CBE Joint Venture
x) HCC – MEIL - BHEL Joint Venture
xi) HCC – MEIL - SEW- AAG Joint Venture
xii) HCC – MEIL - SEW Joint Venture
xiii) HCC-Halcrow Joint Venture
xiv) HCC-Laing-Sadbhav
xv) HCC -MEIL- NCC- WPIL Joint Venture
xvi) HCC-DSD-VNR Joint Venture
xvii) MEIL- IVRCL- HCC - WPIL Joint Venture
xviii) Alstom Hydro France - HCC Joint Venture

Note 36 (b) Contracts executed by the following Joint Ventures are accounted for as per accounting policy no. 1.14(b)

Name of the Joint Venture	Name of Venture/s Partner/s	Company's share of Interest
HCC-L&T Purulia	Larsen & Toubro Limited	57%
HCC-Pati (dissolved on 31 March 2015)	Pati Sendirian, Berhad	50%
Nathpa Jhakri	Impregilio Spa, Italy	40%
Kumagai-Skanska	Skanska, Kumagai	19.60%
HCC-Itochu Group	Itochu	33%
Alpine - Samsung - HCC	Alpine Meyreder Bau and Samsung Corporation	
Alpine - HCC	Alpine Meyreder Bau	49%
HCC Samsung Joint Venture CC 34	Samsung Corporation	50%

In respect of Joint Ventures, the Company along with other JV members is jointly and severally responsible for performance of the contracts.

Note 36(c) Financial Interest in Integrated Joint Venture (unincorporated):

` crore

Name of the JV	Assets	Liabilities	Turnover	Other Income	Exceptional Item	Expenses (Including taxes)	Capital Commitment	Contingent Liability
	HCC's Share in							
	As at 31 March 2016		For the year ended 31 March 2016					
HCC-L&T Purulia Joint Venture	**6.04**	**0.87**	-	-	-	**0.01**	-	-
	(6.05)	(0.88)	(-)	(0.29)	(-)	(0.01)	(-)	(-)
HCC-Pati Joint Venture	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(0.40)	(-)	(-)	(-)	(-)
Nathpa Jhakri Joint Venture	**5.43**	**0.23**	-	**0.27**	-	**0.38**	-	-
	(5.34)	(0.02)	(-)	(0.08)	(-)	(0.66)	(-)	(-)
Kumagai-Skanska HCC-Itochu Group	**0.21**	**3.09**	-	**0.01**	-	**0.08**	-	-
	(0.28)	(3.09)	(-)	(0.02)	(-)	(0.07)	(-)	(4.22)
Alpine-Samsung-HCC Joint Venture	**5.01**	**27.02**	-	**0.14**	-	**0.29**	-	**3.60**
	(5.16)	(27.02)	(-)	(0.65)	(-)	(0.35)	(-)	(7.05)
HCC Samsung Joint Venture CC 34	**37.52**	**40.17**	**124.82**	-	-	**137.84**	-	**1.00**
	(99.14)	(88.77)	(174.44)	(0.15)	(-)	(167.36)	(-)	(11.71)
Alpine-HCC Joint Venture	**0.56**	**8.50**	-	**0.03**	-	**0.33**	-	**0.15**
	(0.48)	(8.13)	(-)	(0.92)	(-)	(0.40)	(-)	(0.29)
TOTAL	**54.77**	**79.88**	**124.82**	**0.45**	-	**138.93**	-	**4.75**
	(116.45)	(127.91)	(174.44)	(2.51)	(-)	(168.85)	(-)	(23.27)

Note: Figures in brackets pertain to previous year.

Note 37 (a) Contracts executed by the following Jointly Controlled Entity

Name of the Jointly Controlled Entity	Name of Ventures/ Partners	Company's share of Interest
Dhule Palesner Tollways Limited (Refer note 40)	HCC Infrastructure Limited John Laing Investments Limited, John Laing Investments Mauritius (No 1) Limited, Sadbhav Engineering Limited and Sadbhav Infrastructure Projects Limited	26%

Note 37(b) Financial Interest in Jointly Controlled Entity

` crore

Name of the JV	HCC's Share in Assets	Liabilities	Turnover	Other Income	Exceptional Item	Expenses (Including taxes)	Capital Commitment	Contingent Liability
	As at 31 March 2015			For the year ended 31 March 2016				
Dhule Palesner Tollways Limited	-	-	-	-	-	-	-	-
	(332.49)	(332.49)	(34.85)	(0.02)	(33.92)	(55.49)	(13.52)	(0.08)

Note: Figures in brackets pertain to previous year.

Note 38 Disclosure of unhedged foreign currency exposure as at 31 March 2016

Particulars	Currency	As at 31 March 2016 Foreign Currency in crore	` crore	As at 31 March 2015 Foreign Currency in crore	` crore
Liabilities:					
Loans from banks	USD	**2.86**	**190.40**	3.25	204.23
Buyers' credit	EUR	**0.30**	**22.44**	0.05	3.37
Advance from contractee	EUR	**0.69**	**52.06**	0.35	23.55
Trade payables	USD	**0.02**	**1.04**	0.02	0.98
	EUR	**0.66**	**49.96**	0.49	33.39
	GBP	-	-	0.00*	0.35
	SEK	**0.21**	**1.68**	0.10	0.70
Assets:					
Inter corporate deposits and interest thereon	USD	**1.70**	**112.39**	1.65	102.70
Advance to vendors	EUR	**0.51**	**37.95**	**0.00***	0.04
	USD	**0.04**	**2.64**	-	-
	AUD	**0.00***	**0.04**	-	-
	SEK	**0.00***	**0.02**	-	-
Trade receivables	EUR	**0.83**	**62.26**	0.56	39.94
Bank balances	USD	**0.00***	**0.10**	**0.00***	0.12
	EUR	**0.03**	**2.57**	**0.00***	0.09

Note 39 Additional information pursuant to the provisions of part II of Schedule III to the Companies Act, 2013 (wherever applicable)

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
A. Value of Imports calculated on CIF Basis:		
(i) Raw Material	**8.19**	9.37
(ii) Components, embedded goods and spare-parts	**17.95**	14.92
(iii) Capital goods	**1.66**	12.84
B. Expenditure in foreign currencies:		
(i) Sub Contracting	**60.34**	37.57
(ii) Professional, Technical & Consultancy	**7.25**	10.57
(iii) Salary to Expatriate	**4.06**	4.78
(iv) Interest	**7.54**	7.50
(v) Others	**8.14**	5.87
Total	**87.33**	66.29

C. Value of imported and indigenous material consumed for construction:	Year ended 31 March 2016 ` crore	%	Year ended 31 March 2015 ` crore	%
(i) Imported	**12.30**	**1.29%**	19.56	2.08
(ii) Indigenous	**939.42**	**98.71%**	922.40	97.92
Total	**951.72**	**100.00%**	941.96	100.00

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
D. Earnings in foreign currencies (on accrual basis)		
(i) Work bills realised on contracts	**97.72**	27.36
(ii) Interest income	**4.09**	3.19

Note 40 Pursuant to Shareholders Agreement (SHA) executed on 9 August 2011, the Company is required to hold 100% equity stake in HCC Infrastructure Company Limited (HIL) until Private Equity Investor gets an exit from HCC Concessions Limited (HCL) through means as specified in the SHA and there are certain other customary restrictions on pledging / creation of any encumbrance over shares / assets of HIL/ BOT SPVs.

The Company has given inter alia an undertaking in respect of investment in Baharampore - Farakka Highways Limited, Farakka - Raiganj Highways Limited., Dhule Palesner Tollways Limited and Raiganj - Dalkhola Highways Limited to National Highways Authority of India (NHAI) that it will not transfer its shareholding till the commercial operation date. The Company has entered into sale agreement with HCL to sell these shares at book value at future dates on fulfilment of that obligation as per undertaking given to NHAI. The Company has received advance consideration of ` 27.70 crore (Previous year: ` 45.58 crore) for transfer of the above shares at book value from HCL, subject to necessary approvals and consents to the extent required in the following BOT SPV's. During the year ended 31 March 2016, the Company has transferred 17,882,700 equity shares in Dhule Palesner Tollways Limited to HCL at book value.

Name of BOT SPV	Year ended 31 March 2016 ` crore	No. of shares	Year ended 31 March 2015 ` crore	No. of shares
Baharampore Farakka Highways Limited	**11.70**	**11,700,000**	11.70	11,700,000
Farakka Raiganj Highways Limited	**13.00**	**13,000,000**	13.00	13,000,000
Raiganj Dalkhola Highways Limited	**3.00**	**3,000,000**	3.00	3,000,000
Dhule Palesner Tollways Limited	**0.00***	**100**	17.88	17,882,800
Total	**27.70**	**27,700,100**	45.58	45,582,800

Note 41 Disclosure relating to Employee Benefits - As per revised Accounting Standard (AS) 15

` crore

Gratuity	31 March 2016 Unfunded	31 March 2015 Unfunded
A. Expenses recognised in during the year		
Current service cost	**2.59**	2.33
Interest cost	**2.42**	2.50
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised during the year	**(3.29)**	2.31
Total	**1.72**	7.14

Gratuity	31 March 2016 Unfunded	31 March 2015 Unfunded
		` crore
B. Net Liability recognised in the Balance Sheet		
Present value of the obligation	**29.92**	30.49
Add: Provision for separated employees	**1.00**	2.69
Total	**30.92**	33.18
C. Change in Present value of obligation		
Present value of obligation at the beginning of the year	**30.49**	26.80
Current service cost	**2.59**	2.33
Interest cost	**2.42**	2.50
Benefits paid	**(2.29)**	(3.45)
Net actuarial (gain)/ loss recognised during the year	**(3.29)**	2.31
Present value of obligation at the end of the year	**29.92**	30.49
Add: Provision for separated employees	**1.00**	2.69
Total	**30.92**	33.18
D. Actuarial assumptions:		
i. Discount Rate	**7.96% p.a.**	7.95% p.a.
ii. Salary Escalation Rate - over a long term	**8.00% p.a.**	8.00% p.a.
iii. Mortality rate	**Indian Assured Lives -Mortality (2006-08) Ultimate**	Indian Assured Lives -Mortality (2006-08) Ultimate
iv. Average future working lifetime	**14 years**	14 years

v. The attrition rate varies from 2% to 8% (Previous year 2% to 8%) for various age groups.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 41.1 Defined Contribution Plans

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to Provident Fund	**15.26**	15.69
(ii) Contribution to Superannuation Fund	**5.89**	6.03
	21.15	21.72

Note 41.2 The obligation for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ` 14.67 crore (Previous year: ` 15.35 crore) has been made as on 31 March 2016.

Note 41.3 Information required for the current year and previous years as per Para 120(n) of AS15 (Revised)

	31 March 2016 ` crore	31 March 2015 ` crore	31 March 2014 ` crore	31 March 2013 ` crore	31 March 2012 ` crore
Gratuity					
Defined benefit obligation	**30.92**	33.18	28.95	29.36	28.39
Plan assets	-	-	-	-	-
Deficit/ (Surplus)	**30.92**	33.18	28.95	29.36	28.39
Experience (gain) / loss on plan liabilities	**(3.27)**	(0.50)	0.40	1.13	-
Experience gain / (loss) on plan assets	-	-	-	-	-

Note: Information has been provided to the extent available with the Company

	Non-current (Refer note 6) As at		Current (Refer note 10) As at	
	31 March 2016 ` crore	31 March 2015 ` crore	31 March 2016 ` crore	31 March 2015 ` crore
Gratuity	**28.27**	28.40	**2.65**	4.78
Leave entitlement	**9.70**	10.22	**4.98**	5.13
	37.97	38.62	**7.63**	9.91

Note 42 Disclosure in accordance with Accounting Standard -18 Related Party Transactions

A. Names of Related Parties & Nature of Relationship

a) Subsidiaries & its Subsidiaries:

No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company
1	Western Securities Limited	Subsidary	97.9	Hindustan Construction Company Limited
2	HCC Real Estate Limited	Subsidary	100	Hindustan Construction Company Limited
3	Panchkutir Developers Limited	Subsidary	100	Hindustan Construction Company Limited
4	HCC Mauritius Enterprises Limited	Subsidary	100	Hindustan Construction Company Limited
5	HCC Construction Limited	Subsidary	100	Hindustan Construction Company Limited
6	Highbar Technologies Limited	Subsidary	100	Hindustan Construction Company Limited
7	HCC Infrastructure Company Limited	Subsidary	100	Hindustan Construction Company Limited
8	HCC Mauritius Investments Limited	Subsidary	100	Hindustan Construction Company Limited
9	HRL Township Developers Limited	Subsidary	100	HCC Real Estate Limited
10	HRL (Thane) Real Estate Limited	Subsidary	100	HCC Real Estate Limited

No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company
11	Nashik Township Developers Limited	Subsidiary	100	HCC Real Estate Limited
12	Maan Township Developers Limited	Subsidiary	100	HCC Real Estate Limited
13	Charosa Wineries Limited	Subsidiary	100	HCC Real Estate Limited
14	Powai Real Estate Developer Limited	Subsidiary	100	HCC Real Estate Limited
15	HCC Realty Limited	Subsidiary	100	HCC Real Estate Limited
16	Pune Paud Toll Road Company Limited	Subsidiary	100	HCC Real Estate Limited
17	HCC Aviation Limited	Subsidiary	100	HCC Real Estate Limited
18	Steiner AG	Subsidiary	100	HCC Mauritius Enterprises Ltd 66% HCC Mauritius Investments Ltd 34%
19	Steiner Promotions et Participations SA	Subsidiary	100	Steiner AG
20	Steiner (Deutschland) GmbH	Subsidiary	100	Steiner AG
21	VM + ST AG	Subsidiary	100	Steiner AG
22	Steiner Leman SAS	Subsidiary	100	Steiner AG
23	SNC Valleiry Route de Bloux	Subsidiary	100	Subsidiary of Steiner Leman SAS
24	Eurohotel SA	Subsidiary	95	Steiner AG
25	Steiner India Limited	Subsidiary	100	Steiner AG
26	Highbar Technologies FZLLC	Subsidiary	100	Highbar Technologies Limited
27	Dhule Palesner Operations & Maintenance Limited	Subsidiary	100	HCC Infrastructure Company Limited
28	HCC Power Limited	Subsidiary	100	HCC Infrastructure Company Limited
29	HCC Energy Limited (incorporated on 11 August 2015)	Subsidiary	100	HCC Power Limited
30	HCC Concession Limited	Subsidiary	85.5	HCC Infrastructure Company Limited
31	HCC Operation and Maintenance Limited	Subsidiary	100	HCC Infrastructure Company Limited
32	Narmada Bridge Tollway Limited	Subsidiary	100	HCC Concession Limited

No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company
33	Badarpur Faridabad Tollways Limited	Subsidiary	100	HCC Concession Limited
34	Nirmal BOT Limited (up to 22 December 2015)	Subsidiary	100	HCC Concession Limited
35	Baharampore-Farakka Highways Limited	Subsidiary	100	HCC Concession Ltd 74% Hindustan Construction Co. Ltd 26%
36	Farakka-Raiganj Highways Limited	Subsidiary	100	HCC Concession Ltd 74% Hindustan Construction Co. Ltd 26%
37	Raiganj-Dalkhola Highways Limited	Subsidiary	100	HCC Concession Ltd 90% Hindustan Construction Co. Ltd 10%
38	Lavasa Corporation Limited	Subsidiary	68.7	HCC Real Estate Limited
39	Lavasa Hotel Limited	Subsidiary	100	Lavasa Corporation Limited
40	Apollo Lavasa Health Corporation Limited (up to 30 September 2015)	Subsidiary	62.5	Lavasa Corporation Limited
41	Dasve Business Hotel Limited	Subsidiary	100	Lavasa Corporation Limited
42	Dasve Convention Center Limited	Subsidiary	100	Lavasa Corporation Limited
43	Lakeshore Watersports Company Limited	Subsidiary	100	Lavasa Corporation Limited
44	Dasve Hospitality Institutes Limited	Subsidiary	100	Lavasa Corporation Limited
45	Lakeview Clubs Limited	Subsidiary	100	Lavasa Corporation Limited
46	Dasve Retail Limited	Subsidiary	100	Lavasa Corporation Limited
47	Full Spectrum Adventure Limited	Subsidiary	91	Lavasa Corporation Limited
48	Spotless Laundry Services Limited	Subsidiary	76	Lavasa Corporation Limited
49	Lavasa Bamboocrafts Limited	Subsidiary	100	Lavasa Corporation Limited
50	Green Hills Residences Limited	Subsidiary	60	Lavasa Corporation Limited

No.	Name of the Company	Relationship	% of Holding*	Immediate Parent Company
51	My City Technology Limited	Subsidary	63	Lavasa Corporation Limited
52	Reasonable Housing Limited	Subsidary	100	Lavasa Corporation Limited
53	Future City Multiservices SEZ Limited	Subsidary	100	Lavasa Corporation Limited
54	Rhapsody Commercial Space Limited	Subsidary	100	Lavasa Corporation Limited
55	Sirrah Palace Hotels Limited (up to 6 November 2015)	Subsidary	100	Lavasa Corporation Limited
56	Valley View Entertainment Limited	Subsidary	100	Lavasa Corporation Limited
57	Whistling Thrush Facilities Services Limited	Subsidary	51	Lavasa Corporation Limited
58	Warasgaon Power Supply Limited	Subsidary	100	Lavasa Corporation Limited
59	Sahyadri City Management Limited	Subsidary	100	Lavasa Corporation Limited
60	Warasgaon Tourism Limited	Subsidary	100	Lavasa Corporation Limited
61	Our Home Service Apartments Limited	Subsidary	100	Lavasa Corporation Limited
62	Hill City Service Apartments Limited	Subsidary	100	Lavasa Corporation Limited
63	Warasgaon Infrastructure Providers Limited	Subsidary	100	Lavasa Corporation Limited
64	Kart Racers Limited	Subsidary	100	Lavasa Corporation Limited
65	Nature Lovers Retail Limited	Subsidary	100	Lavasa Corporation Limited
66	Osprey Hospitality Limited	Subsidary	100	Lavasa Corporation Limited
67	Mugaon Luxury Hotels Limited	Subsidary	100	Lavasa Corporation Limited
68	Rosebay Hotels Limited	Subsidary	100	Lavasa Corporation Limited
69	Warasgaon Valley Hotels Limited	Subsidary	100	Lavasa Corporation Limited
70	Hill View Parking Services Limited	Subsidary	100	Lavasa Corporation Limited
71	Warasgaon Assets Maintenance Limited	Subsidary	100	Lavasa Corporation Limited
72	Verzon Hospitality Limited	Subsidary	100	Lavasa Corporation Limited
73	Ecomotel Hotel Limited (effective 15 July 2015)	Subsidary	51	Lavasa Corporation Limited
74	Starlit Resort Limited (up to 13 May 2015)	Subsidary	100	Lavasa Corporation Limited

* including through subsidiary company

b) Integrated Joint Ventures:

1. Nathpa Jhakri Joint Venture
2. HCC-Pati Joint Venture (Dissolved on 31 March 2015)
3. Kumagai-Skanska-HCC-Itochu Group
4. HCC-L&T Purulia Joint Venture
5. Alpine - Samsung - HCC Joint Venture
6. Alpine - HCC Joint Venture
7. Dhule Palesner Tollway Limited (up to 29 October 2015)
8. HCC Samsung Joint Venture CC 34
9. ARGE Prime Tower, Zürich

c) Associates & Other Related Parties:

1.	Warasgaon Lake View Hotels Limited (Previously known as Lavasa Star Hotel Limited)	Associate
2.	Andromeda Hotels Limited	Associate
3.	Bona Sera Hotels Limited	Associate
4.	Knowledge Vistas Limited	Associate
5.	Ecomotel Hotel Limited (up to 14 July 2015)	Associate
6.	Starlit Resort Limited (effective 14 May 2015)	Associate
7.	Evostate AG	Associate
8.	MCR Managing Corp. Real Estate	Associate
9.	Projektentwicklungsges. Parking Kunstmuseum AG	Associate
10.	Vikhroli Corporate Park Private Limited (up to 10 July 2015)	Associate
11.	Nirmal BOT Limited (effective 23 December 2015)	Associate
12.	Apollo Lavasa Health Corporation Limited (effective 1 October 2015)	Associate
13.	Gulabchand Foundation (formed under section 25 of erstwhile Companies Act, 1956)	Other related parties
14.	Hincon Holdings Limited	Other related parties
15.	Hincon Finance Limited	Other related parties

B. Key Management Personnel and their relatives:

1.	Mr. Ajit Gulabchand	Chairman & Managing Director (CMD)
2.	Mr. Rajgopal Nogja	Group Chief Operating Officer & Whole-Time Director
3.	Ms. Shalaka Gulabchand Dhawan	Whole-Time director (effective from 30 April 2015)
4.	Mr. Arun Karambelkar	President and Chief Executive Officer - E&C (Ceased to be Whole-Time Director effective 29 April 2014)
5.	Mr. Praveen Sood	Group Chief Financial Officer
6.	Mr. V. P. Kulkarni	Whole-Time Company Secretary (up to 30 July 2015)
7.	Mr. Sangameshwar Iyer	Company Secretary (w. e. f. 31 July 2015)
8.	Mr. Arjun Dhawan	Relative of Key Management Personnel (Son-in-law of Mr. Ajit Gulabchand)

Disclosure under A and B are to the extent of transactions entered during the year.

C. Transactions with Related Parties:

` crore

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Sale of material			
HCC Samsung Joint Venture CC 34	-	-	-
	(-)	(0.53)	(-)
Total	-	-	-
	(-)	(0.53)	(-)
Purchase of Fixed Assets (including capital advance)			
Lavasa Corporation Limited	7.00	-	-
	(-)	(-)	(-)
HCC Samsung Joint Venture CC 34	-	5.25	-
	(-)	(-)	(-)
Total	7.00	5.25	-
	(-)	(-)	(-)
Rendering of Services / Financial Income			
HCC Real Estate Limited	19.43	-	-
	(-)	(-)	(-)
Vikhroli Corporate Park Private Limited	-	-	2.96
	(-)	(-)	(12.52)
Steiner AG	-	-	-
	(17.99)	(-)	(-)
HCC Infrastructure Company Limited	127.48	-	-
	(94.72)	(-)	(-)

` crore

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Rendering of Services / Financial Income: Contd.			
HCC Samsung Joint Venture CC 34	-	0.33	-
	(-)	(-)	(-)
Hincon Finance Limited	-	-	0.52
	(-)	(-)	(0.52)
Others	26.04	-	-
	(54.47)	(-)	(-)
Total	172.95	0.33	3.48
	(167.18)	(-)	(13.04)
Receiving of Services / Interest expense			
HCC Operation and Maintenance Limited	-	-	-
	(6.34)	(-)	(-)
Highbar Technologies Limited	8.24	-	-
	(8.19)	(-)	(-)
Hincon Holding Limited	-	-	-
	(-)	(-)	(0.52)
Vikhroli Corporate Park Private Limited	-	-	5.24
	(-)	(-)	(22.27)
Others	0.10	-	0.40
	(0.16)	(-)	(-)
Total	8.34	-	5.64
	(14.69)	(-)	(22.79)
Work Bill Receipts including sales			
Dhule Palesner Tollway Limited.	-	10.89	-
	(-)	(-)	(-)
Baharampore Farakka Highways Limited ##	143.70	-	-
	(148.85)	(-)	(-)
Farakka Raiganj Highways Limited ##	227.83	-	-
	(249.92)	(-)	(-)
Others	9.89	-	-
	(-)	(-)	(-)
Total	381.42	10.89	-
	(398.77)	(-)	(-)

Excludes claim raised by the Company, on its SPVs Baharampore Farakka Highways Ltd and Farakka Raiganj Highways Ltd of ` Nil (Previous year: ` 236.53 crore) and ` Nil (Previous year: ` 160.77 crore), respectively.

C. Transactions with Related Parties: Contd.

` crore

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Investment made			
Dhule Palesner Tollways Limited	-	-	-
	(-)	(1.50)	(-)
Raiganj Dalkhola Highways Limited	-	-	-
	(1.44)	(-)	(-)
Total	-	-	-
	(1.44)	(1.50)	(-)
Inter Corporate Deposits given			
HCC Infrastructure Company Limited	31.00	-	-
	(18.10)	(-)	(-)
Lavasa Corporation Limited	11.43	-	-
	(-)	(-)	(-)
HCC Mauritius Enterprises Limited	-	-	-
	(13.45)	(-)	(-)
HCC Real Estate Limited	10.00	-	-
	(29.29)	(-)	(-)
Total	52.43	-	-
	(60.84)	(-)	(-)
Conversion of receivable into Inter Corporate Deposit			
HCC Infrastructure Company Limited	319.00	-	-
	(-)	(-)	(-)
Lavasa Corporation Limited	98.78	-	-
	(-)	(-)	(-)
HCC Real Estate Limited	29.90	-	-
	(-)	(-)	(-)
HCC Concessions Limited	18.00	-	-
	(-)	(-)	(-)
Others	0.30	-	-
	(-)	(-)	(-)
Total	465.98	-	-
	(-)	(-)	(-)
Inter Corporate Deposits repaid			
HCC Concessions Limited	18.00	-	-
	(2.94)	(-)	(-)
Total	18.00	-	-
	(2.94)	(-)	(-)

` crore

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Inter Corporate Deposit taken during the year			
Western Securities Limited	0.87	-	-
	(-)	(-)	(-)
Total	0.87	-	-
	(-)	(-)	(-)
Inter Corporate Deposits received back			
HCC Infrastructure Company Limited	-	-	-
	(1.50)	(-)	(-)
Total	-	-	-
	(1.50)	(-)	(-)
Advance consideration received for sale of shares			
HCC Concessions Limited	-	-	-
	(2.94)	(-)	(-)
Total	-	-	-
	(2.94)	(-)	(-)
Outstanding Receivables			
HCC Real Estate Limited	468.46	-	-
	(432.50)	(-)	(-)
Hincon Finance Limited	-	-	1.08
	(-)	(-)	(0.58)
Vikhroli Corporate Park Private Limited	-	-	-
	(-)	(-)	(9.86)
HCC Samsung Joint Venture CC 34	-	1.19	-
	(-)	(13.46)	(-)
Nathpa Jhakri Joint Venture	-	5.23	-
	(-)	(10.55)	(-)
Dhule Palesner Tollways Limited	-	-	-
	(-)	(4.40)	(-)
HCC Infrastructure Company Limited	1,130.61	-	-
	(954.46)	(-)	(-)
Alpine Samsung HCC C1	-	3.26	-
	(-)	(3.30)	(-)
Others	643.90	0.36	-
	(362.24)	(0.71)	(-)
Total	2,242.97	10.04	1.08
	(1,749.20)	(32.42)	(10.44)

C. Transactions with Related Parties: Contd.

` crore

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Outstanding Payables			
Hincon Holdings Limited	-	-	0.73
	(-)	(-)	(0.45)
Raiganj-Dalkhola Highways Limited	87.60	-	-
	(88.09)	(-)	(-)
Alpine HCC Joint Venture	-	0.01	-
	(-)	(-)	(-)
Others	0.40	-	-
	(4.98)	(-)	(-)
Total	88.00	0.01	0.73
	(93.07)	(-)	(0.45)
Bank Guarantees given and outstanding as at the end of the year			
Farakka-Raiganj Highways Limited	62.31	-	-
	(71.01)	(-)	(-)
HCC Samsung Joint Venture CC 34	-	55.12	-
	(-)	(89.60)	(-)
Badarpur Faridabad Tollways Limited	14.70	-	-
	(14.70)	(-)	(-)
Baharampore -Farakka Highways Limited	39.10	-	-
	(47.10)	(-)	(-)
Others	1.00	-	-
	(1.00)	(-)	(-)
Total	117.11	55.12	-
	(133.81)	(89.60)	(-)
Corporate Guarantees given and outstanding at the end of the year.			
Lavasa Corporation Limited	336.10	-	-
	(419.64)	(-)	(-)
HCC Mauritius Investment Limited	168.37	-	-
	(138.31)	(-)	(-)
HCC Infrastructure Company Limited	200.00	-	-
	(200.00)	(-)	(-)
HCC Concession Limited	-	-	-
	(100.00)	(-)	(-)
Others	47.79	-	-
	(58.03)	(-)	(-)
Total	752.26	-	-
	(915.98)	(-)	(-)

` crore

Nature of Transactions	Subsidiary Companies	Integrated JV's	Associate and Other Related Parties
Conversion of Interest free Promoters contribution into Equity			
Hincon Holdings Limited	-	-	-
	(-)	(-)	(18.75)
Hincon Finance Limited	-	-	-
	(-)	(-)	(29.25)
Total	-	-	-
	(-)	(-)	(48.00)
Conversion of Share Warrant application money into Equity			
Hincon Holdings Limited	-	-	-
	(-)	(-)	(6.25)
Hincon Finance Limited	-	-	-
	(-)	(-)	(9.75)
Total	-	-	-
	(-)	(-)	(16.00)
Corporate Guarantees taken and outstanding			
HCC Real Estate Limited	8,800.11	-	-
	(8,464.98)	(-)	(-)
Total	8,800.11	-	-
	(8,464.98)	-	-

Note: Figures in brackets pertain to previous year.

D. i) Details of transactions relating to persons referred to in item (B) above

Nature of Transactions	Year ended 31 March 2016	Outstanding as at 31 March 2016	Year ended 31 March 2015	Outstanding as at 31 March 2015
Remuneration for the earlier year recovered				
Mr. Ajit Gulabchand	-	-	8.94	-
Remuneration for the year				
Mr. Ajit Gulabchand	10.66	0.78	Refer Note 26.2	
Mr. Rajgopal Nogja	5.43	0.40	4.98	0.36
Ms. Shalaka Gulabchand Dhawan	1.11	0.09	-	-
Mr. Arun Karambelkar	3.23	0.35	3.53	0.31
Mr. Praveen Sood	3.48	0.94	2.51	0.17
Mr. Sangameshwar Iyer	0.36	0.04	-	-
Mr. V. P Kulkarni	0.73	-	1.08	0.76
	25.00	2.60	12.10	1.60

D. i) Details of transactions relating to persons referred to in item (B) above: Contd.

Nature of Transactions	Year ended 31 March 2016	Outstanding as at 31 March 2016	Year ended 31 March 2015	Outstanding as at 31 March 2015
Salary of Ms. Shalaka Gulabchand Dhawan (Daughter of Mr. Ajit Gulabchand)	0.16	-	1.17	0.09
Salary of Mr. Arjun Dhawan (Son-In-Law of Mr. Ajit Gulabchand)	3.35	0.34	2.92	0.20
Total	28.51	2.94	16.19	1.89

The above figure does not include provisional gratuity liability valued by Actuary, as separate figures are not available.

ii) Options granted to Key Management Personnel under Employees' Stock Option Scheme.

	Number of Options Outstanding 31 March 2016	31 March 2015
a) Mr. Rajgopal Nogja	102,960	188,760
b) Mr. Praveen Sood	164,700	301,950
c) Mr. V. P. Kulkarni	-	150,920
d) Mr. Arun Karambelkar	164,700	301,950

iii) Refer notes 4.2.1 and 7.1 for personal guarantee provided by CMD, shares pledged and other security created in respect of borrowings by the Company or the related parties

iv) Refer notes 12.2 and 16.1 for pledge of shares for facilities taken by subsidiary companies and joint ventures.

Note 43 Trade Receivable includes ` 2,668.90 crore (Previous year: ` 1,772.16 crore) on account of claims awarded in arbitration in favour of the Company which has been challenged by the client in High Courts/ Supreme Court.

Note 44 *represents amount less than ` 1 lakh.

Note 45 Previous year figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

Place : Mumbai,
Dated : 28 April 2016

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	*Directors*
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Hindustan Construction Company Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Hindustan Construction Company Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associates and jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group, and of its associates and jointly controlled entities are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries, associates and jointly controlled entities, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; 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 statements, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 11(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

8. (a) As stated in Note 40 to the consolidated financial statements, the Independent Auditors of, Lavasa Corporation Limited ("LCL"), a subsidiary company, have qualified their audit report on the financial statements for the year ended 31 March 2016 in respect of matter relating to an Order dated 9 November 2011 of the Ministry of Environment and Forests according environment clearances which are subject to compliance of certain terms and conditions by LCL. LCL has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said order which is pending before tribunal, and the management believes, that the matter will be decided in their favour. In view of the nature of the terms and conditions set therein, we are unable to comment on the liability in respect of the aforesaid matter that may devolve upon LCL and the consequential impact, if any, on the accompanying consolidated financial statements. Our opinion on the consolidated financial statements for the year ended 31 March 2015 was also qualified in respect of this matter.

   (b) We invite attention to Note 45 to the consolidated financial statements, relating to the Group's carrying value of net assets (capital employed) aggregating ` 4,308.69 crore (including goodwill on consolidation ` 95.04 crore) as at 31 March 2016 in LCL, being considered good and recoverable by the management. However, this subsidiary has accumulated operational losses and its net worth is substantially eroded as at 31 March 2016. Further, this subsidiary is facing liquidity constraints due to which it may not be able to realize projections made as per its business plans. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of these assets and the consequential impact, if any, on the accompanying consolidated financial statements.

Qualified Opinion

9. 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 on the financial statements of the subsidiaries, associates and jointly controlled entities as noted below, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above,the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2016,their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

10. We draw attention to:

   a) Notes 29.1 and 29.3 to the consolidated financial statements regarding remuneration of ` 10.66 crore paid for each of the financial years ended 31 March 2014 and 31 March 2016 to the Chairman and Managing Director (CMD), which is in excess of the limits prescribed under the provisions of the erstwhile Companies Act, 1956/ the Companies Act, 2013, respectively and for which the Company has filed an application for review /an application, respectively with the Central Government; however approval in this regard is pending till date. Our opinion is not qualified in respect of this matter.

   b) Note 35 to the consolidated financial statements regarding uncertainties relating to recoverability of uncompleted contracts and value of work done and long-term trade receivables aggregating ` 978 crore and ` 206 crore, respectively, recognised in the earlier years in respect of projects which were suspended or substantially closed and where the claims are currently under negotiations/ arbitration/ litigation. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.

   c) The Independent Auditors of the Company's subsidiary, HCC Infrastructure Company Limited (HICL), in their audit report on consolidated financial statements of HICL for the year ended 31 March 2016, have drawn attention to the matter stated in Note 44 to the consolidated financial statements wherein in respect of Raiganj Dalkhola Highways Limited (RDHL), a subsidiary company of HICL, the said project has been suspended from 1 August 2013, due to non-availability of the balances land to be made available by National Highway Authority of India. During the period of delay in land acquisition, RDHL has continued to capitalize cost incurred till date aggregating ` 173.40 crore (including interest of ` 50.33 crore) under the head "Intangible Assets under Development". Our opinion is not qualified in respect of this matter.

Other Matters

11. a) We did not audit the financial statements of seventy subsidiaries and six jointly controlled entities, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ` 11,355.35 crore at 31 March 2016, total revenues (after eliminating intra-group transactions) of ` 4,767.18 crore and net cash flows amounting to ` 32.99 crore for the year ended on that date. The consolidated financial statements also include the Group's share of net profit ` 13.33 crore for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of six associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

    b) The consolidated financial statements also include the Group's share of net loss of ` 0.81 crore for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion is not qualified in respect of this matter.

    c) In respect of investment in two associates valued at ` 1 in the consolidated financial statements, no adjustments have been made in the consolidated financial statements as at 31 March 2016 as the financial statements of this associate were not available. Our opinion is not qualified in respect of this matter.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, associates and jointly controlled entities, we report, to the extent applicable, that:

    a) We have sought and, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph,in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);

    e) The matters described in paragraphs 8,10 (b) and 10 (c) under the Emphasis of Matters/Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Group;

    f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and associate companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

    g) The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the Basis for Qualified Opinion paragraph;

    h) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company, its subsidiary companies and associate companies which are companies incorporated in India, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the group and associates for the year ended on that date and our report dated 28 April 2016 as per Annexure expressed a qualified opinion.

    i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (i) as detailed in Notes 34 (iii) to 34 (v),35, 40, 43, 44 and 47 the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities;

        (ii) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph,as detailed in Note 12.1 to the consolidated financial statements,provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts; and

        (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled entities incorporated in India.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 28 April 2016

Annexure to the Auditors' Report

Annexure

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Hindustan Construction Company Limited ('the Holding Company') and its subsidiaries,(the Holding Company and its subsidiaries together referred to as 'the Group')and its associates as at and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India('the ICAI').These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies and associate companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems on financial reporting and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the IFCoFR of the Holding Company, its subsidiary companies and associate companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2016:

The Company did not have appropriate internal financial controls over financial reporting in respect of its assessment of the carrying value of subsidiaries' net assets (capital employed) including goodwill on consolidation of the Company's subsidiaries. The inadequate supervisory and review controls over Company's process in respect of its aforementioned assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of aforesaid assets and consequently, also impact the loss after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects of the material weakness described above in the Basis for Qualified Opinion paragraph, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, adequate IFCoFR and such IFCoFR were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2016 consolidated financial statements of the Company, and the material weakness has affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements.

Other Matters

We did not audit the IFCoFR insofar as it relates to fifty eight subsidiary companies which are companies incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of ` 8,766.73 crore as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ` 447.72 crore and net cash flows amounting to ` 34.90 crore for the year ended on that date; and four associate companies, which are companies incorporated in India, in respect of which, the Group's share of net loss of ` 1.91 crore for the year ended 31 March 2016 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, under Section 143(3)(i) of the Act in so far as it relates to the aforesaid subsidiaries and associates which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**
Partner
Membership No.: 108840

Place : Mumbai
Date : 28 April 2016

Consolidated Balance Sheet as at 31 March 2016

Particulars	Note No.	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	77.91	64.58
Reserves and surplus	3	625.10	459.34
		703.01	523.92
Preference share issued by subsidiary company	4	543.42	18.42
Minority Interest		202.45	219.82
Non-Current Liabilities			
Long-term borrowings	5	7,190.81	8,236.20
Deferred tax liabilities (net)	6	116.17	87.46
Other long-term liabilities	7	5.97	30.55
Long-term provisions	8	204.26	162.29
		7,517.21	8,516.50
Current Liabilities			
Short-term borrowings	9	2,148.79	2,095.80
Trade payables	10		
- Total outstanding dues of Micro Enterprises and Small Enterprises		2.65	1.71
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,859.83	3,510.05
Current maturities of long-term borrowings	5	1,689.52	1,548.11
Advance from contractees		1,641.39	1,523.13
Other current liabilities	11	1,119.98	878.27
Short-term provisions	12	162.02	192.96
		9,624.18	9,750.03
Total		18,590.27	19,028.69
ASSETS			
Non-Current Assets			
Fixed assets	13		
Tangible assets		1,809.64	2,011.99
Intangible assets		1,625.42	2,357.21
Goodwill on consolidation		126.68	124.78
Intangible assets under development - Toll Collection Rights		2,029.88	1,616.31
Capital work in progress		1,709.02	1,518.87
Non-current investments	14	109.63	220.80
Deferred tax assets (net)	15	16.78	18.46
Long-term loans and advances	16	467.55	531.05
Long-term trade receivables	17	2,161.35	1,494.16
Other non-current assets	18	100.81	158.28
		10,156.76	10,051.91
Current Assets			
Current investments	19	21.05	52.08
Inventories	20	6,702.26	6,873.39
Trade receivables	21	480.02	734.06
Cash and bank balances	22	841.70	814.30
Short-term loans and advances	23	353.58	458.85
Other current assets	24	34.90	44.10
		8,433.51	8,976.78
Total		18,590.27	19,028.69

Notes 1 to 49 form an integral part of the consolidated financial statements
This is the Consolidated Balance Sheet referred to in our audit report of even date.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 28 April 2016

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	*Directors*
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

Consolidated Statement of Profit and Loss for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Revenue			
Revenue from operations	25	8,768.08	10,352.95
Other income	26	84.45	62.02
Total Revenue		8,852.53	10,414.97
Expenses			
Cost of construction materials consumed	27	1,000.88	1,015.83
Purchase of traded goods		3.51	11.63
Subcontracting expenses		4,538.26	5,837.61
Construction expense	28	612.97	724.33
Employee benefit expenses	29	937.82	1,005.51
Finance costs	30	1,354.74	1,279.55
Depreciation / amortisation / impairment expense	13.1	343.21	327.45
Other expenses	31	456.02	518.08
Total Expenses		9,247.41	10,719.99
Profit / (Loss) before exceptional item and tax		(394.88)	(305.02)
Exceptional items	32	75.93	106.11
Profit / (Loss) before tax		(318.95)	(198.91)
Tax expenses			
Current tax		34.23	21.31
Less : MAT credit entitlement		(31.09)	(15.67)
Net current tax		3.14	5.64
Deferred tax charge		30.40	22.38
Tax in respect of earlier years		(2.42)	0.54
		31.12	28.56
Loss after tax		(350.07)	(227.47)
Share of loss attributable to minority interest		19.41	48.15
Share of profit in associates (net)		12.52	19.87
Loss after tax for the year		(318.14)	(159.45)
Earnings / (Loss) per equity share of nominal value ` 1 each			
Basic and diluted (in `)	33	(4.10)	(2.48)

Notes 1 to 49 form an integral part of the consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our audit report of even date.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

Place : Mumbai,
Dated : 28 April 2016

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	*Directors*
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

Consolidated Cash Flow Statement for the year ended 31 March 2016

		Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Loss before tax	(318.95)	(198.91)
	Adjustments for:		
	Depreciation and amortisation expense	343.21	327.44
	Finance costs	1,354.74	1,279.55
	Interest income	(29.55)	(34.42)
	Dividend income	(4.41)	(2.70)
	Unrealised foreign exchange loss/ (gain) (net)	(6.02)	7.39
	Loss/(profit) on sale of fixed assets (net)	2.01	4.49
	Depreciation adjustments (exceptional item)	-	(106.11)
	Provision for resurfacing expenses	23.82	34.22
	Warranty provision/ (utilisation)	5.25	(36.88)
	Provision for foreseable losses	(16.45)	-
	Foreign currency monetary translation (net)	0.13	(0.23)
	Profit on sale of long-term investments (including exceptional item)	(75.54)	(1.60)
	Profit on divestment in a subsidiary (exceptional item)	(73.42)	-
	Net profit on sale of stake in a joint venture	(101.03)	-
	Trade receivables and work in progress written off (exceptional item)	98.64	-
	Interest receivable on sub-ordinate loan written off (exceptional item)	73.03	-
	Bad debts	-	1.18
	Provision for doubtful advances	7.88	20.39
	Provision for doubtful debts	0.12	2.16
	Excess provision/ liabilities no longer required written back	(10.86)	(0.72)
	Operating profit before working capital changes	1,272.60	1,295.25
	Adjustments for changes in working capital:		
	(Increase) / Decrease in trade receivables	(511.63)	(421.73)
	(Increase) / Decrease in loans and advances / other current and non-current assets	148.06	(61.87)
	(Increase) / Decrease in inventories	171.12	(313.14)
	Increase/(decrease) in trade and other payables	(578.62)	162.83
	Increase/(decrease) in advance from contractee	118.25	6.30
	Cash generated from operations	619.78	667.64
	Direct taxes (paid)/ refund (net)	(3.76)	34.54
	Net cash generated from operating activities	616.01	702.18
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets (including capital work in progress and intangible assets under development)	(1,008.85)	(947.54)
	Proceeds from sale of fixed assets	0.13	12.92
	Proceeds from sale of long term investments	230.24	-
	Proceeds from divestment in a subsidiary	73.42	-
	Proceeds from sale of stake in a joint venture	(30.91)	-
	Net investments in bank deposits (having original maturity of more than three months)	(38.54)	137.20
	Purchase of Investments (net)	-	(92.01)
	Acquisition of additional stake in a joint venture	-	(5.79)
	Interest received	14.68	49.72
	Dividend received	4.41	2.70
	Net cash generated used in investing activities	(755.42)	(842.80)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of equity shares (including securities premium)	399.99	-
	Proceeds from issue of preference shares	525.00	-
	(Repayment)/ Proceeds from long term borrowings (net)	77.02	94.24
	Proceeds from short term borrowings (net)	194.40	716.80
	Proceeds from capital grants	102.25	116.19
	Interest and other finance charges	(1,184.44)	(1,104.20)
	Share issue expenses	(9.71)	(3.91)
	Dividend paid	(0.13)	(0.16)
	Net cash generated from/ (used) in financing activities	104.38	(181.04)
	Net decrease in cash and cash equivalents (A+B+C)	(35.03)	(321.66)
	Cash and cash equivalents at the beginning of the year	350.09	671.75
	Unrealised foreign exchange loss	(0.08)	0.01
	Cash and cash equivalents at the end of the year (Refer note 22)	315.15	350.08
		(35.02)	(321.66)

Notes 1 to 49 form an integral part of the consolidated financial statements

This is the Consolidated Cash Flow Statement referred to in our audit report of even date.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 28 April 2016

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	*Directors*
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2016

Note 1 Significant Accounting Policies

1.1 Basis of preparation and Principles of Consolidation

a Basis of Preparation of Consolidated Financial Statements

"The consolidated financial statements ("financial statements") have been prepared to comply in all material respects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013. The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year. The financial statements comprises the financial statement of the Company and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associates and joint ventures.

All the assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Group as per the guidance as set out in the Schedule III to the Companies Act, 2013.

Operating cycle for the business activities of the Group covers the duration of the project/ contract/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

b Principles of Consolidation

The financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and elimination of resulting unrealized profits/losses in accordance with Accounting Standard ('AS') - 21 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.

ii) The Interests in Joint Ventures which are in the nature of jointly controlled entities have been consolidated by using the proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transaction and elimination of resulting unrealized profits/losses in accordance with AS 27 - 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.

iii) Investment in Associate Companies has been accounted under the equity method as per AS 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements'.

iv) The Build, Operate and Transfer (BOT) contracts are governed by service concession agreements with government authorities as grantor. Under these agreements, the operator does not own the road, but gets the "toll collection rights" against the construction services rendered. Since the revenues from the construction activity by the operator are considered to be earned in exchange with the granting of toll collection rights for a specified period, profits from such contracts are considered as realized. Accordingly, BOT contracts awarded to group companies (operator), where the work is subcontracted to the holding company, the intra group transactions on BOT contracts and profits arising thereon are taken as realized and accordingly, accounted for in preparation of these financial statements.

v) Foreign subsidiaries financials prepared in compliance with the local laws and applicable Accounting Standards, are translated as per Indian Generally Accepted Accounting Principles (IGAAP) for the purpose of consolidation taking into account local laws, if any. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation (including goodwill on consolidation) is recognised in the 'Foreign Currency Fluctuation Reserve'.

vi) Goodwill on consolidation represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary Group's share in the net worth of a subsidiary, an associate or a joint venture, and the associate or the joint venture as per Accounting Standard (AS) 21 "Consolidated Financial Statements". For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation. Goodwill arising on consolidation as per Accounting Standard (AS) 21 "Consolidated Financial Statements" is not amortised, however, it is tested for impairment. In the event of cessation of operations of a subsidiary, associate or joint venture, the unimpaired goodwill is written off fully.

vii) Minorities' interest in net profits or losses of consolidated subsidiaries for the year is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of initial investments as stated above. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/ legal obligation on the minorities, the same is accounted for by the holding company.

viii) Financial statements are prepared using uniform policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

ix) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

x) The gains/losses in respect of part dilution of stake in subsidiary companies pursuant to issue of additional shares to minority shareholders are recognised directly in capital reserve under Reserves and Surplus in the Balance Sheet. The gains/losses in respect of part divestment of stake in subsidiary companies pursuant to sale of shares by the holding company are recognised in the Statement of Profit and Loss.

1.2 Accounting Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

1.3 Group Companies included for Consolidation

a The details of joint ventures along with share of interest included in consolidation are given hereunder:

Name of Ventures	Name of the Ventures' Partners	HCC's Share of Interest
HCC-L&T Purulia	Larsen and Toubro Limited	57.00%
HCC-Pati (Dissolved on 31 March 2015)	Pati Sendirian, Berhad	50.00%
Nathpa Jhakri	Impregilio-Spa, Italy	40.00%
Kumagai-Skanska-HCC-Itochu Group	Skanska, Kumagai	19.60%
Alpine - Samsung - HCC	Itochu, Alpine Meyreder Bau, Samsung Corporation	33.00%
Alpine - HCC	Alpine Meyreder Bau	49.00%
HCC - Samsung Joint Venture CC-34	Samsung Corporation	50.00%
Dhule Palesner Tollways Limited (upto 29 October 2015)	HCC Infrastructure Limited John Laing Investment Limited, John Laing Investments Mauritius (No 1) Limited, Sadbhav Engineering Limited and Sadbhav Infrastructure Projects Ltd.	26.00%
ARGE Prime Tower	Losinger Construction AG	45.00%

b List of subsidiaries included in consolidation and the parent company's shareholding are as under:

Name of the Subsidiary	Country of Incorporation	% Holding*	Immediate Parent Company
1. Western Securities Limited	India	97.90	Hindustan Construction Company Limited
2. HCC Real Estate Limited	India	100.00	Hindustan Construction Company Limited
3. Panchkutir Developers Limited	India	100.00	Hindustan Construction Company Limited
4. HCC Mauritius Enterprises Limited	Mauritius	100.00	Hindustan Construction Company Limited
5. HCC Construction Limited	India	100.00	Hindustan Construction Company Limited
6. Highbar Technologies Limited	India	100.00	Hindustan Construction Company Limited
7. HCC Infrastructure Company Limited	India	100.00	Hindustan Construction Company Limited
8. HCC Mauritius Investments Limited	Mauritius	100.00	Hindustan Construction Company Limited
9. HRL Township Developers Limited	India	100.00	HCC Real Estate Limited
10. HRL (Thane) Real Estate Limited	India	100.00	HCC Real Estate Limited
11. Nashik Township Developers Limited	India	100.00	HCC Real Estate Limited
12. Maan Township Developers Limited	India	100.00	HCC Real Estate Limited
13. Charosa Wineries Limited	India	100.00	HCC Real Estate Limited
14. Powai Real Estate Developer Limited	India	100.00	HCC Real Estate Limited
15. HCC Realty Limited	India	100.00	HCC Real Estate Limited
16. Pune Paud Toll Road Company Limited	India	100.00	HCC Real Estate Limited
17. HCC Aviation Limited	India	100.00	HCC Real Estate Limited
18. Steiner AG	Switzerland	100.00	HCC Mauritius Enterprises Limited
19. Steiner Promotions et Participations SA	Switzerland	100.00	Steiner AG
20. Steiner (Deutschland) GmbH	Germany	100.00	Steiner AG
21. VM + ST AG	Switzerland	100.00	Steiner AG
22. Steiner Leman SAS	France	100.00	Steiner AG
23. SNC Valleiry Route de Bloux	France	100.00	Subsidiary of Steiner Leman SAS
24. Eurohotel SA	Switzerland	95.00	Steiner AG
25. Steiner India Limited	India	100.00	Steiner AG
26. Highbar Technologies FZLLC	United Arab Emirates	100.00	Highbar Technologies Limited
27. Dhule Palesner Operations & Maintenance Limited	India	100.00	HCC Infrastructure Company Limited
28. HCC Power Limited	India	100.00	HCC Infrastructure Company Limited
29. HCC Energy Limited (incorporated on 11 August 2015)	India	100.00	HCC Power Limited
30. HCC Concession Limited	India	85.50	HCC Infrastructure Company Limited
31. HCC Operation and Maintenance Limited	India	100.00	HCC Infrastructure Company Limited
32. Narmada Bridge Tollway Limited	India	100.00	HCC Concession Limited
33. Badarpur Faridabad Tollways Limited	India	100.00	HCC Concession Limited
34. Nirmal BOT Limited (up to 22 December 2015)	India	100.00	HCC Concession Limited
35. Baharampore-Farakka Highways Limited	India	100.00	HCC Concession Limited
36. Farakka-Raiganj Highways Limited	India	100.00	HCC Concession Limited
37. Raiganj-Dalkhola Highways Limited	India	100.00	HCC Concession Limited
38. Lavasa Corporation Limited	India	68.70	HCC Real Estate Limited
39. Lavasa Hotel Limited	India	100.00	Lavasa Corporation Limited

Name of the Subsidiary		Country of Incorporation	% Holding*	Immediate Parent Company
40.	Apollo Lavasa Health Corporation Limited (up to 30 September 2015)	India	62.50	Lavasa Corporation Limited
41.	Dasve Business Hotel Limited	India	100.00	Lavasa Corporation Limited
42.	Dasve Convention Center Limited	India	100.00	Lavasa Corporation Limited
43.	Lakeshore Watersports Company Limited	India	100.00	Lavasa Corporation Limited
44.	Dasve Hospitality Institutes Limited	India	100.00	Lavasa Corporation Limited
45.	Lakeview Clubs Limited	India	100.00	Lavasa Corporation Limited
46.	Dasve Retail Limited	India	100.00	Lavasa Corporation Limited
47.	Full Spectrum Adventure Limited	India	91.00	Lavasa Corporation Limited
48.	Spotless Laundry Services Limited	India	76.00	Lavasa Corporation Limited
49.	Lavasa Bamboocrafts Limited	India	100.00	Lavasa Corporation Limited
50.	Green Hills Residences Limited	India	60.00	Lavasa Corporation Limited
51.	My City Technology Limited	India	63.00	Lavasa Corporation Limited
52.	Reasonable Housing Limited	India	100.00	Lavasa Corporation Limited
53.	Future City Multiservices SEZ Limited	India	100.00	Lavasa Corporation Limited
54.	Rhapsody Commercial Space Limited	India	100.00	Lavasa Corporation Limited
55.	Sirrah Palace Hotels Limited (up to 6 November 2015)	India	100.00	Lavasa Corporation Limited
56.	Valley View Entertainment Limited	India	100.00	Lavasa Corporation Limited
57.	Whistling Thrush Facilities Services Limited	India	51.00	Lavasa Corporation Limited
58.	Warasgaon Power Supply Limited	India	100.00	Lavasa Corporation Limited
59.	Sahyadri City Management Limited	India	100.00	Lavasa Corporation Limited
60.	Warasgaon Tourism Limited	India	100.00	Lavasa Corporation Limited
61.	Our Home Service Apartments Limited	India	100.00	Lavasa Corporation Limited
62.	Hill City Service Apartments Limited	India	100.00	Lavasa Corporation Limited
63.	Warasgaon Infrastructure Providers Limited	India	100.00	Lavasa Corporation Limited
64.	Kart Racers Limited	India	100.00	Lavasa Corporation Limited
65.	Nature Lovers Retail Limited	India	100.00	Lavasa Corporation Limited
66.	Osprey Hospitality Limited	India	100.00	Lavasa Corporation Limited
67.	Mugaon Luxury Hotels Limited	India	100.00	Lavasa Corporation Limited
68.	Rosebay Hotels Limited	India	100.00	Lavasa Corporation Limited
69.	Warasgaon Valley Hotels Limited	India	100.00	Lavasa Corporation Limited
70.	Hill View Parking Services Limited	India	100.00	Lavasa Corporation Limited
71.	Warasgaon Assets Maintenance Limited	India	100.00	Lavasa Corporation Limited
72.	Verzon Hospitality Limited	India	100.00	Lavasa Corporation Limited
73.	Ecomotel Hotel Limited (effective 15 July 2015)	India	51.00	Lavasa Corporation Limited
74.	Starlit Resort Limited (up to 13 May 2015)	India	100.00	Lavasa Corporation Limited

* including holding through subsidiary companies

c List of associates included in consolidation and the parent company's shareholding are as under:

Name of the Associate		Country of Incorporation	% Holding *	Associate of the Company
1.	Warasgaon Lake View Hotels Limited	India	27.00	Lavasa Corporation Limited
2	Andromeda Hotels Limited	India	40.00	Lavasa Corporation Limited
3	Bona Sera Hotels Limited	India	26.00	Lavasa Corporation Limited
4	Knowledge Vistas Limited	India	49.00	Lavasa Corporation Limited
5	Ecomotel Hotel Limited (up to 14 July 2015)	India	35.04	HCC Real Estate Limited
6	Starlit Resort Limited (effective 14 May 2015)	India	26.00	Lavasa Corporation Limited
7	Evostate AG	Switzerland	30.00	Steiner AG
8	MCR Managing Corp. Real Estate	Switzerland	30.00	Steiner AG
9	Projektentwicklungsges. Parking Kunstmuseum AG	Switzerland	30.77	Steiner AG
10	Vikhroli Corporate Park Private Limited (up to 10 July 2015)	India	26.00	Hindustan Construction Company Limited
11	Nirmal BOT Limited (effective 23 December 2015)	India	26.00	HCC Infrastructure Company Limited
12	Apollo Lavasa Health Corporation Limited (effective 1 October 2015)	India	49.00	Lavasa Corporation Limited

* including through subsidiary companies

1.4 Fixed Assets

a Tangible fixed assets

Fixed assets are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/installation of the assets and improvement thereon less accumulated depreciation / amortisation and accumulated impairment losses, if any.

b Toll collection rights/ Intangibles assets under development and capital work in progress

i) Intangibles assets under development

In respect of Built operate transfer (BOT) projects, expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development. All income/expenses earned/incurred prior to the commercial operation of the project are credited/ debited to 'Intangible Assets under Development' and are transferred to the respective intangible assets (Toll Collection Rights) on completion of the project.

ii) Capital work in progress

Capital work-in-progress represents expenditure incurred in respect of assets under development and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalised and other direct expenditure.

c Other Intangible assets

Intangible assets comprise of license fees, trademarks, designs, implementation cost for software and other application software acquired/developed for in-house use. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

1.5 Depreciation / Amortisation

a Depreciation on tangible assets is provided:

i) In respect of buildings and sheds, on the written down value basis considering the useful lives prescribed in Schedule II to the Companies Act, 2013.

ii) In respect of furniture and fixtures, office equipment, computers, plant and machinery, heavy vehicles, light vehicles and speed boat on straight line basis at rates determined on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis. However, certain class of plant and machinery used in construction projects are depreciated on a straight line basis considering the useful life determined based on the technical evaluation and the management's experience of use of the assets, that is a period of three to twelve years, as against the period of nine to twenty years as prescribed in Schedule II.

iii) In respect of helicopter and aircraft, on straight line basis considering the useful life, that is a period of eighteen years and fourteen years, respectively, determined based on the technical evaluation and the management's experience of use of the assets, as against the period of twenty years as prescribed in Schedule II.

iv) Leasehold improvements are amortised over the useful lives prescribed in Schedule II to the Companies Act, 2013 or the period of lease, whichever is lower.

b Amortisation on intangible fixed assets:

i) Software and implementation costs including users license fees and other application software costs are amortised over their estimated useful lives that is a period of three to five years.

ii) Trademark and design cost are amortised over their estimated useful lives that is a period of 10 years.

iii) Toll collection rights is amortised over the concession period based on the method prescribed in Schedule II to the Companies Act, 2013.

c For overseas subsidiaries, jointly controlled entities and associates, depreciation is provided based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, jointly controlled entities and associates. In view of different sets of environment in which such entities operate in their respective countries, depreciation is provided based on the management experience of use of assets in respective geographies and local laws. These entities follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, jointly controlled entities and associates with those of the company.

d Goodwill on consolidation

Goodwill arising on consolidation is not amortised but tested for impairment annually.

1.6 Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all relevant conditions will be complied with. Capital subsidy received from the government is treated as part of the Shareholders' Funds.

1.7 Investments

a Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

b Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost and provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments. Trade investments are the investments made for or to enhance the Company's business interests.

c On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares, securities or other assets. The acquisition cost is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

d On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

1.8 Employee Benefits

a Defined contribution plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

b Defined benefit plan

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Accordingly, the contribution paid or payable and the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. The Company also provides for retirement/ long term benefits in the form of gratuity and compensated absences. The Company's liability towards such defined benefit plans is determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. Actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the period in which they arise. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report. Accumulated leave which is expected to be utilised within next 12 months, is treated as short-term employee benefit.

c Short-term employee benefits are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

In respect of a subsidiary, based on the characteristics, the post-employment benefit plans qualify as defined benefit plans under AS 15 (Employee benefits). The projected unit credit method is used for the calculation of the net present value of the defined benefit obligation ('DBO') based on an actuarial valuation. For the purposes of determining the DBO, this method takes account of the years served to date, with an additional unit being added to the DBO each year.

For active plan participants, the defined benefit obligation is equal to the net present value of the post-employment defined benefits, taking into consideration increase in future salary and pension as well as the rate of employee turnover. For retirees, the DBO is equal to the net present value of current pensions, taking into consideration increase in future pension. The total defined benefit obligations are compared to the fair value of the plan assets. Any surplus is recognised as an asset and any shortfall is reported as a liability in the balance sheet. Actuarial gains and losses are expensed directly in the Statement of Profit and Loss.

1.9 Inventories

a Raw Materials, Stores, Spares, Fuel

The stock of construction materials, stores, spares and embedded goods and fuel is valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average basis and includes all applicable cost of bringing the goods to their present location and condition.

b Finished Goods (including Traded and Semi-finished goods)

Finished Goods, traded goods and semi-finished goods are valued at the lower of the cost and NRV. Cost is determined on weighted average basis and include all applicable cost of bringing the goods in their present location and condition.

c Land and Floor Space Index (FSI) Development Right

i) Cost of Land and FSI are determined on a weighted average basis and include along with related purchase / acquisition price plus all direct and indirect expenditure incurred in connection with the purchase of land. Borrowing costs and overhead expenditure on sectorial / nodal / city level infrastructure, in respect of FSI under development are treated as an element of cost in view of substantial period of time required for development. Land and FSI are valued at the lower of cost and NRV. Land or FSI utilized for own construction is transferred to fixed assets at cost.

ii) Inventory in Real Estate projects

Real estate projects are valued based on the lower of the construction cost and the sale price until the project is handed over to the purchaser by means of the transfer of title or the transfer of material risks and rewards. Construction / development expenditure includes all direct and indirect expenditure incurred on development of land and/or construction at site, overheads relating to site management and administration, less incidental revenues arising from site operations. Indirect expenses will be allocated to the respective items at the time of their completion or capitalization into fixed assets. Borrowing costs relating to qualifying real estate projects are capitalized over the entire duration of the project. Undeveloped land (including development costs) and finished units which are held for sale are valued at the lower of cost and NRV.

d Project work in progress

Project work in progress is valued at the contract rates and site mobilisation expenditure of incomplete contracts is stated at the lower of cost and NRV.

1.10 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transactions

a Initial Recognition and conversion

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The Group classifies all its foreign operations as either 'integral foreign operations' or 'non-integral foreign operations'. The financial statements of integral foreign operations are translated in the same manner as the foreign currency transactions of the Group itself.

b Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and are amortised over the remaining life of the concerned monetary item.

c Financial statement of overseas non-integral operations

i) Assets and liabilities including goodwill and capital reserve arising on consolidation at the rate prevailing at the end of the year.

ii) Revenues and expenses, including depreciation and amortisation at average exchange rate prevailing during the year.
Exchange differences arising on translation of non-integral foreign operations are accumulated in the "Foreign Currency Monetary Translation Account" until the disposal of such investment.
On disposal of non-integral foreign operations, the accumulated Foreign Currency Monetary Translation Account relating to that foreign operation is recognised in the statement of profit and loss. When there is a change in the classification of foreign operations, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

1.11 Financial derivatives and hedging transactions

Financial derivatives and hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts is recognised in the Statement of Profit and Loss along with the underlying transactions.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment/highly probable forecast transactions are marked to market and the losses, if any are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

1.12 Revenue recognition

a i) Accounting of construction contracts

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/ variations as per Accounting Standard 7 on 'Construction Contracts' and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

Revenue is recognised as follows:

a) In case of item rate contracts on the basis of physical measurement of work actually completed, at the Balance Sheet date.

b) In case of Lump sum contracts, revenue is recognised on completion of milestones as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

b Accounting of supply contracts-sale of goods

Revenue from supply contract is recognised when the substantial risk and rewards of ownership is transferred to the buyer, which is generally on dispatch, and the collectability is reasonably measured. Revenue from product sales are shown as net of all applicable taxes and discounts.

c Accounting for claims

Claims are accounted as income in the period of receipt of arbitration award or acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as contract revenue on receipt of favorable award.

d Software service contracts

i) Revenue from software development (fixed price, fixed time frame contracts, including system development and integration contracts) is recognised as per percentage of completion method where there is no uncertainty as to measurement or collectability.

ii) In case of sales of services, revenue is recognised in the accounting year in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total services to be provided. The stage of completion is measured by reference to the proportion that service cost incurred for the work performed to date bears to the estimated total service cost. Service cost incurred to date excludes cost that relate to future activity on the contract. Such cost are recognised as an asset and classified under Inventories.

iii) Annual maintenance service contracts are recognised proportionately over the year in which the services are rendered.

iv) Revenue for sale of user license for software application is recognised on the transfer of title/products, in accordance with the sales contract.

e Revenue from toll contracts

Revenue from toll contracts (Operate, Maintain and Transfer basis) are recognised on actual collection of toll revenue.

In case of Build-Operate-Transfer (BOT) contracts, revenue relatable to construction services rendered in connection with BOT projects undertaken by the group is recognised during the year of construction using percentage of completion method. Revenue relatable to toll collections of such projects from users of facilities are accounted when the amount is due and recovery is certain.

f Revenue from sale of land and FSI

Income from sale of land (including on a long-term lease basis) is recognised on the transfer of all significant risks and rewards of ownership to the buyer and a reasonable expectation of collection of the sale consideration from the buyer exists.

g Revenue from sales of constructed units

Revenue from sales of constructed units is recognised when the substantial risk and reward is transferred to the buyer, which is generally on execution of sale agreement, and the collectability is reasonably measured.

h Revenue from Real Estate projects

i) Revenue from Total and General Contracting (TC/GC)

"Long-term contracts for the construction of third-party real estate are accounted for using the percentage of completion (POC) method. The degree of completion is determined on the basis of the physical measurement of work performed on the construction site. The different executed activities of the project are measured based on available units in comparison to the total quantities needed for the completion (surveys of the work performed-method). With the application of the surveys of the work performed method, the difference between contract costs incurred and contract cost recognised (billed) is adjusted to the "cost incurred on GC/TC project" under Inventories. Contract costs are recognized as an expense in the year in which they are incurred. Contracts and groups of contracts for which the degree of completion or the outcome cannot be reliably estimated are capitalized/inventorised only to the extent of the amount of the contract costs that are likely to be recoverable. Anticipated losses from construction contracts are covered in full by valuation allowances. In accounting for contracts in progress, contractual revenue comprises the contractually agreed revenue and amendments / variations and claims that have been confirmed by the customer or for which payment is considered highly probable.

ii) Revenue from Real Estate Development

Revenue from the sale of real estate projects is realised on the transfer of title or the transfer of material risks and rewards to the purchaser. Real estate investor projects are accounted for as construction contracts based on POC. Accordingly, revenue and the gains of development is recognised along the construction of the project.

The separate sale of project development rights and plans is accounted for as sale and gains are realised at the time of the transfer of risks and rewards. Revenue from sale of real estate development projects with multiple buyers (i.e. condominium projects) is recognised if the POC is above 25%.

i Project management consultancy fees

Revenue from project management consultancy fees is recognised on accrual basis, as per terms of the agreement with the customer.

j Revenue from rent

Rent is recognised on time proportionate basis.

k Revenue from services (Room rent and allied services)

Revenue comprises of revenue from room rent and other allied services relating to hotel operation. Revenue is recognised upon rendering of services and the collectability is reasonably measured.

l Other miscellaneous incomes (Tuition fees, Installation and other services)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

m Interest Income

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

n Dividend Income

Dividend is recognized when the right to receive the payment is established.

1.13 Segment Reporting

a Identification of segments

The Group's operating businesses are organized and managed separately taking into account the nature of the products/services, the differing risks and returns, the organisation structure and internal reporting system.

b Unallocated Items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

c Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

1.14 Taxation

a Current tax

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

b Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Where there is no unabsorbed depreciation/carry forward loss, deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date to reassess realisation.

1.15 Borrowing Costs

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued.

1.16 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.17 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised in the Statement of Profit and Loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.18 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

1.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.20 Provisions and Contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management's estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability also arises, in rare case, where a liability cannot be recognised because it cannot be measured reliably. Contingent assets are neither recognised nor disclosed in the financial statements.

1.21 Resurfacing expenses

Resurfacing costs are recognised and measured in accordance with AS 29 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at each Balance Sheet date.

1.22 Provision for warranty

In case of real estate projects of a subsidiary, the estimated liability for warranty is recorded on the building and its components during the construction period. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions during the construction period under warranty phase.

1.23 Share Issue Expenses

Share issue expenses are charged off against available balance in the Securities Premium Account.

		As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 2 Share Capital			
Authorised Share Capital			
900,000,000	Equity Shares of ` 1 each	**90.00**	90.00
10,000,000	Redeemable cumulative preference shares of ` 10 each	**10.00**	10.00
	TOTAL	**100.00**	100.00
Issued, Subscribed and Paid-up Equity Share Capital			
779,106,906	Equity Shares of ` 1 each fully paid-up (Previous year 645,774,106 Equity Shares of ` 1 each)	**77.90**	64.57
	Add : 13,225 Forfeited equity shares (Previous year: 13,225 equity shares)	**0.01**	0.01
	TOTAL	**77.91**	64.58

a. **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**

	As at 31 March 2016		As at 31 March 2015	
	Number	` crore	Number	` crore
Balance at the beginning of the year	**645,774,106**	**64.57**	606,558,420	60.65
Add: Issued during the year (Refer note g below)	**133,332,800**	**13.33**	39,215,686	3.92
Balance at the end of the year	**779,106,906**	**77.91**	645,774,106	64.57

b. **Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ` 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. **Shareholding of more than 5%:**

	As at 31 March 2016		As at 31 March 2015	
Name of the Shareholder	% held	No. of shares	% held	No. of shares
Promoter				
Hincon Holdings Limited	**27.73%**	**216,023,600**	33.45%	216,023,600
Hincon Finance Limited	**7.99%**	**62,261,186**	9.64%	62,261,186
Non-Promoter				
HDFC Trustee Company Limited	**8.94%**	**69,621,087**	-	-
Siwa Holding Limited	**4.63%**	**36,082,151**	5.59%	36,082,151

d. **Shares reserved for issue under Employee Stock Options Scheme (ESOP):**

As on 31 March 2016, there are 1,654,630 (Previous year: 3,239,330) stock options outstanding convertible into 1,654,630 (Previous year: 3,239,300) equity shares of ` 1 each convertible at an exercise price of ` 52.03 per share.

During the year ended 31 March 2016, none of the Options were exercised / converted into equity shares and 1,584,700 (Previous year: 1,455,470) stock options lapsed.

i. Options granted

a) The Company offered 4,458,800 Stock Options on 25 April 2008 (each option carrying entitlement for one equity share of the face value of ` 1 each) at a price of ` 132.50 per equity share.

In accordance with the approval of the board of directors and shareholders of the Company, the ESOP compensation committee at its meeting held on 20 July 2009 repriced 4,131,600 options at ` 104.05 per equity share.

b) The ESOP Compensation Committee of the Company at its Meeting held on 12 August 2010 decided to double the number of employee stock options (vested and unvested) but not exercised and in-force as on the Record Date i.e. 11 August 2010 and halved the exercise price on account of issuance and allotment of bonus equity shares in the proportion of 1:1.

Accordingly, 3,553,760 employee stock options in-force granted by the Company on 25 April 2008 were doubled i.e. 7,107,520 and the exercise price in respect of the same was reduced from ` 104.05 to ` 52.03 per equity share.

ii.	Settlement	Through Equity Shares
iii.	Options vested	1,654,630 number of options remain vested and outstanding as at 31 March 2016

e. **Bonus shares/ buy back/shares for consideration other than cash issued during past five years:**

i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

ii) Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares 303,256,460 Equity Shares were issued as fully paid bonus shares by capitalisation of Securities Premium Account on 12 August 2010.

iii) Aggregate number and class of shares bought back - Nil

f. Pursuant to bonus issue of equity shares in the proportion to 1:1, outstanding 95,146 Global Depository Shares (outstanding as of Record Date i.e. 11 August 2010) have increased to 190,292. Out of the total Global Depository Shares (GDR) issued, NIL (Previous year: 17,300) GDR's are outstanding as on 31 March 2016.

g. (i) Pursuant to the approval of the Qualified Institutional Placement Committee constituted by the Board of Directors on 10 April 2015, the Company issued 133,332,800 equity shares of ` 1 each, at an issue price of ` 30 per equity share (of which ` 29 per share is towards securities premium) aggregating ` 399.99 crore to Qualified Institutional Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013 and the rules made thereunder.

(ii) During the previous year ended 31 March 2015, on exercise of conversion option by share warrant holders, the Company converted 39,215,686 share warrants into 39,215,686 equity shares of ` 1 each at a price of ` 16.32 per equity share (inclusive of securities premium of ` 15.32 per equity share) which were allotted to the Promoters of the Company (Hincon Holdings Limited and Hincon Finance Limited) pursuant to resolution passed by the Committee of Directors at its meeting held on 2 May 2014.

		As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 3 Reserves and surplus			
(a)	Capital grant/subsidy (Refer note 3.1)		
	Balance at the beginning of the year	607.06	503.35
	Add : Received during the year	102.25	103.71
		709.31	607.06
(b)	Capital reserve on consolidation		
	Balance at the beginning of the year	8.49	12.59
	Addition / (deductions) during the year	-	(4.10)
		8.49	8.49
(c)	Securities premium account		
	Balance at the beginning of the year	1,079.50	1,003.29
	Add : Addition during the year [Refer note 2(g)]	386.66	78.85
	Less : Share issue expenses	(9.71)	(2.64)
		1,456.45	1,079.50
(d)	Foreign currency fluctuation reserve		
	Balance at the beginning of the year	(7.83)	12.21
	Addition / (deductions) during the year	8.96	(20.04)
		1.13	(7.83)
(e)	Foreign currency monetary translation account (Refer note 3.2)		
	Balance at the beginning of the year	4.06	4.29
	Add : Additions during the year	5.59	3.91
	Less : Amount credited to the statement of profit and loss	(5.46)	(4.14)
		4.19	4.06
(f)	Debenture redemption reserve		
	Balance at the beginning of the year	65.46	65.46
	Add : Transferred from the surplus / deficit in the statement of profit and loss	20.00	-
		85.46	65.46
(g)	Capital reserve on amalgamation #	7.76	7.76
(h)	Capital reserve (Forfeited equity share warrants) #	15.19	15.19
(i)	Capital redemption reserve #	21.61	21.61
(j)	Forfeited debentures account #	0.02	0.02
(k)	General reserve #	180.24	180.24
(l)	Surplus / Deficit in the statement of profit and loss		
	Balance at the beginning of the year	(1,522.22)	(1,346.46)
	Transferred from the statement of profit and loss	(318.14)	(159.45)
	Impact of depreciation/amortisation (Refer note 3.3)	-	(3.16)
	Transfer to the debenture redemption reserve	(20.00)	-
	Adjustment of minority interest	(4.39)	(11.24)
	Adjustment on acquisition of stake in a joint venture	-	(1.91)
		(1,864.75)	(1,522.22)
	Total	625.10	459.34

No movement during the year

3.1 Capital grant / subsidy represents grant received from National Highway Authorities of India (NHAI) and Ministry of Food Processing Industry (MoFPI) by Baharampore Farakka Highways Limited, Farakka Raiganj Highways Limited and Charosa Winneries Limited.

3.2 The Company (Accounting Standards) Second Amendment Rules 2011 has amended the provision of Accounting Standard 11 relating to "The Effects of the Changes in Foreign Exchange Rates" vide notification dated 29 December 2011. In terms of these amendments, the Company has carried over long term monetary exchange gain of ` 4.19 crore (previous year ` 4.06 crore) through "Foreign Currency Monetary Translation Account", to be recognised over the balance period of such long term asset / liability.

3.3 During the previous year ended 31 March 2015, consequent to the introduction of Schedule II to the Companies Act, 2013, the useful lives of certain fixed assets had been revised. Accordingly, ` 3.16 crore (net of deferred tax ` 1.31 crore) representing carrying value of the fixed assets with revised useful life as Nil were adjusted against opening balance of Statement of Profit and Loss as of 1 April 2014.

Note 4 i) During the year, Lavasa Corporation Limited, a subsidiary company, has issued 525,000,000 0.001% Compulsorily Convertible Cumulative Preference shares (CCCPS) of ` 10 each aggregating ` 525 crore to Axis Bank. The CCCPS with accrued Year to Maturity @ 12 per annum will be mandatorily converted into equity shares at the end of tenure i.e. 20 years from the date of allotment. The conversion will happen at higher of price at which last equity raised or at book value as per last audited balance sheet prior to the conversion.

ii) In earlier years, Lavasa Corporation Limited, a subsidiary company had issued 14,847,844 6% Cumulative Redeemable Preference Shares of ` 10 each aggregating ` 18.42 crore redeemable on various dates as per the terms of the agreement.

Note 5 Long-term borrowings

		Non-current portion		Current maturities	
		As at 31 March 2016	As at 31 March 2015	**As at 31 March 2016**	As at 31 March 2015
		₹ crore	₹ crore	**₹ crore**	₹ crore
I.	Secured				
(i)	Non-Convertible debentures	**228.80**	489.91	**431.34**	415.35
(ii)	Term loans from banks				
	Rupee loans	**5,326.12**	5,920.59	**974.53**	862.78
	Foreign currency loans	**318.64**	309.58	**77.79**	89.59
		5,644.76	6230.17	**1,052.32**	952.37
(iii)	Term loan from others	**1,021.49**	991.60	**146.11**	128.29
	Total secured loans (i+ii+iii)	**6,895.05**	7,711.68	**1,629.77**	1,496.01
II.	Unsecured				
(i)	Rupee loan from banks	**157.98**	225.00	**59.75**	30.00
(ii)	Term loan from others	**137.78**	299.52	**-**	22.10
	Total unsecured loans (i+ii)	**295.76**	524.52	**59.75**	52.10
	Total (I+II)	**7,190.81**	8,236.20	**1,689.52**	1,548.11

5.1 Corporate Debt Restructuring (CDR) Package (for HCC)

The Company received Letter of Approval (LOA) on 29 June 2012 issued by the Corporate Debt Restructuring Empowered Group (CDREG) approving the CDR package. The CDR related documents have been executed and creation of security stands completed. Details of borrowings included in the CDR package along with repayment details are listed below:

I. Secured

(A) Debentures

i) Axis

On restructuring by the CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. These are secured by way of registered mortgage over 231.66 acres of Lavasa land situated in 5 villages namely Village Admal, Bhode, Gadle, Padalghar and Ugavali in taluka Mulshi, District Pune, Maharashtra.

ii) LIC

On restructuring by CDREG, these debentures are classified as RTL-1. These debentures carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

(B) Rupee Term Loans 1 (RTL-1) and Rupee Term Loans 2 (RTL-2)

RTL - 1 and RTL - 2 carry an interest yield of 11.50% p.a. in yield equalization and are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

(C) Working Capital Term Loan (WCTL-1)

Working Capital Term Loan (WCTL -1) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 16 quarterly installments commencing 15 April 2014 and ending on 15 January 2018.

(D) Working Capital Term Loan (WCTL-2)

Working Capital Term Loan (WCTL-2) carries an interest rate ranging from 11.10% p.a. to 11.75% p.a. (floating) linked to Monitoring Institution's base rate. These are repayable in 31 quarterly installments commencing 15 April 2014 and ending on 15 October 2021.

(E) Other Term Loans

(i) Standard Chartered Bank - External Commercial Borrowings (ECB) USD 13.36 million

As at 31 March 2016, the ECB loan from Standard Chartered Bank carries an interest rate of 4.13% p.a. (3 month LIBOR plus 350 basis points).

This loan is repayable in 17 quarterly installments commencing 15 April 2014 and ending on 15 March 2018.

(ii) Development Bank of Singapore - ECB USD 10.18 million

As at 31 March 2016, the ECB loan from Development Bank of Singapore carries an interest rate of 4.48% p.a. (3 month LIBOR plus 385 basis points). This loan is repayable in 17 quarterly installments commencing 5 October 2014 and ending on 5 October 2018.

(iii) Toronto Dominion LLC - ECB USD 9.36 million

As at 31 March 2016, the ECB loan from The Toronto Domino Bank LLC carries an interest rate of 1.83% p.a. (3 month LIBOR plus 120 basis points).

This loan is repayable in 35 equal quarterly instalments commencing 16 March 2011 and ending on 16 September 2019.

(F) Rupee Term Loans (RTL-A)

During the year ended 31 March 2016, the Company has received approval under Joint Lenders Forum mechanism to avail ₹ 350 crore term loan.

The said facility carries interest rate of 11.75% p.a. (Individual Bank's Base Rate + Applicable Spread), payable monthly, to be reset annually with a two years moratorium and repayment terms of five years starting from financial year 2017-18.

II. Unsecured

Term Loan from Industrial Finance Corporation of India Limited (IFCI)

The loan carries an interest rate of 11.50% p.a. This loan is repayable in 31 quarterly instalments commencing 15 April 2014 and ending on 15 October 2021. IFCI has joined CDR package by signing Deed of Accession on 8 March 2016.

5.2 Master restructuring agreement (MRA) as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers depends on various factors including improved performance of the borrowers and other conditions. The aggregate present value of the sacrifice made/ to be made by CDR Lenders as per the MRA is ₹ 209.76 crore (Previous year: ₹ 205.66 crore) as at 31 March 2016.

5.3 Restructuring agreement of Badarpur Faridabad Tollways Ltd (BFTL) BFTL entered into an agreement dated 22 February 2013 ("Restructuring Agreement") to restructure the outstanding loan. The cut-off date for implementation of the restructuring package was 1 July 2012 and the rate of interest on the outstanding term loan was agreed at 11% p.a. upto 30 June 2013 and the same is existing as at this balance sheet date. BFTL was also allowed a moratorium period with principal repayment starting from 30 June 2013 and ending on 31 March 2026.

5.4 In case of the Company, loan principal amounting to ` 34.11 crore (Previous year: ` 66.38 crore) and interest amounting of ` 28.20 crore (Previous year: ` 58.24 crore) which is due and outstanding to be paid as at 31 March 2016 pertains to the period from October 2015 to March 2016. Out of this, principal amounting to ` 21.87 crore and interest amounting to ` 1.35 crore have been subsequently paid. In case of the subsidiaries, loan principal amounting to ` 631.09 crore and interest amounting ` 379.59 crore is due and outstanding to be paid as at 31 March 2016.

5.5 Information of securities in respect of borrowings, etc. disclosed in respective standalone financial statements have not been reproduced in the consolidated financial statements.

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 6 Deferred tax liabilities (net)		
Components of deferred tax assets and liabilities arising on account of timing differences are:		
Deferred tax liability		
Timing difference on tangible and intangible assets depreciation and amortisation	85.06	144.08
Claims/ arbitration awards	943.56	1,178.43
Others	7.19	9.06
Deferred tax asset		
Business loss/ unabsorbed depreciation	(879.19)	(1,177.07)
Others	(40.45)	(67.04)
TOTAL	116.17	87.46
Note 7 Other long-term liabilities		
Interest accrued but not due	-	16.34
Other liabilities	5.97	14.21
TOTAL	5.97	30.55
Note 8 Long-term provisions		
Provision for employee benefits		
- Gratuity	48.49	46.29
- Leave entitlement	10.76	11.76
Provision for warranty (Refer note 46)	77.48	74.34
Provision for resurfacing expenses (Refer note 46)	67.53	29.90
TOTAL	204.26	162.29
Note 9 Short-term borrowings		
I. Secured		
Rupee Term from Banks		
Cash credit facilities (Repayable on demand)	1,975.24	1,908.52
Working capital demand loan (Repayable on demand)	150.36	170.47
Buyer's credit	22.44	3.37
TOTAL	2,148.04	2,082.36

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
II. Unsecured (Repayable on demand)		
Loans from related party (Refer note 36)	0.75	13.44
TOTAL	2,148.79	2,095.80
Note 10 Short-term trade payables		
Trade payables		
- Total outstanding dues of Micro Enterprises and Small Enterprises	2.65	1.71
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,859.83	3,510.05
TOTAL	2,862.48	3,511.76
Note 11 Other current liabilities		
Interest accrued but not due	70.24	61.81
Interest accrued and due	417.46	239.24
Unpaid dividends#	0.59	0.72
Others		
i) Advance towards sale of investments	10.00	10.00
ii) Due to employees	78.31	71.33
iii) Interest payable on contractee advances	78.52	63.91
iv) Statutory dues payable	34.85	24.66
v) Liability for capital goods	18.93	20.76
vi) Book overdraft	-	33.02
vii) Advance from customers	155.02	178.93
viiix) Other liabilities	256.06	173.89
TOTAL	1,119.98	878.27

Not due for credit to Investor Education and Protection Fund

Note 12 Short-term provisions		
Provision for employee benefits		
- Gratuity	5.05	6.18
- Leave entitlement	5.58	7.24
Provision for warranty (Refer note 46)	41.25	39.14
Provision for foreseeable losses (Refer note 12.1)	110.14	126.59
Provision for resurfacing expenses (Refer note 46)	-	13.81
TOTAL	162.02	192.96

Note 12.1 The Group has adequately recognized expected losses on projects wherever it was probable that total contract costs will exceed total contract revenue.

Note 13 - Fixed Assets

(` crore)

Particulars	Tangible assets													Intangible Assets		
	Freehold land	Leasehold improvements	Building and sheds	Plant and machinery	Biological Assets	Furniture and fixtures	Office equipment	Heavy Vehicles	Light Vehicles	Helicopter/ Aircraft	Speed boat	Computers	Total	Toll Collection Rights	Software / Patents and Trade Mark	Total
Gross block																
As at 1 April 2014	39.66	21.43	909.03	1,757.26	2.51	137.69	10.83	160.85	35.93	179.48	5.59	40.62	3,300.88	1,478.98	33.49	1,512.47
Additions/ Adjustment	10.79	-	180.87	169.61	-	9.23	-	0.67	0.31	-	-	4.80	376.28	1,017.17	9.90	1,027.07
Additions through acquisition of stake	0.02	-	-	-	-	-	-	-	0.04	-	-	-	0.06	25.97	-	25.97
Exchange difference	-	-	-	6.60	-	5.64	-	-	0.05	2.81	-	0.59	15.69	-	1.01	1.01
Deductions	-	-	3.68	48.96	-	0.87	0.06	10.29	0.75	-	0.52	4.65	69.78	-	-	-
Deduction through disposal of stake	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2015	**50.47**	**21.43**	**1,086.22**	**1,884.51**	**2.51**	**151.69**	**10.77**	**151.23**	**35.58**	**182.29**	**5.07**	**41.36**	**3,623.13**	**2,522.12**	**44.40**	**2,566.52**
Additions	55.26	-	23.40	26.04	-	7.81	-	0.43	-	-	-	2.83	115.77	283.12	16.43	299.55
Additions through acquisition of stake	0.21	-	-	-	-	-	0.03	0.48	-	-	-	0.05	0.77	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	0.07	3.14	-	0.79	4.00	-	1.35	1.35
Deductions	0.67	-	-	0.16	-	0.13	-	1.37	-	-	-	0.18	2.51	1,121.40	1.02	1,122.42
Deductions through disposal of stake	62.49	-	15.70	81.38	-	9.80	0.06	10.14	2.77	-	-	2.23	184.57	-	-	-
As at 31 March 2016	**42.78**	**21.43**	**1,093.92**	**1,829.01**	**2.51**	**149.57**	**10.74**	**140.63**	**32.88**	**185.43**	**5.07**	**42.62**	**3,556.59**	**1,683.84**	**61.16**	**1,745.00**
Accumulated depreciation / amortisation																
Balance as at 1 April 2014	-	8.24	156.93	918.14	0.53	70.59	7.53	108.24	22.38	45.56	1.48	35.93	1,375.55	234.96	23.67	258.63
Adjustment (Refer Note 32)	-	-	-	-	-	(0.14)	0.03	(0.12)	(0.06)	0.02	-	0.05	(0.22)	(105.89)	-	(105.89)
Exchance difference	-	-	-	-	-	1.70	-	-	0.09	-	-	0.57	2.36	3.35	0.50	3.85
Depreciation/ amortisation charge	-	2.35	61.76	166.32	0.13	18.38	2.15	17.51	5.27	10.37	0.13	1.48	285.85	46.22	6.50	52.72
Accumulated depreciation/ amortisation on disposals	-	-	3.68	33.38	-	0.87	0.06	8.77	0.68	-	0.34	4.60	52.38	-	-	-
Deduction on sale of stake	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02	-	-	-
As at 31 March 2015	**-**	**10.59**	**215.01**	**1,051.08**	**0.66**	**89.66**	**9.65**	**116.86**	**26.98**	**55.95**	**1.27**	**33.43**	**1,611.14**	**178.64**	**30.67**	**209.31**
As at 1 April 2015																
Depreciation/ amortisation charge	-	2.51	61.56	147.46	0.13	14.82	-	11.17	3.11	10.37	0.11	1.49	252.73	51.80	6.46	58.26
Exchance difference	-	-	-	-	-	2.27	-	-	0.06	-	-	0.77	3.10	-	0.68	0.68
Addition through acquisition of additional stake	-	-	-	-	-	-	-	0.02	0.19	-	-	0.04	0.25	15.44	-	15.44
Accumulated depreciation/ amortisation on disposals	-	0.31	-	-	-	-	0.06	-	-	-	-	-	0.37	-	-	-
Impairment Loss (Refer Note 13.2)	-	0.80	12.56	15.38	-	0.83	0.06	0.63	-	-	-	1.90	32.16	161.43	2.68	164.11
Deduction through disposal of additional stake	-	-	3.67	67.08	-	3.07	-	9.25	2.56	-	-	2.11	87.74	-	-	-
As at 31 March 2016	**-**	**11.99**	**260.34**	**1,116.08**	**0.79**	**102.85**	**9.53**	**118.17**	**27.78**	**66.32**	**1.38**	**31.72**	**1,746.95**	**84.45**	**35.13**	**119.58**
Net block																
As at 31 March 2015	50.47	10.84	871.21	833.43	1.85	62.03	1.12	34.37	8.60	126.34	3.80	7.93	2,011.99	2,343.48	13.73	2,357.21
As at 31 March 2016	**42.78**	**9.44**	**833.58**	**712.93**	**1.72**	**46.72**	**1.21**	**22.46**	**5.10**	**119.11**	**3.69**	**10.90**	**1,809.64**	**1,599.39**	**26.03**	**1,625.42**

Note 13.1 Depreciation, amortisation and impairment

	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation of tangible assets	252.72	285.85
Amortisation of intangible assets	58.33	52.72
Impairment	32.16	-
Less: Transferred to project work in progress	-	(11.12)
TOTAL	343.21	327.45

Note 13.2: Lavasa Corporation Limited, a subsidiary company, has made an assessment of carrying value of assets in respect of its subsidiaries at the year end. Accordingly, impairment loss is provided where the carrying amount of an asset exceeds its recoverable amount.

		As at 31 March 2016	As at 31 March 2015
		₹ crore	₹ crore
	Note 14 Non-current investments		
	Long-term (Valued at cost, fully paid up, unless stated otherwise)		
I.	**Trade investments**		
(A)	**Investment In Equity Shares (unquoted)**		
i)	Bona Sera Hotels Limited (Refer note 39)	-	-
	42,900 (Previous year : 42,900) equity shares of ₹ 10 each		
ii)	Knowledge Vistas Limited	14.50	9.25
	310,481 (Previous year : 218,253) equity shares of ₹ 10 each		
iii)	Ecomotel Hotel Limited (Refer note 39)	-	-
	Nil (Previous year : 2,644,673) equity shares of ₹ 10 each		
	(Became a subsidiary company w.e.f. 15 July 2015)		
iv)	Warasgaon Lakeview Hotels Limited	12.68	12.69
	140,957 (Previous year : 120,957) equity shares of ₹ 10 each		
v)	Evostate AG, Zurich	37.95	45.57
	30 (Previous year :30) equity shares of CHF 1,000 each		
vi)	Projektentwicklungsges. Parking AG	3.78	1.25
	850 (Previous year : 390) equity shares of CHF 1,000 each		
vii)	Andromeda Hotels Limited	2.97	2.96
	61,070 (Previous year : 61,070) equity shares of ₹ 10 each		
viii)	Vikhroli Corporate Park Private Limited (Refer note 14.1)	0.00*	-
	260 (Previous year : 1,000,000) equity shares of ₹ 10 each		
	(ceased to be an associate w.e.f. 10 July 2015)		
ix)	Starlit Resort Limited (Refer note 14.2)	3.82	-
	49,400 (Previous year : Nil) Equity shares of ₹ 10 each		
x)	Nirmal BOT Limited (Refer note 14.4)	0.94	-
	81,90,000 (Previous year : Nil) Equity shares of ₹ 10 each		
	(ceased to be subsidiary w.e.f. 23 December 2015)		
xi)	Apollo Lavasa Health Corporation Limited (Refer note 14.2)	28.80	-
	6,26,808 (Previous year : Nil) Equity shares of ₹ 10 each		
(B)	**Investment in Debentures in Associates (unquoted)**		
	Vikhroli Corporate Park Private Limited (VCPPL)		
	(ceased to be an associate w.e.f. 10 July 2015)		
i)	VCPPL 17.91% Optionally Fully Convertible Debenture Series-I	-	49.04
	Nil (Previous year: 4,904) Debentures of ₹ 100,000 each		
ii)	VCPPL 6.32% Optionally Fully Convertible Debenture Series-II	-	24.32
	Nil (Previous year: 2,432) Debentures of ₹ 100,000 each		
iii)	VCPPL 0 % Optionally Fully Convertible Debenture Series-IV	-	8.21
	Nil (Previous year: 821) Debentures of ₹ 100,000 each		
II.	**Non-trade investments**		
(A)	**Investments in Properties**	2.06	1.94
(B)	Investments in Equity Shares (unquoted)		
i)	Walchand Co-op.Housing Society Limited	0.00*	0.00*
	5 (Previous year : 5) equity shares of ₹ 50 each		
ii)	Shushrusha Citizens Co-Op. Hospitals Limited	0.00*	0.00*
	100 (Previous year : 100) equity shares of ₹ 100 each		
iii)	Radio- und Fernsehgenossenachaft Zürich-SH	0.00*	0.00*
	50 (Previous year : 50) equity shares		
iv)	Opernhaus Zürich AG	0.07	0.06
	10 (Previous year : 10) equity shares of CHF 900 each		
v)	Genossenschaft Theater für den Kt.	0.00*	0.00*
	300 (Previous year : 300) equity shares		
vi)	AG Hallenstadion Zürich	0.07	0.06
	10 (Previous year : 10) equity shares of CHF 100 each		
vii)	MTZ Medizinishces Therapiezentrum	0.34	0.31
	50 (Previous year : 50) equity shares of CHF 1,000 each		
viii)	Dominice Swiss Property Fund	-	64.17
	Nil (Previous year : 1,000) units		
ix)	Hincon Finance Limited	0.12	0.12
	120,000 (Previous year : 120,000) equity shares of ₹ 10 each		
x)	Hindustan Kohinoor Co-operative Society	0.00*	0.00*
	45 (Previous year : 45) equity shares of ₹ 50 each		
xi)	Space Theme Park India Limited	0.04	0.04
	50,000 (Previous year : 50,000) equity shares of ₹ 10 each		

		As at 31 March 2016	As at 31 March 2015
		` crore	` crore
xii)	Betriebsges. Kongresshaus Zürich AG	0.21*	0.19
	30 (Previous year : 30) equity shares of CHF 1,000 each		
xiii)	Mobimo Holding AG	0.69	0.06
	720 (Previous year : 720) equity shares of CHF 29 each		
xiv)	Goldbach Media AG	0.00*	0.00*
	6,000 (Previous year : 6,000) equity shares of CHF 1.25 each		
xv)	MCH Group AG	0.55	0.50
	2,100 (Previous year : 2,100) equity shares of CHF 10 each		
xvi)	Dhule Palesner Tollways Limited (Refer note 14.3)	0.00*	-
	100 (Previous year: Nil) Equity Shares of ` 10 each		
(C)	**Investments in Equity Shares (quoted)**		
i)	Punjab National Bank Limited	0.04	0.04
	943 (Previous year : 943) equity shares of ` 10 each		
ii)	Hubtown Limited	0.00*	0.00*
	10 (Previous year : 10) equity shares of ` 10 each		
iii)	Ansal Housing and Construction Limited	0.00*	0.00*
	10 (Previous year : 10) equity shares of ` 10 each		
iv)	Ansal Properties and Infrastructure Limited	0.00*	0.00*
	10 (Previous year : 10) equity shares of ` 5 each		
v)	Ashiana Housing Limited	0.00*	0.00*
	35 (Previous year : 35) equity shares of ` 10 each		
vi)	DLF Limited	0.00*	0.00 *
	10 (Previous year : 10) equity shares of ` 2 each		
vii)	D S Kulkarni Developers Limited	0.00*	0.00 *
	10 (Previous year : 10) equity shares of ` 10 each		
viii)	Housing Development Infrastructure Limited	0.00*	0.00*
	12 (Previous year : 12) equity shares of ` 10 each		
ix)	Indiabulls Real Estate Limited	0.00*	0.00*
	10 (Previous year : 10) equity shares of ` 10 each		
x)	Indiabulls Wholesale Services Limited	0.00*	0.00*
	1 (Previous year : 1) equity share of ` 2 each		
xi)	Mahindra Lifestyle Limited	0.00*	0.00*
	10 (Previous year : 10) equity shares of ` 10 each		
xii)	Orbit Corporation Limited	0.00*	0.00*
	20 (Previous year : 20) equity shares of ` 10 each		
xiii)	Parshwanath Developers Limited	0.00*	0.00*
	20 (Previous year : 20) equity shares of ` 10 each		
xiv)	Peninsula Land Limited	0.00*	0.00*
	50 (Previous year : 50) equity shares of ` 2 each		
xv)	Shobha Developers Limited	0.00*	0.00*
	10 (Previous year : 10) equity shares of ` 10 each		
xvi)	Unitech Limited	0.00*	0.00*
	10 (Previous year : 10) equity shares of ` 2 each		
xvii)	Housing Development Finance Corporation Limited	0.00	0.01
	15,220 (Previous year : 15,220) equity shares of ` 2 each		
xviii)	HDFC Bank Limited	0.00*	0.00*
	2,500 (Previous year : 2,500) equity shares of ` 10 each		
xix)	Khandwala Securities Limited	0.00*	0.00*
	3,332 (Previous year : 3,332) equity shares of ` 10 each		
		109.63	220.80

Details:

Aggregate of investments :	Cost	Market Value	Cost	Market Value
	` crore	` crore	` crore	` crore
Quoted investments	0.04	4.05	0.05	5.05
Unquoted investments	107.53	-	218.81	-
Investment properties	2.06	-	1.94	-
Provision towards diminution in value of investments	-	-	-	-

Note 14.1 During the year ended 31 March 2016, the Company divested 26% equity stake in VCPPL for an aggregate consideration of ` 90.03 crore out of which the Company has received ` 77.03 crore resulting in gain of ` 72.16 crore. Balance ` 13 crore will be realised and accounted for on fulfillment of certain conditions.

Note 14.2 During the year ended 31 March 2016, the group has divested its controlling stake in Starlit Resorts Limited and Apollo Lavasa Health Care Limited at a surplus amounting to ` 9.82 crore and ` 52.56 crore, respectively due to which these entities became associates.

Note 14.3 During the year ended 31 March 2016, the group has sold investment comprising of 41,267,836 equity shares held in Dhule Palesner Tollways Limited (a joint venture) to a buyer through share purchase agreement between HCC Concessions Limited and the buyer.

Note 14.4 During the year ended 31 March 2016, the group has divested its controlling stake of 23,310,000 equity shares held in Nirmal BOT Limited (a subsidiary) to a buyer through share purchase agreement between HCC Concessions Limited and the buyer.

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 15 Deferred tax asset (net)		
Components of deferred tax assets and liabilities arising on account of timing differences are:		
Deferred tax asset		
Business loss	631.59	31.07
Others (Refer note below)	7.17	0.56
Deferred tax liability		
Depreciation and amortisation	(60.08)	(0.18)
Claims/Arbitration awards	(544.82)	-
Others	(17.08)	(12.99)
TOTAL	16.78	18.46

Note: Deferred tax assets recognised on unabsorbed losses by subsidary companies HCC Real Estate Limited, Steiner AG, and Highbar Technologies Limited, are expected to be adjusted against future taxable income of the respective subsidiaries mainly on the basis of confirmed orders, during the time limit prescribed under the applicable Income Tax Law.

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 16 Long-term loans and advances		
Unsecured, considered good		
Capital advances	0.21	0.78
Security and other deposits	40.59	39.51
Advance payment of taxes (net of provisions)		
Advance tax ` 293.01 crore (Previous year : ` 289.25 crore)		
Provision for Tax ` 186.92 crore (Previous year : ` 155.11 crore)	106.09	134.14
MAT credit entitlement	196.42	165.33
Balance with government authorities	76.33	64.98
Advances recoverable in cash or in kind	47.91	126.31
TOTAL	467.55	531.05
Note 17 Long-term trade receivables		
Unsecured, considered good		
Trade receivables	2,161.35	1,494.16
[including retention ` 32.69 crore (Previous year: ` 0.79 crore)]		
TOTAL	2,161.35	1,494.16

Note: Net of advance received against work bill / claims ` 353.71 crore (Previous year: ` 211.56 crore)

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 18 Other non-current assets		
Unsecured, considered good		
Non-current bank balances	-	23.80
Pension assets	77.27	68.66
Interest receivable	2.94	59.11
Margin money deposit	16.81	6.25
Other receivable	3.79	0.46
TOTAL	100.81	158.28
Note 19 Current investments		
Investments in mutual funds	21.05	52.08
TOTAL	21.05	52.08

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 20 Inventories		
Stores, spares and embedded goods	163.64	231.53
Fuel	9.83	10.48
Land and development rights	2,319.61	1,987.64
Materials in transit	-	0.56
Finished goods	1.70	3.72
Cost incurred on GC/TC projects	846.46	1,117.68
Work-in-progress:		
Uncompleted contracts and value of work done (Refer note below)	3,361.02	3,521.78
TOTAL	6,702.26	6,873.39

Note: Net of advance received against work bill ` 145.97 crore (Previous year: ` 134.12 crore)

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 21 Trade receivables		
Unsecured, considered good		
Outstanding over six months	99.12	152.79
[including retention of ` 6.63 crore (Previous year: ` 16.15 crore)]		
Others	380.90	581.27
[including retention of ` 279.34 crore (Previous year: ` 264.93 crore)]		
Unsecured, considered doubtful		
Outstanding over six months	2.28	2.16
Less: Provision for doubtful debts	(2.28)	(2.16)
Note: Net of advance received against work bill ` 25.8 crore (Previous year: ` 4.14 crore)		
TOTAL	480.02	734.06
Note 22 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	1.91	2.30
Cheques on hand	0.04	10.19
Balances with banks in current accounts	229.03	320.36
Bank deposits with original maturity of less than 3 months	84.17	17.23
	315.15	350.08
Other bank balances		
Earmarked bank balances for specific projects	523.32	452.94
Balances with bank for unpaid dividends	0.59	0.72
Bank deposits maturity of more than 3 months but less than 12 months	2.64	10.56
	526.55	464.22
TOTAL	841.70	814.30
Note 23 Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties	30.50	53.21
Advances recoverable in cash or in kind		
- considered good	165.48	230.14
- considered doubtful	28.27	20.39
- provision for doubtful advances	(28.27)	(20.39)
Earnest money and other deposits	6.52	13.98
Advance for land purchases	44.76	57.70
Advance to suppliers	69.56	75.49
Balance with government authorities	36.76	28.33
TOTAL	353.58	458.85

	As at 31 March 2016 ` crore	As at 31 March 2015 ` crore
Note 24 Other current assets		
Interest accrued on deposits / advances	6.79	8.78
Receivable from related parties towards reimbursements	0.57	16.47
Unbilled revenue	0.79	3.23
Grant receivable	12.68	-
Others	14.07	15.62
TOTAL	34.90	44.10

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 25 Revenue from operations		
Construction and project related revenue	8,337.35	9,791.59
Sale of land	6.73	104.82
Toll collection and annuity	230.21	228.95
Sale of products	22.34	31.87
Real estate condominium developments	75.78	108.01
Income from software services	15.55	24.33
Income from sale of software products and licenses	2.83	9.37
Other operating income	77.29	54.01
TOTAL	8,768.08	10,352.95
Note 26 Other income		
Interest	29.55	34.42
Exchange gain (net)	6.02	-
Dividend income from long - term investments	4.41	2.70
Profit on sale of long - term investments (net)	2.39	1.60
Excess provision / liabilities no longer required written back	10.86	0.72
Miscellaneous	31.22	22.58
TOTAL	84.45	62.02
Note 27 Cost of construction materials consumed		
Stock at beginning of the year	231.53	276.68
Add: Purchases	946.38	987.67
	1,177.91	1,264.34
Less: Scrap and unserviceable sold	(13.39)	(16.98)
	1,164.52	1,247.35
Less: Stock at the end of the year	(163.64)	(231.53)
TOTAL	1,000.88	1,015.83

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 28 Construction expenses		
Power, fuel and water	131.91	150.62
Rates and taxes	211.36	180.82
Insurance	45.62	59.85
Land development	111.15	244.32
Transportation	33.43	32.82
Rent and Hire (Refer Note 37)	50.97	55.91
Others	30.36	20.79
	614.80	745.13
Less: Capitalised	(1.83)	(20.80)
TOTAL	612.97	724.33
Note 29 Employee benefits expense		
Salaries and wages	839.37	888.71
Contribution to provident and other funds	75.16	98.06
Staff welfare	24.03	21.21
	938.56	1,007.98
Less: Capitalised	(0.74)	(2.47)
TOTAL	937.82	1,005.51

Note 29.1 In respect of year ended 31 March 2014, the Company's request for remuneration in excess of the limit prescribed and held in trust, to the Ministry of Corporate Affairs (the 'Ministry'), to reconsider their approval of ` 1.92 crore against the entire remuneration of ` 10.66 crore paid to the Chairman and Managing Director (CMD), is pending with the Ministry.

Note 29.2 In respect of year ended 31 March 2015, the Company has provided for remuneration for CMD of ` 10.66 crore. The Company has made an application to the Ministry seeking its approval for payment of ` 10.66 crore which is in excess of the limits specified under Schedule V to the Companies Act, 2013.

Note 29.3 In respect of year ended 31 March 2016, the Company's application to the Ministry for approval of remuneration paid/ payable ` 10.66 crore to the CMD in excess of the limit prescribed and held in trust, is pending with the Ministry.

Note 29.4 The Draft Companies (Amendment) Act 2016 proposes that waiver of the recovery of any excess amount of managerial remuneration can be approved by the Company by special resolution within specified period after obtaining approval of such waiver from secured creditors of the Company (till now permissible only with approval of Central Government). The Draft also proposes that any application made to the Central Government under section 197 and which is pending with the Government shall abate and the Company shall obtain the approval as per amended provision within one year of commencement of Companies (Amendment) Act, 2016.

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 30 Finance costs		
Interest		
(i) On debentures	130.91	142.04
(ii) On others	1,340.24	1,243.02
Guarantee commission and other charges	41.63	56.26
	1,512.78	1,441.32
Less: Capitalised	(158.04)	(161.77)
TOTAL	1,354.74	1,279.55

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 31 Other expenses		
Stationery, postage, telephone and advertisement	6.38	8.23
Travelling and conveyance	19.43	20.61
Rent	57.50	42.67
Professional	64.89	62.58
Repairs and maintenance	24.13	18.74
Directors sitting fees	0.78	0.55
Auditor's remuneration #		
Audit fees	4.19	4.06
Tax audit fees	0.54	0.66
Review and certification work	1.26	1.02
Reimbursement of out of pocket expenses	0.01	0.01
Office expenses	34.18	52.74
Operation and maintenance	137.86	112.78
Bad debts	-	1.18
Provision for doubtful debts	0.12	0.80
Provision for doubtful advances	7.88	20.39
Selling and distribution expenses	49.98	115.39
Electricity charges	3.68	3.27
Computer maintenance and development	6.90	7.22
Exchange loss (net)	-	7.38
Loss on sale of fixed assets (net)	2.01	4.49
Corporate social responsibility (CSR) ##	0.41	0.20
Miscellaneous	34.96	38.27
	457.09	523.24
Less: Capitalised	(1.07)	(5.16)
TOTAL	456.02	518.08

Auditors remuneration for the year ended 31 March 2016 excludes ` 0.65 crore towards fee for miscellaneous certifications relating to Qualified Institutional Placements, which has been charged off against the available balance in the Securities Premium Account.

The Group is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013.

	Year ended 31 March 2016 ` crore	Year ended 31 March 2015 ` crore
Note 32 Exceptional item		
Profit on sale of long-term investment (net) (Refer note 14.1)	73.15	-
Profit on divestment of shareholding in subsidiaries (Refer note 14.2 and 14.4)	73.42	-
Trade receivables and work in progress written off	(98.64)	-
Interest receivable on sub-ordinate loan written off on settlement	(73.03)	-
Net profit on sale of stake of Joint Venture (Refer note 14.3)	101.03	
Adjustment for change in useful lives (Refer note below)	-	106.11
TOTAL	75.93	106.11

Note: During the previous year, effective from 1 April 2014, certain group companies have changed the method of amortization of intangible assets held under Build, Operate and Transfer (BOT) basis in accordance with the requirements of Schedule II to the Companies Act, 2013 which were hitherto amortized on a Straight Line Method. These companies had changed the amortization method retrospectively and consequent impact of excess amortization charged till 31 March 2014 aggregating ` 106.11 crore was credited to the Statement of Profit and Loss

Note 33 Earnings/(loss) per share (EPS)

Basic and diluted EPS

(i)	Profit computation for basic earnings per share of ` 1 each Net loss as per the Statement of Profit and Loss available	(` crore)	(318.14)	(159.45)
(ii)	Weighted average number of equity shares for EPS computation	(Nos.)	775,828,231	642,443,459
(iii)	EPS - Basic and Diluted EPS	(`)	(4.10)	(2.48)

Note 34 Contingent liabilities and commitments

` crore

Sr. No.	Particulars	As at 31 March 2016	As at 31 March 2015
a	Contingent Liabilities		
i)	Counter indemnities given to banks in respect of contracts executed by joint ventures	11.82	46.30
iii)	Corporate Guarantees given to banks for associate companies	26.81	40.69
iii)	Claims filed against the group not acknowledged as debts	275.79	210.68
iv)	Income tax liability that may arise in respect of which Group is in appeal	41.67	42.62
v)	Sales tax / works contract tax liability/ service tax/ customs liability that may arise in respect of matters in appeal	139.59	126.41
vi)	Dividend payable on cumulative redeemable preference shares issued by a subsidiary company	4.47	3.58
	It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities except in (iii) stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments / decisions pending with various forums / authorities. The Group does not except any outflow of in respect of the above and therefore no provision is made in respect thereof.		
b	Capital Commitments (net of advances)	1,110.92	764.55

Other Commitments:

In respect of land parcels at Vikhroli (East) held by a subsidiary company, the Notification under Section 3C(1) under the Maharashtra Slum Area (Improvement & Redevelopment) Act, 1971 declaring the said property as “Slum Rehabilitation Area” has been challenged by some persons and appeals preferred by both the parties are pending in the Bombay High

Court. Similarly, a suit filed by some persons in the High Court declaring that they are the leases of the said property is also pending. Suit filed by the Subsidiary company for vacant and peaceful possession of part of the said land is pending in the Small Causes Court, Mumbai.

Note 35 Uncompleted Contracts and Value of Work Done (Inventories)' and 'Long-Term Trade Receivables' includes ` 978 crore (Previous year: ` 1,181 crore) and ` 206 crore (Previous year: ` 241 crore), respectively, outstanding as at 31 March 2016 representing various claims raised earlier, based on the terms and conditions implicit in the contracts and other receivables in respect of closed/suspended projects. These claims are mainly in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work; for which Company is at various stages of negotiation/discussion with the clients or under arbitration. These receivables also includes ` 89 crore (Previous year: ` 149 crore) of arbitration awards received in favour of the Company, which have been subsequently set aside by District Court/ High Courts against which the Company has preferred appeals at High Courts/ Supreme Court and has been legally advised that it has good case on merits. Considering the contractual tenability, progress of negotiation/ discussion with the client, the management is confident of recovery of these receivables.

Note 36 Disclosure in accordance with Accounting Standard -18 'Related Party Transactions'

a. Names of Related Parties and Nature of Relationship

Names of the entity	Nature of Relationship
Dhule Palesner Tollway Limited (upto 29 October 2015)	Joint Venture
HCC-Samsung Joint Venture CC34	Joint Venture
HCC-Pati Joint Venture (Dissolved on 31 March 2015)	Joint Venture
Kumagai - Skanska- HCC Itochu Group	Joint Venture
Alpine HCC	Joint Venture
Nathpa Jhakri	Joint Venture
HCC L&T Purulia	Joint Venture
Alpine HCC Samsung	Joint Venture
ARGE Prime Tower	Joint Venture
Nirmal BOT Limited (effective 23 December 2015)	Associate
Warasgaon Lake View Hotels Limited	Associate
Stralit Resort Limited (effective 14 May 2015)	Associate
Andromeda Hotels Limited	Associate
Apollo Lavasa Health Corporation Limited (effective 1 October 2015)	Associate
Bona Sera Hotels Limited	Associate
Knowledge Vistas Limited	Associate
Ecomotel Hotel Limited (upto 14 July 2015)	Associate
Evostate AG	Associate
MCR Managing Corp. Real Estate AG	Associate
Projektentwicklungsges. Parking Kunstmuseum AG	Associate
Vikhroli Corporate Park Private Limited (upto 10 July 2015)	Associate
Gulabchand Foundation	Other Related Parties
Hincon Holdings Limited	Other Related Parties
Hincon Finance Limited	Other Related Parties

b. Key Management Personnel and their relatives

1. Mr. Ajit Gulabchand	Chairman & Managing Director (CMD)
2. Mr. Rajgopal Nogja	Group Chief Operating Officer & Whole-Time Director
3. Ms. Shalaka Gulabchand Dhawan	Whole-Time Director (effective from 30 April 2015)
4. Mr. Arun Karambelkar	President and Chief Executive Officer - E&C (Ceased to be Whole-Time Director effective 29 April 2014)
5. Mr. Praveen Sood	Group Chief Financial Officer
6. Mr. V. P. Kulkarni	Whole Time Company Secretary (up to 30 July 2015)
7. Mr. Sangameshwar Iyer	Company Secretary (w. e. f. 31 July 2015)
8. Mr. Arjun Dhawan	Relative of Key Management Personnel (Son-in-law of Mr. Ajit Gulabchand)

c. Transactions with Related Parties:

` crore

Nature of Transactions	JV's	Associate	Other Related Parties
Work bill receipts including sales			
Dhule Palesner Tollways Limited	8.06	-	-
	(-)	(-)	(-)
	8.06	-	-
	(-)	(-)	(-)
Sale of materials			
Evostate AG	-	-	-
	(-)	(0.05)	(-)
HCC-Samsung Joint Venture CC34	-	-	-
	(0.27)	(-)	(-)
	-	-	-
	(0.27)	(0.05)	(-)
Rendering of services / financial Income			
Bona Sera Hotels Limited	-	1.43	-
	(-)	(-)	(-)
HCC-Samsung Joint Venture CC34	0.24	-	-
	(-)	(-)	(-)
Warasgaon Lake View Hotels Limited	-	0.49	-
	(-)	(-)	(-)
Ecomotel Hotel Limited	-	0.19	-
	(-)	(0.80)	(-)

c. Transactions with Related Parties:

` crore

Nature of Transactions	JV's	Associate	Other Related Parties
Andromeda Hotels Limited	-	0.09	-
	(-)	(2.20)	(-)
Vikhroli Corporate Park Private Limited	-	2.96	-
	(-)	(12.52)	(-)
Dhule Palesner Tollyway Limited	0.04	-	-
	(12.66)	(-)	(-)
Hincon Finance Limited	-	-	0.52
	(-)	(-)	(1.34)
Nirmal BOT Limited	-	-	0.07
	(-)	(-)	(0.10)
Others	-	-	-
	(0.10)	(2.60)	(-)
	0.28	5.16	0.59
	(12.76)	(18.12)	(1.44)
Receiving of services / financial Expenses			
Vikhroli Corporate Park Private Limited	-	7.26	-
	(-)	(29.57)	(-)
Hincon Holding Limted	-	-	0.40
	(-)	(-)	(0.52)
Starlit Resorts Ltd	-	0.06	-
	(-)	(-)	(-)
Evostate Group	-	0.01	-
	(-)	(-)	(-)
Nathpa Jhakri Joint Venture	0.03	-	-
	(-)	(-)	(-)
Others	-	-	-
	(-)	(2.73)	(-)
	0.03	7.33	0.40
	(-)	(32.30)	(0.52)
Inter-corporate deposits taken during the year			
Nathpa Jhakri Joint Venture	1.09	-	-
	(-)	(-)	(-)
	1.09	-	-
	(-)	(-)	(-)
Inter-corporate deposits given during the period/year			
Knowledge Vistas Limited	-	0.74	-
	(-)	(0.62)	(-)
Andromeda Hotels Limited	-	-	-
	(-)	(0.80)	(-)
	-	0.74	-
	(-)	(1.42)	(-)

c. Transactions with Related Parties:

` crore

Nature of Transactions	JV's	Associate	Other Related Parties
Inter-corporate deposits received back during the year			
Ecomotel Hotel Limited	-	4.97	-
	(-)	(0.30)	(-)
Knowledge Vistas Limited	-	5.73	-
	(-)	(-)	(-)
Andromeda Hotels Limited	-	0.03	-
	(-)	(1.33)	(-)
Bona Sera Hotels Limited	-	1.88	-
	(-)	(-)	(-)
Warasgaon Lake View Hotels Limited	-	-	-
	(-)	(1.00)	(-)
Hincon Finance Limited	-	-	1.36
	(-)	(-)	(10.64)
	-	12.61	1.36
	(-)	(2.62)	(10.64)
Purchase of fixed assets			
HCC-Samsung Joint Venture CC34	2.63	-	-
	(-)	(-)	(-)
Hincon Finance Limited	-	-	-
	(-)	(-)	(10.75)
	2.63	-	-
	(-)	(-)	(10.75)
Security Deposit Given (Towards Leased Premises)			
Hincon Finance Limited	-	-	3.34
	(-)	(-)	(-)
	-	-	3.34
	(-)	(-)	(-)
Conversion of share warrant application money into equity			
Hincon Holdings Limited*	-	-	-
	(-)	(-)	(6.25)
Hincon Finance Limited*	-	-	-
	(-)	(-)	(9.75)
* ` 16 crore appropriated towards issue of equity share warrants	-	-	-
	(-)	(-)	(16.00)
Conversion of promoters contribution into equity			
Hincon Holdings Limited	-	-	-
	(-)	(-)	(18.75)
Hincon Finance Limited	-	-	-
	(-)	(-)	(29.25)
	-	-	-
	(-)	(-)	(48.00)

c. Transactions with Related Parties:

` crore

Nature of Transactions	JV's	Associate	Other Related Parties
Equity share contribution during the year			
Warasgaon Lakeview Hotels Limited	-	-	-
	(-)	(2.00)	(-)
Starlit Resorts Limited	-	3.60	-
	(-)	(-)	(-)
Andromeda Hotels Limited	-	0.04	-
	(-)	(1.27)	(-)
	-	3.64	
	(-)	(3.27)	(-)
Corporate guarantees and bank guarantees given and outstanding			
Ecomotel Hotel Limited	-	12.15	-
	(-)	(14.54)	(-)
Knowledge Vistas Limited	-	14.00	-
	(-)	(14.00)	(-)
Warasgaon Lake View Hotels Limited	-	12.81	-
	(-)	(12.15)	(-)
HCC-Samsung Joint Venture CC34	22.15	-	-
	(44.80)	(-)	(-)
	22.15	38.96	-
	(44.80)	(40.69)	(-)
Outstanding payables			
Ecomotel Hotel Limited	-	-	-
	(-)	(2.03)	(-)
Hincon Holdings Limited	-	-	0.74
	(-)	(-)	(0.45)
Alpine HCC JV	0.01	-	-
	(-)	(-)	(-)
Vikhroli Corporate Park Private Limited	-	-	-
	(-)	(7.38)	(-)
Bona Sera Hotels Limited	-	0.32	-
	(-)	(1.40)	(-)
Andromeda Hotels Limited	-	0.53	-
	(-)	(-)	(-)
Starlit Resorts Limited	-	0.69	-
	(-)	(-)	(-)
	0.01	1.54	0.74
	(-)	(10.81)	(0.45)

c. Transactions with Related Parties:

` crore

Nature of Transactions	JV's	Associate	Other Related Parties
Outstanding receivables			
Bona Sera Hotels Limited	-	11.36	-
	(-)	(12.57)	(-)
Andromeda Hotels Limited	-	2.91	
	(-)	(-)	(-)
Warasgaon Lake View Hotels Limited	-	6.84	-
	(-)	(-)	(-)
Ecomotel Hotel Limited	-	-	-
	(-)	(8.68)	(-)
Dhule Palesnar Tollway Limited	-	-	-
	(148.42)	(-)	(-)
Knowledge Vistas Limited	-	1.24	-
	(-)	(7.73)	(-)
HCC-Samsung Joint Venture CC34	0.63	-	-
	(-)	(-)	(-)
Nathpa Jhakri Joint Venture	3.14	-	-
	(-)	(-)	(-)
Alpine Samsung HCC C1	2.18	-	-
	(-)	(-)	(-)
Vikhroli Corporate Park Private Limited	-	-	-
	(-)	(32.45)	(-)
Hincon Finance Limited	-	-	1.08
	(-)	(-)	(3.74)
Others	-	1.11	-
	(15.57)	(16.80)	(0.02)
	5.95	23.44	1.08
	(163.99)	(78.23)	(3.76)

d. Details of transactions relating to persons referred to in item (b) above

Nature of Transactions	Year ended 31 March 2016	Outstanding as at 31 March 2016	Year ended 31 March 2015	Outstanding as at 31 March 2015
	` crore	` crore	` crore	` crore
Remuneration for the earlier year recovered				
Mr. Ajit Gulabchand	-	-	8.94	-
Remuneration to key managerial persons				
Mr. Ajit Gulabchand	10.66	0.78	Refer Note 29.2	
Mr. Rajgopal Nogja	5.43	0.40	4.98	0.36
Ms. Shalaka Gulabchand Dhawan	1.11	0.09	-	-
Mr. Arun Karambelkar	3.23	0.35	3.53	0.31
Mr. Praveen Sood	3.48	0.94	2.51	0.17
Mr. V.P. Kulkarni	0.73	-	1.08	0.76
Mr. Sangameshwar Iyer	0.36	0.04	-	-
	25.00	2.60	12.10	1.60

Nature of Transactions	Year ended 31 March 2016	Outstanding as at 31 March 2016	Year ended 31 March 2015	Outstanding as at 31 March 2015
	` crore	` crore	` crore	` crore
Salary of Ms. Shalaka Gulabchand Dhawan	0.16	-	1.17	0.09
(Daughter of Mr. Ajit Gulabchand)				
Salary of Mr. Arjun Dhawan	3.35	0.34	2.92	0.20
(Son-In-Law of Mr. Ajit Gulabchand)				
	28.51	2.94	16.19	1.89

The above figure does not include provisional gratuity liability valued by Actuary, as separate figures are not available.

Remuneration to key managerial persons from subsidary companies

Mr. Ajit Gulabchand	2.29	2.29	2.20	2.20
Mr. Rajgopal Nogja	2.29	-	2.20	0.55
	4.58	2.29	4.40	2.75

	31 March 2016	31 March 2015
	Number	Number
Options granted to key managerial personnel under ESOP of Company		
Mr. Rajgopal Nogja	102,960	188,760
Mr. Praveen Sood	164,700	301,950
Mr. V.P Kulkarni	-	150,920
Mr. Arun Karambelkar	164,700	301,950
Options granted to Key Management Personnel under ESOP of Lavasa Corporation Limited (Subsidiary Company)		
Mr. Rajgopal Nogja	241,982	403,303

Note 37 The Group has taken various construction equipment and vehicles under non cancellable operating leases. The future minimum lease payments in respect of these as at 31 March 2016 are as follows:

	As at 31 March 2016	As at 31 March 2015
Minimum lease rental payments	` crore	` crore
Payable not later than 1 year	38.03	44.93
Payable later than 1 year and not later than 5 years	107.66	144.76
Later than 5 years	20.52	28.56
	166.21	218.25

The lease agreement provides for an option to the Group to renew the lease year at the end of the non cancelable lease term. There are no exceptional / restrictive covenants in the lease agreements.

The Group has entered into certain cancellable operating lease for office premises and employee accommodation. Tenure of leases generally vary between one year to four years. Terms of the lease include operating terms for renewal, terms of cancellation etc. Lease payments in respect of above note 28 and note 31 are recognised in the Statement of Profit and Loss under the heads "Construction expense" and "Other Expenses"

Note 38 Segment Reporting

The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of activities of the parent company, its subsidiaries and joint ventures, the differing risks and returns, the organization structure and internal reporting system.

The Group's operations predominantly relate to 'Engineering and Construction', 'Infrastructure', 'Real Estate' and 'Comprehensive Urban Development and Management'. Other business segments contribute less than 10% of the total revenue and have been grouped as 'Others'.

The segment revenue, segment results, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

a. Information about primary business segments

Particulars	Engineering and Construction	Infrastructure	Real estate	Comprehensive Urban Development and Management	Others	Total
Revenue:						
External Sales	8,401.40	226.50	24.01	94.33	21.84	8,768.08
	(9,790.45)	(223.29)	(0.17)	(302.37)	(36.67)	(10,352.95)
"Add: Inter segment sales [Refer note 1.1 (b) (iv)]"	31.17	-	-	4.09	16.13	51.39
	(115.88)	(6.80)	(-)	(5.19)	(9.53)	(137.40)
Less: Elimination	31.17	-	-	4.09	16.13	51.39
	(115.88)	(6.80)	-	(5.19)	(9.53)	(137.40)
Total Revenue	8,401.40	226.50	24.01	94.33	21.84	8,768.08
	(9,790.45)	(223.29)	(0.17)	(302.37)	(36.67)	(10,352.95)
Profit/(loss) before tax and Interest	1,022.95	(209.53)	43.53	158.64	20.20	1,035.79
	(584.75)	(195.18)	1.01	(305.50)	3.77	(1,080.65)
Finance costs						1,354.74
						(1,279.55)
Profit/(loss) before tax						(318.95)
						(198.91)
Tax expenses						
Current tax						34.23
						(21.31)
Deferred tax						30.40
						(22.38)
Tax in respect of earlier years						(2.42)
						(0.54)
Mat credit entitlement						(31.09)
						(15.67)
Profit/(loss) after tax						(350.07)
						(227.47)
Share of loss attributed to minority interest						19.41
						(48.15)
Share of profit in associates (net)						12.52
						(19.87)
Net Profit / (loss) for the year after tax						(318.14)
						(159.45)

Other Information

` crore

Particulars	Engineering and Construction	Infrastructure	Real estate	Comprehensive Urban Development and Management	Others	Total
Segment assets	9,169.54	3,704.23	214.88	4,851.89	73.10	18,013.64
	(9,431.87)	(4,112.48)	(473.24)	(4,249.68)	(45.83)	(18,313.10)
Segment liabilities	4,746.68	199.11	0.00	543.20	19.45	5,508.46
	(5,326.90)	(118.16)	(37.14)	(483.44)	(15.87)	(5,981.51)
Capital expenditure	51.99	707.64	0.00	246.27	3.01	1,008.91
	(97.00)	(513.45)	(-)	(366.16)	(3.86)	(980.47)
Depreciation and amortisation	167.78	52.69	8.93	108.81	5.01	343.21
	(185.52)	(46.98)	(0.37)	(89.38)	(5.20)	(327.45)

Notes:-

1 Segment asset excludes current and non-current investments, goodwill on consolidation, deferred tax assets and advance payment of income tax (including MAT Credit Entitlement).

2 Segment liabilities excludes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability, accrued interest and minority interest.

b. Information about secondary business segments (geographical segments)

` crore

Particulars	Domestic	Overseas	Total
Segment Revenue	4,512.80	4,255.28	8,768.08
	(4,747.76)	(5,605.19)	(10,352.95)
Segment Assets	15,556.37	2,457.27	18,013.64
	(15,338.54)	(2,974.55)	(18,313.09)
Capital expenditure	991.51	17.40	1,008.91
	(925.77)	(54.70)	(980.47)

Notes:-

1: Bhutan operations are considered as part of domestic operations

2: Figures in brackets pertain to previous year

Note 39 The share of losses of Bona Sera Hotels Limited and Ecomotel Hotel Limited, associate companies, exceeds the carrying value of the investment. Hence investment in these companies are reported at nil value.

Note 40 In respect of Lavasa Corporation Limited (LCL), Ministry of Environment & Forests (MoEF), Government of India, vide its order dated 9 November 2011 accorded Environment Clearance (EC) to 2,000 hectare (5,000 acres) which are subject to the compliance of terms and conditions. The Company has filed an appeal before the National Green Tribunal, New Delhi challenging some of the conditions prescribed in the said Order which is pending before the Tribunal. The Company believes that the matter will be decided in its favour. Construction has resumed at project site from 9 November 2011.

Note 41 Details of Employees Stock Option Scheme for LCL, a subsidiary company

a. Options granted by Lavasa Corporation Limited (LCL)

		As at 31 March 2016 (Nos.)	As at 31 March 2015 (Nos.)
a.	Outstanding as at beginning of the year	1,479,191	1,703,317
b.	Granted during the year	-	-
c.	Forfeited during the year	-	-
d.	Exercised during the year	-	-
e.	Expired / cancelled / lapsed during the year	605,127	224,126
f.	Outstanding at the end of the year	874,064	1,479,191
g.	Exercisable at the end of the year	874,064	1,479,191

Note 42 In case of LCL, cost of land includes:

a) ` 12.71 crore (previous year ` 12.71 crore) in respect of which sale deed is yet to be executed in favour of LCL.

b) Land amounting to ` 0.11 crore (previous year ` 0.11 crore) in respect of which irrevocable Power of Attorney is obtained in favour of LCL.

c) Land amounting to ` 0.36 crore (previous year ` 0.36 crore) not covered by the Master Plan in respect of which sale deed is yet to be executed in the name of LCL.

Note 43 In case of Pune Paud Toll Road Company Limited (PPTRCL), a subsidiary company, as per the terms of the contract, the year to operate the project has expired on 5 February 2014, and the project since stands transferred to the Public Works Department (PWD) of Government of Maharashtra. PPTRCL has preferred a claim for compensation aggregating ` 140.48 crore (including interest) on account of delay in granting permission to collect the toll and change in location of Toll Plaza, which resulted in significant reduction in revenue collection. PPTRCL has filed a petition in the Bombay High Court under section 11 of the Arbitration and Conciliation Act, 1996 demanding refund of cost of land acquisition of Bhugaon bypass. Consequently, the Bombay High Court has appointed an arbitrator on behalf of PWD on 8 August 2014 and Indian Road Congress has also appointed an arbitrator on 6 January 2015. Since then the submission of pleadings from both parties and partial hearings are completed and now the Arbitration is in final stage. The final hearings are scheduled in June 2016, after which the award will be made by the Arbitral Tribunal within a short period. Considering the merits of the case the PPTRCL expects positive outcome from the Arbitration. In view of this, the management is confident of recovery of the claims and views the entity as a going concern despite the negative net-worth of PPTRCL.

Note 44 In case of Raiganj-Dalkhola Highways Limited (RDHL), a subsidiary company, National Highways Authority of India (NHAI) has not been able to make the balance land available. RDHL is in discussion with NHAI for balance land acquisition and on various approvals on design and structures on a regular basis with concerned departments. However, NHAI has assured to provide the balance land and concessionaire and its lenders have reiterated their concerns on the effort and time consuming process required to recommence the Project (including finalization of lender approvals and closure of new financing documents, revision of EPC costs and the signing of new contracts, etc.), but have confirmed their intent to complete the Project with adequate support from the NHAI. In view of this, Management considers delay in acquisition of land temporary in nature, hence total cost incurred ` 173.40 crore (including interest of ` 50.33 crore) as at 31 March 2016 has been continued to be capitalised.

Note 45 Lavasa Corporation Limited (LCL), a subsidiary company, has incurred losses and consolidated net-worth as at 31 March 2016 has been substantially eroded. The underlying projects in such entity are in the early stages of development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values and accordingly Company's management is of the view that there is no impairment in value of the LCL net assets(capital employed) of ` 4,308.68 crore. Similarly, no diminution in value of Goodwill on consolidation of LCL amounting to ` 95.04 crore (Previous year ` 95.04 crore) is considered necessary.

Note 46 Detail of provision in respect of warranty and resurfacing expenditure is as stated below:

Particulars	As at 31 March 2016		As at 31 March 2015	
	Warranty	Resurfacing expenses	Warranty	Resurfacing expenses
	` crore	` crore	` crore	` crore
Opening provision as at the beginning of the year	113.48	43.71	150.37	7.61
Addition during the year	57.60	41.61	27.16	36.10
Utilized during the year	(52.35)	(17.79)	(47.55)	-
Unused amount reversed during the year	-	-	(16.50)	-
Closing provision as at the end of the year	118.73	67.53	113.48	43.71
Non current	77.48	67.53	74.34	29.90
Current	41.25	-	39.14	13.81
Total	118.73	67.53	113.48	43.71

These provisions represent estimates made towards estimated liability arising out of contractual obligations in respect of warranties and resurfacing expenses. The timing of outflows will vary as and when the obligations arise.

Note 47 Receivable includes ` 2,668.90 crore ( Previous ` 1,772.16 crore) on account of claims awarded in favour of the Company which has been challenged by the client in the High Court/ Supreme Court.

Note 48 * represents amount less than ` 1 lac

Note 49 Previous year figures have been regrouped/ reclassified to conform to the current year's presentation, whenever considered necessary.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N / N500013

ADI P. SETHNA
Partner
Membership No.: 108840

PRAVEEN SOOD
Group Chief Financial Officer
FCA 072412

SANGAMESHWAR IYER
Company Secretary
ACS 6818

Place : Mumbai,
Dated : 28 April 2016

For and on behalf of the Board of Directors

AJIT GULABCHAND	DIN: 00010827	*Chairman & Managing Director*
RAJGOPAL NOGJA	DIN: 01722795	*Group Chief Operating Officer & Whole-Time Director*
SHALAKA GULABCHAND DHAWAN	DIN: 00011094	*Whole-Time Director*
SHARAD M. KULKARNI	DIN: 00003640	*Directors*
RAJAS R. DOSHI	DIN: 00050594	
RAM P. GANDHI	DIN: 00050625	
ANIL C. SINGHVI	DIN: 00239589	
HARSHA BANGARI	DIN: 01807838	
OMKAR GOSWAMI	DIN: 00004258	

FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries\associates\joint venture

Part "A": Subsidiaries

(` in Crore)

Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend
1	HCC Construction Ltd	01.04.2015-31.03.2016	INR	0.05	(0.06)	0.00	0.02	-	-	(0.00)	-	-	(0.00)	-
2	Highbar Techonologies ltd	01.04.2015-31.03.2016	INR	6.25	11.14	19.99	2.60	0.06	37.69	4.76	-	1.30	3.46	-
3	Panchkutir Developers ltd	01.04.2015-31.03.2016	INR	1.40	41.13	103.52	60.99	-	-	(0.02)	-	-	(0.02)	-
4	Narmada Bridge Tollway Ltd	01.04.2015-31.03.2016	INR	0.05	(35.13)	1.03	36.11	-	-	(2.77)	-	-	(2.77)	-
5	HCC Operations & Maintenance Ltd	01.04.2015-31.03.2016	INR	0.05	5.91	120.70	114.74	-	20.38	9.16	-	3.03	6.13	-
6	Badarpur Faridabad Tollway Ltd	01.04.2015-31.03.2016	INR	98.00	(218.56)	533.44	654.00	-	40.73	(40.86)	-	-	(40.86)	-
7	Raiganj-Dalkhola Highways Ltd	01.04.2015-31.03.2016	INR	112.07	-	292.53	180.46	-	-	-	-	-	-	-
8	HCC Concessions Ltd	01.04.2015-31.03.2016	INR	423.67	550.48	990.17	16.02	658.08	9.61	(96.39)	-	-	(96.39)	-
9	Baharampore-Farakka Highways Ltd	01.04.2015-31.03.2016	INR	217.25	359.41	1,413.96	837.29	-	108.72	(31.17)	-	-	(31.17)	-
10	Farakka-Raiganj Highways Ltd	01.04.2015-31.03.2016	INR	250.22	400.91	1,697.82	1,046.69	-	-	-	-	-	-	-
11	HCC Power Ltd	01.04.2015-31.03.2016	INR	0.50	(0.52)	89.59	89.61	-	-	(0.05)	-	-	(0.05)	-
12	HCC Energy Limited	01.04.2015-31.03.2016	INR	0.05	(0.02)	88.77	88.74	-	-	(0.02)	-	-	(0.02)	
13	HCC Infrastructure Company Ltd	01.04.2015-31.03.2016	INR	0.25	(617.96)	888.28	1,506.00	-	3.75	(165.14)	-	-	(165.14)	-
14	Dhule Palesner Operations & Maintenance ltd	01.04.2015-31.03.2016	INR	0.50	0.06	91.22	90.66	-	-	0.02	-	-	0.02	-
15	Steiner India Ltd	01.04.2015-31.03.2016	INR	7.16	(23.77)	102.92	119.53	3.17	75.46	(5.88)	-	-	(5.88)	-
16	HCC Real Estate Ltd.	01.04.2015-31.03.2016	INR	66.19	350.10	1,033.00	616.70	534.23	47.77	(4.03)	-	-	(4.03)	-
17	Western Securities Ltd	01.04.2015-31.03.2016	INR	2.00	(0.27)	4.24	2.51	0.00	0.00	0.04	0.00	-	0.04	-
18	HRL (Thane) Real Estate Limited	01.04.2015-31.03.2016	INR	0.10	(12.75)	29.00	41.65	-	-	(0.01)	-	-	(0.01)	-
19	HRL Township Developers Limited	01.04.2015-31.03.2016	INR	0.10	(0.49)	0.01	0.39	-	-	(0.00)	-	-	(0.00)	-
20	Nashik Township Developers Limited	01.04.2015-31.03.2016	INR	0.10	(1.83)	0.01	1.74	-	-	(0.01)	-	-	(0.01)	-
21	Maan Township Developers Limited	01.04.2015-31.03.2016	INR	0.10	(0.58)	22.17	22.65	-	4.01	(0.34)	-	-	(0.34)	-
22	Charosa Wineries Limited	01.04.2015-31.03.2016	INR	7.00	(69.59)	65.10	127.69	-	4.03	(17.99)	-	-	(17.99)	-
23	Powai Real Estate Developers Limited	01.04.2015-31.03.2016	INR	0.05	(0.05)	0.01	0.00	-	-	(0.00)	-	-	(0.00)	-
24	HCC Realty Limited	01.04.2015-31.03.2016	INR	0.05	(0.02)	0.03	0.00	-	-	(0.00)	-	-	(0.00)	-
25	HCC Aviation Limited	01.04.2015-31.03.2016	INR	0.05	(12.45)	3.44	15.84	-	-	(0.00)	-	-	(0.00)	-
26	Pune Paud Toll Road Company Limited	01.04.2015-31.03.2016	INR	6.05	(45.54)	2.24	41.73	-	0.19	(0.33)	-	-	(0.33)	-
27	Lavasa Corporation Limited	01.04.2015-31.03.2016	INR	1,358.19	(277.65)	6,267.35	5,186.81	932.88	89.32	(235.33)	(19.42)	-	(215.91)	-
28	Dasve Business Hotel Limited	01.04.2015-31.03.2016	INR	0.28	19.07	31.22	11.87	-	0.00	(0.99)	-	-	(0.99)	
29	Dasve Convention Center Limited	01.04.2015-31.03.2016	INR	0.57	(59.32)	74.49	133.24	-	5.82	(38.22)	-	-	(38.22)	
30	Dasve Hospitality Institutes Limited	01.04.2015-31.03.2016	INR	0.33	(25.57)	36.81	62.05	-	0.54	(10.84)	-	-	(10.84)	
31	Dasve Retail Limited	01.04.2015-31.03.2016	INR	0.84	56.41	76.34	19.10	-	0.80	(3.43)	-	-	(3.43)	
32	Full Spectrum Adventure Limited	01.04.2015-31.03.2016	INR	0.06	(14.34)	4.78	19.07	-	2.76	(1.61)	-	-	(1.61)	
33	Future City Multiservices SEZ Limited	01.04.2015-31.03.2016	INR	0.07	0.77	1.03	0.19	-	-	(0.06)	-	-	(0.06)	
34	Green Hills Residences Limited	01.04.2015-31.03.2016	INR	0.09	(26.27)	0.93	27.11	-	-	(0.00)	-	-	(0.00)	
35	Hill City Service Apartments Limited	01.04.2015-31.03.2016	INR	0.15	5.19	6.76	1.42	-	-	(0.20)	-	-	(0.20)	
36	Hill View Parking Services Limited	01.04.2015-31.03.2016	INR	0.05	(0.02)	0.04	0.01	-	-	(0.01)	-	-	(0.01)	
37	Kart Racers Limited	01.04.2015-31.03.2016	INR	0.05	(0.22)	0.00	0.18	-	-	(0.03)	-	-	(0.03)	

Part "A": Subsidiaries

(` in Crore)

Sr. No	Name of the subsidiary	Reporting period	Reporting currency / Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Deferred Tax	Profit after taxation	Proposed Dividend
38	Lakeshore Watersports Company Limited	01.04.2015-31.03.2016	INR	0.16	2.51	3.34	0.68	-	2.40	0.66	-	-	0.66	
39	Lakeview Clubs Limited	01.04.2015-31.03.2016	INR	0.24	(35.65)	53.36	88.77	-	1.50	(9.95)	-	-	(9.95)	
40	Lavasa Bamboocrafts Limited	01.04.2015-31.03.2016	INR	0.13	(0.77)	0.68	1.32	-	0.10	(0.31)	-	-	(0.31)	
41	Lavasa Hotel Limited	01.04.2015-31.03.2016	INR	0.05	(15.57)	11.60	27.12	-	10.71	(2.34)	-	-	(2.34)	
42	Mugaon Luxury Hotels Limited	01.04.2015-31.03.2016	INR	0.05	(0.07)	17.46	17.48	-	-	(0.02)	-	-	(0.02)	
43	My City Technology Limited	01.04.2015-31.03.2016	INR	0.29	15.54	19.70	3.88	0.45	-	(3.99)	-	-	(3.99)	
44	Nature Lovers Retail Limited	01.04.2015-31.03.2016	INR	0.07	0.87	1.13	0.19	-	-	(0.03)	-	-	(0.03)	
45	Osprey Hospitality Limited	01.04.2015-31.03.2016	INR	0.05	(0.03)	0.02	0.00	-	-	(0.01)	-	-	(0.01)	
46	Our Home Service Apartments Limited	01.04.2015-31.03.2016	INR	0.05	(0.05)	0.01	0.01	-	-	(0.01)	-	-	(0.01)	
47	Reasonable Housing Limited	01.04.2015-31.03.2016	INR	0.25	10.07	32.99	22.67	-	1.65	(0.45)	-	-	(0.45)	
48	Rhapsody Commercial Space Limited	01.04.2015-31.03.2016	INR	0.05	(2.30)	10.74	13.00	-	-	(1.46)	-	-	(1.46)	
49	Rosebay Hotels Limited	01.04.2015-31.03.2016	INR	0.05	(0.03)	0.03	0.01	-	-	(0.01)	-	-	(0.01)	
50	Sahyadri City Management Limited	01.04.2015-31.03.2016	INR	0.44	(18.24)	19.93	37.73	-	10.02	(3.72)	-	-	(3.72)	
51	Spotless Laundry Services Limited	01.04.2015-31.03.2016	INR	0.13	(8.96)	15.14	23.98	-	0.01	(4.36)	-	-	(4.36)	
52	Valley View Entertainment Limited	01.04.2015-31.03.2016	INR	0.05	(0.04)	0.02	0.02	-	-	(0.01)	-	-	(0.01)	
53	Verzon Hospitality Limited	01.04.2015-31.03.2016	INR	0.05	1.26	3.17	1.86	-	1.50	0.70	0.22	-	0.48	
54	Warasgaon Assets Maintenance Limited	01.04.2015-31.03.2016	INR	5.98	544.02	1,248.17	698.16	-	-	(15.75)	-	-	(15.75)	
55	Warasgaon Infrastructure Providers Limited	01.04.2015-31.03.2016	INR	0.05	(6.03)	4.15	10.13	-	1.99	(2.36)	-	-	(2.36)	
56	Warasgaon Power Supply Limited	01.04.2015-31.03.2016	INR	0.10	(10.47)	338.18	348.55	-	-	(7.45)	-	-	(7.45)	
57	Warasgaon Tourism Limited	01.04.2015-31.03.2016	INR	0.15	(79.36)	3.06	82.28	-	0.54	(7.61)	-	-	(7.61)	
58	Warasgaon Valley Hotels Limited	01.04.2015-31.03.2016	INR	0.05	(0.03)	0.03	0.01	-	-	(0.01)	-	-	(0.01)	
59	Whistling Thrush Facilities Services Limited	01.04.2015-31.03.2016	INR	0.05	0.58	12.95	12.32	-	-	(0.11)	0.03	-	(0.14)	
60	Ecomotel Hotel Limited	01.04.2015-31.03.2016	INR	16.93	(16.66)	22.80	22.53	-	12.19	(1.73)	(0.13)	-	(1.60)	
	Foreign Subsidiary Companies													
61	Highbar Technologies FZ LLC	01.04.2015-31.03.2016	AED	0.06	(1.44)	3.87	5.25	-	3.65	(0.44)	-	-	(0.44)	-
62	Steiner AG, Zurich	01.04.2015-31.03.2016	CHF	273.44	(36.60)	2,535.12	2,298.28	-	4,282.19	10.48	-	-	10.48	-
63	SNC Valleiry Route De Bloux	01.04.2015-31.03.2016	EUR	0.01	-	0.01	(0.00)	-	-	(0.02)	-	-	(0.02)	-
64	Steiner (Deutschland)GmbH Paderborn	01.04.2015-31.03.2016	EUR	73.40	(11.88)	84.39	22.87	-	4.84	(197.87)	-	-	(197.87)	-
65	VM & ST AG, Zurich	01.04.2015-31.03.2016	CHF	6.83	0.16	7.01	0.02	-	-	(0.08)	-	-	(0.08)	-
66	SAS Steiner Leman	01.04.2015-31.03.2016	EUR	5.62	(2.66)	20.98	18.02	-	5.70	(3.99)	-	-	(3.99)	-
67	HCC Mauritius Investment LTD	01.04.2015-31.03.2016	CHF	6.61	16.29	163.13	140.23	29.41	2.83	(4.91)	-	-	(4.91)	-
68	HCC Mauritius Enterprises Ltd	01.04.2015-31.03.2016	CHF	33.10	48.43	213.21	131.68	213.15	0.41	(9.43)	-	-	(9.43)	-
69	Eurohotel SA, Geneva	01.04.2015-31.03.2016	CHF	33.10	(8.11)	0.06	(24.93)	-	-	(0.43)	-	-	(0.43)	-
70	Steiner Promotions et Participations SA	01.04.2015-31.03.2016	CHF	20.51	(7.17)	125.87	112.53	-	-	(2.14)	-	-	(2.14)	-

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Warasgoan Lake View Hotels Limited	Andromeda Hotels Limited	Knowledge Vistas Limited	Bona Sera Hotels Limited	Starlit Resort Limited	Apollo Lavasa Health Corporation Limited	Nirmal BOT Limited	Projektentwick-lungsges. Parking Kunstmuseum AG	Evostate AG	MCR Managing Corp. Real Estate	HCC- L & T Purulia Joint Venture	HCC Samsung Joint Venture	Alpine Samsung HCC JV	Alpine HCC JV	Nathpa Jhakri Joint Venture	Kumagai -Skanska-HCC Itochu Group	ARGE Primetower, Zurich
1. Latest audited Balance Sheet Date	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15	31-Mar-16	31-Mar-16	31-Mar-16	31-Dec-15	31-Dec-15	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2. Shares of Associate/Joint Ventures held by the company at the year end.																	
No.	140,957	61,470	218,253	122,563	49,400	626,808	81,90,000	400	30	100							
Amount of Investment in Associates/Joint Venture	12.68	2.97	-	-	3.82	28.80	0.94	3.78	37.95	-							
Extend of Holding %	27.00%	40.00%	49.00%	26.00%	26.00%	49.00%	26%	100.00%	30.00%	30.77%	57.00%	50.00%	33.00%	49.00%	40.00%	19.60%	45%
3. Description of how there is significant influence	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	Significant Influence over Share Capital	-	-	-	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control	Significant Influence & Control
4. Reason why the associate/joint venture is not consolidated.	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
5. Networth attributable to Shareholders as per latest audited Balance Sheet	12.63	3.09	8.39	0.26	3.82	29.27	3.62	0.15	0.09	-	0.03	0.00	-0.33	-0.05	0.05	-0.03	7.83
6. Profit / Loss for the year																	
i. Considered in Consolidation	(0.05)	(0.08)	(2.69)	(0.57)	0.27	(3.95)	(4.44)	(0.21)	26.70	-	0.00	13.02	0.22	0.20	(0.11)	(0.07)	0.17
i. Not Considered in Consolidation	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-

Disclosure mandated by Schedule III by way of additional information

	Name of Entity	Net assets(Total assets - Total Liabilities)		Share in profit or loss	
		Amount (` in crore)	As % of consolidated Net Asset	Amount (` in crore)	As % of consolidated Profit or Loss
	Consolidated	703.27		(349.80)	
	Parent Company				
	HCC Construction Company Limited	1,862.83	264.88%	159.55	-45.61%
	Indian Subsidiary Companies				
1	HCC Construction Ltd	(0.01)	0.00%	(0.00)	0.00%
2	Highbar Techonologies Ltd	17.39	2.47%	3.46	-0.99%
3	Panchkutir Developers Ltd	42.53	6.05%	(0.02)	0.01%
4	Narmada Bridge Tollway Ltd	(35.08)	-4.99%	(2.77)	0.79%
5	HCC Operations & Maintenance Ltd	5.96	0.85%	6.13	-1.75%
6	Badarpur Faridabad Tollway Ltd	(120.56)	-17.14%	(40.86)	11.68%
7	Raiganj-Dalkhola Highways Ltd	112.07	15.94%	-	0.00%
8	HCC Concessions Ltd	974.15	138.52%	(96.39)	27.56%
9	Baharampore-Farakka Highways Ltd	576.67	82.00%	(31.17)	8.91%
10	Farakka-Raiganj Highways Ltd	651.13	92.59%	-	0.00%
11	HCC Power Ltd	(0.02)	0.00%	(0.05)	0.01%
12	HCC Energy Limited	0.03	0.00%	(0.02)	0.00%
13	HCC Infrastructure Company Ltd	(617.71)	-87.83%	(165.14)	47.21%
14	Dhule Palesner Operations & Maintenance ltd	0.56	0.08%	0.02	-0.01%
15	Steiner India Ltd	(16.61)	-2.36%	(5.88)	1.68%
16	HCC Real Estate Ltd.	416.30	59.19%	(4.03)	1.15%
17	Western Securities Ltd	1.73	0.25%	0.04	-0.01%
18	HRL (Thane) Real Estate Limited	(12.65)	-1.80%	(0.01)	0.00%
19	HRL Township Developers Limited	(0.39)	-0.06%	(0.00)	0.00%
20	Nashik Township Developers Limited	(1.73)	-0.25%	(0.01)	0.00%
21	Maan Township Developers Limited	(0.48)	-0.07%	(0.34)	0.10%
22	Charosa Wineries Limited	(62.59)	-8.90%	(17.99)	5.14%
23	Powai Real Estate Developers Limited	0.00	0.00%	(0.00)	0.00%
24	HCC Realty Limited	0.03	0.00%	(0.00)	0.00%
25	HCC Aviation Limited	(12.40)	-1.76%	(0.00)	0.00%
26	Pune Paud Toll Road Company Limited	(39.49)	-5.61%	(0.33)	0.09%
27	Lavasa Corporation Limited	1,080.54	153.65%	(215.91)	61.72%
28	Dasve Business Hotel Limited	19.35	2.75%	(0.99)	0.28%
29	Dasve Convention Center Limited	(58.75)	-8.35%	(38.22)	10.93%
30	Dasve Hospitality Institutes Limited	(25.24)	-3.59%	(10.84)	3.10%
31	Dasve Retail Limited	57.25	8.14%	(3.43)	0.98%
32	Full Spectrum Adventure Limited	(14.28)	-2.03%	(1.61)	0.46%
33	Future City Multiservices SEZ Limited	0.84	0.12%	(0.06)	0.02%
34	Green Hills Residences Limited	(26.18)	-3.72%	(0.00)	0.00%
35	Hill City Service Apartments Limited	5.34	0.76%	(0.20)	0.06%
36	Hill View Parking Services Limited	0.03	0.00%	(0.01)	0.00%
37	Kart Racers Limited	(0.17)	-0.02%	(0.03)	0.01%
38	Lakeshore Watersports Company Limited	2.67	0.38%	0.66	-0.19%
39	Lakeview Clubs Limited	(35.41)	-5.03%	(9.95)	2.84%

	Name of Entity	Net assets(Total assets - Total Liabilities)		Share in profit or loss	
		Amount (` in crore)	As % of consolidated Net Asset	Amount (` in crore)	As % of consolidated Profit or Loss
40	Lavasa Bamboocrafts Limited	(0.64)	-0.09%	(0.31)	0.09%
41	Lavasa Hotel Limited	(15.52)	-2.21%	(2.34)	0.67%
42	Mugaon Luxury Hotels Limited	(0.02)	0.00%	(0.02)	0.01%
43	My City Technology Limited	15.82	2.25%	(3.99)	1.14%
44	Nature Lovers Retail Limited	0.94	0.13%	(0.03)	0.01%
45	Osprey Hospitality Limited	0.02	0.00%	(0.01)	0.00%
46	Our Home Service Apartments Limited	0.00	0.00%	(0.01)	0.00%
47	Reasonable Housing Limited	10.32	1.47%	(0.45)	0.13%
48	Rhapsody Commercial Space Limited	(2.25)	-0.32%	(1.46)	0.42%
49	Rosebay Hotels Limited	0.02	0.00%	(0.01)	0.00%
50	Sahyadri City Management Limited	(17.80)	-2.53%	(3.72)	1.06%
51	Spotless Laundry Services Limited	(8.83)	-1.26%	(4.36)	1.25%
52	Valley View Entertainment Limited	0.01	0.00%	(0.01)	0.00%
53	Verzon Hospitality Limited	1.31	0.19%	0.48	-0.14%
54	Warasgaon Assets Maintenance Limited	550.01	78.21%	(15.75)	4.50%
55	Warasgaon Infrastructure Providers Limited	(5.98)	-0.85%	(2.36)	0.67%
56	Warasgaon Power Supply Limited	(10.37)	-1.47%	(7.45)	2.13%
57	Warasgaon Tourism Limited	(79.22)	-11.26%	(7.61)	2.18%
58	Warasgaon Valley Hotels Limited	0.02	0.00%	(0.01)	0.00%
59	Whistling Thrush Facilities Services Limited	0.63	0.09%	(0.14)	0.04%
60	Ecomotel Hotel Limited	0.27	0.04%	(1.60)	0.46%
	Foreign Subsidiary Companies				
61	Highbar Technologies FZ LLC	(1.38)	-0.20%	(0.44)	0.13%
62	Steiner AG, Zurich	236.84	33.68%	10.48	-3.00%
63	SNC Valleiry Route De Bloux	0.01	0.00%	(0.02)	0.00%
64	Steiner (Deutschland)GmbH Paderborn	61.52	8.75%	(197.87)	56.57%
65	VM & ST AG, Zurich	6.99	0.99%	(0.08)	0.02%
66	SAS Steiner Leman	2.96	0.42%	(3.99)	1.14%
67	HCC Mauritius Investment Ltd	22.90	3.26%	(4.91)	1.40%
68	HCC Mauritius Enterprises Ltd	81.53	11.59%	(9.43)	2.70%
69	Eurohotel SA, Geneva	24.99	3.55%	(0.43)	0.12%
70	Steiner Promotions et Participations SA	13.34	1.90%	(2.14)	0.61%
	Minority Interest in all subsidiaries	202.45	28.79%	(19.41)	5.55%

	Name of Entity	Net assets(Total assets - Total Liabilities)		Share in profit or loss	
		Amount (` in crore)	As % of consolidated Net Asset	Amount (` in crore)	As % of consolidated Profit or Loss

Joint Ventures

	Indian				
	Joint Ventures				
1	HCC- L & T Purulia Joint Venture	5.16	0.73%	0.00	0.00%
2	HCC Samsung Joint Venture	-	0.00%	13.02	-3.72%
3	Alpine Samsung HCC JV	(32.68)	-4.65%	0.22	-0.06%
4	Alpine HCC JV	(5.35)	-0.76%	0.20	-0.06%
5	Nathpa Jhakri Joint Venture	5.21	0.74%	(0.11)	0.03%
6	Kumagai -Skanska-HCC Itochu Group	(2.88)	-0.41%	(0.07)	0.02%

Joint Ventures

	Foreign				
7	ARGE Primetower, Zurich	3.60	0.51%	0.17	-0.05%

Associate Companies

Indian

1	Warasgoan Lake View Hotels Limited	46.77	6.65%	(0.05)	0.01%
2	Andromeda Hotels Limited	7.73	1.10%	(0.08)	0.02%
3	Apollo Lavasa Health Corporation Limited	59.73	8.49%	(3.95)	1.13%
4	Knowledge Vistas Limited	-	0.00%	-	0.00%
5	Bona Sera Hotels Limited	-	0.00%	-	0.00%
6	Starlit Resort Limited (from 14th May, 2015)	14.72	2.09%	0.30	-0.08%
7	Nirmal BOT Limited	3.62	0.52%	(444)	1.27%

Associate Companies

Foreign

8	Evostate AG, Zurich	28.48	4.05%	26.70	-7.63%
9	MGR Managing Corp. Real Estate AG	-	-	-	-
10	Projektentwicklungsges. Parking AG	14.64	2.08%	(0.21)	0.06%

Notice

NOTICE is hereby given that the Ninetieth Annual General Meeting of the Members of Hindustan Construction Company Limited will be held on Thursday, July 14, 2016 at 11.00 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020, to transact the following business:-

ORDINARY BUSINESS

1. Adoption of the Audited Standalone and Consolidated Financial Statements of the Company

   To receive, consider and adopt

   (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016 including the Audited Balance Sheet as at March 31, 2016 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 including the Audited Consolidated Balance Sheet as at March 31, 2016 and the Consolidated Statement of Profit & Loss for the year ended on that date together with the Reports of the Auditors thereon.

2. Ratification of the Appointment of Statutory Auditors

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

   'RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s Walker Chandiok & Co.LLP, Chartered Accountants Mumbai (Firm Registration No. 001076N) as Statutory Auditors of the Company for a term of 5 years i.e. till the conclusion of 93rd Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to be held in the financial year 2017-18 on such remuneration plus reimbursement of out-of-pocket expenses as may be determined by the Board of Directors.'

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

SPECIAL BUSINESS

3. Appointment of Mr. N. R. Acharyulu (DIN:02010249) as a Director of the Company, liable to retire by rotation

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

   'RESOLVED THAT Mr. N. R. Acharyulu (DIN:02010249) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 2, 2016 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ('the Act') and in respect of whom the Company has received a notice in writing from a Member of the Company under the provisions of Section 160 of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.'

4. Payment of Remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director of the Company

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

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

(Amount in `)

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

Explanation:

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

RESOLVED FURTHER THAT the following perquisites shall not be included in the computation of the ceiling on remuneration:-

(a) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(b) Contribution to Provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961

(c) Gratuity as per the Rules of the Company and

(d) Encashment of leave at the end of the tenure

(e) One month's leave for every eleven months service and such other benefits in accordance with the Rules of the Company.

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

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

5. Ratification of Remuneration to Cost Auditor

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

'RESOLVED THAT pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration paid / payable to M/s Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 00240), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to ` 2,50,000 (Rupees Two Lakhs Fifty Thousand Only) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.'

6. Issue of Securities of the Company

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

'RESOLVED THAT pursuant to Section 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or any statutory modifications and/or re-enactment thereof for the time being in force (the 'Act'), all other applicable laws and regulations including the Foreign Exchange Management Act, 1999 ('FEMA'), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 including any statutory modifications or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and modified from time to time and such other statues, notifications, clarifications, circulars, rules and regulations as may be applicable, as amended from time to time, issued by the Government of India ('GOI'), the Reserve Bank of India ('RBI'), Stock Exchanges, the Securities and Exchange Board of India ('SEBI') including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the 'SEBI Regulations') as may be applicable and in accordance with the enabling provisions in the Memorandum and Articles of Association of the Company and /or stipulated in the Listing Agreements entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, SEBI, RBI, Stock Exchanges and any other relevant statutory /governmental/regulatory authorities (the 'concerned Authorities') as may be required and applicable and further subject to such terms and conditions as may be prescribed or imposed by any of the concerned Authorities while granting such approvals, consents, permissions and sanctions as may be necessary, which may be agreed upon by the Board of Directors of the Company as deemed appropriate (hereinafter referred to as the 'Board', which term shall include any Committee (s) constituted /to be constituted by the Board to exercise the powers conferred on the Board by this Resolution), consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons as may be permitted), Equity Shares and /or Equity Shares through depository receipts including American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and /or Foreign Currency Convertible Bonds (FCCBs), Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs), and /or other securities convertible into Equity Shares at a later date, at the option of the Company and /or the holder(s) of such securities or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (collectively referred as 'Securities'), as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public or private offerings in domestic and / or one or more international market(s), with or without a green shoe option, or issued /allotted through Qualified Institutions Placement (QIP) in accordance with the SEBI Regulations, or by any one or more combinations of the above or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible investors, including residents and/or non-residents and/or qualified institutional buyers and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, whether or not such Investors are members of the Company, as may be deemed appropriate by the Board and as permitted under applicable laws and regulations, for an aggregate amount not exceeding ` 1000 crore (Rupees One Thousand Crore Only) on such terms and conditions and in such manner as the Board may in its sole discretion decide including the timing of the issue(s)/ offering(s), the Investors to whom the Securities are to be issued, terms of issue, issue price, number of Securities to be issued, the Stock Exchanges on which such securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received including details on face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the ratio/number of Equity Shares to be allotted on redemption/conversion, period of conversion, fixing of record date or book closure dates, etc., as the case may be applicable, prescribe any terms or a combination of terms in respect of the Securities in accordance with local and /or international practices including conditions in relation to offer, early redemption of Securities, debt service payments, voting rights, variation of price and all such terms as are provided in domestic and /or international offerings and any other matter in connection with, or incidental to the issue, in consultation with the merchant bankers or other advisors or otherwise, together with any amendments or modifications thereto ('the Issue').

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

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

RESOLVED FURTHER THAT the Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

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

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

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

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

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

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

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

7. Option to Lenders for conversion of debt into Equity Shares of the Company

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

'RESOLVED THAT pursuant to the provisions of Section 62(3) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the applicable laws (including but not limited to Reserve Bank of India Circular No. DBR. BP.BC.No.101/21.04.132/2014-15 dated June 8, 2015 on the Strategic Debt Restructuring Scheme (`SDR Scheme'), the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and any other applicable regulations) including any statutory modification(s) or re-enactment thereof for the time being in force and any modifications thereto and subject to such approvals, consents, sanctions, permissions from appropriate statutory and other authorities in this regard and subject to such conditions and modifications as may be imposed or prescribed by the respective statutory and other authorities while granting such approvals, consents, sanctions, permissions, in respect of the conversion right to the lenders to the Company who have provided the restructured facilities ('Restructured Facilities') to the Company ('CDR Lenders') as per the terms of the approved Corporate Debt Restructuring package set out in the Master Restructuring Agreement (`MRA') dated June 29, 2012 ('Approved CDR package') and in respect of the conversion right to the lenders to the Company who have provided additional facilities ('Additional Facilities') to the Company (`CLA Lenders') as per the terms of the Common Loan Agreement ('CLA') executed on January 11, 2016 (hereinafter 'CDR Lenders' and 'CLA Lenders' collectively referred as 'Lenders') and subject to the right of the Company to prepay the aforesaid restructured/additional facilities as the case may be and whether upon or irrespective of an event of default, the Board of Directors of the Company (hereinafter the 'Board', which term shall be deemed to include any Committee thereof) be and is hereby authorised to accept and consent of the Company be and is hereby accorded to the Board to accept the option of conversion as may be exercised by the Lenders with respect to Conversion rights as stipulated in the MRA and/or CLA respectively in order to convert all or any portion of the outstanding amounts of their respective convertible loan, together with accumulated interest, into fully paid-up equity shares of the Company, at any time during the currency of such restructured facilities and/or additional facilities, at a price as determined in accordance with the applicable laws, and to create, offer, issue and allot in one or more tranches, such number of fully paid-up equity shares of the Company of the face value of ` 1 (Rupee One only) to the Lenders which shall not exceed the amount of principal and interest outstanding of the restructured facilities and/or additional facilities, as the case may be applicable, as on the date of conversion of such loan.

By Order of the Board
For Hindustan Construction Co. Ltd

SANGAMESHWAR IYER
Company Secretary

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

Place : Mumbai
Date : June 3, 2016

NOTES FORMING PART OF THE NOTICE

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

   IN ORDER THAT THE APPOINTMENT OF A PROXY IS EFFECTIVE, THE INSTRUMENT APPOINTING A PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. I.E. BY 11.00 A.M. ON TUESDAY, JULY 12, 2016.

2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of their Board Resolution together with the respective specimen signature of the representative(s) authorised under the said resolution to attend and vote on their behalf at the Meeting.

3. Members, Proxies and Authorised representatives are requested to bring to the Meeting, the Attendance Slip enclosed herewith duly completed and signed for attending the Meeting.

4. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting, if not already voted through remote e-voting.

5. A Route Map showing the directions to reach the venue of the Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on 'General Meeting'.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, July 8, 2016 to Thursday, July 14, 2016 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

   The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

8. In compliance with the provisions of Section 129(3) of the Companies Act, 2013, (the Act)the Audited Financial Statements of the Company include the Consolidated Financial Statements of the Company and all its Subsidiaries as defined in the Act for consideration and adoption by the Members of the Company.

9. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at the ensuing Annual General Meeting (AGM) is annexed hereto and forms part of this Notice.

10. The Members are requested to:

    (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited at 6-10, Haji Moose Patrawala Indl. Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai – 400 011 in respect of their holdings in physical form.

    (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.

    (c) Non-Resident Indian Members are requested to inform TSR Darashaw Limited immediately of the change in residential status on return to India for permanent settlement.

(d) Please note that in accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them. Members desirous of making nominations may procure the prescribed form SH-13 from the Registrar & Share Transfer Agents, TSR Darashaw Limited and have it duly filled, signed and sent back to them, in respect of shares held in physical form. Members holding shares in dematerialised mode, should file their nomination with their Depository Participant (DP).

11. GREEN INITIATIVE:

SEBI and the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment.

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

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

12. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report for 2015-16 including Financial Statements, Board's report etc. and this Notice of the 90th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by electronic mode to all those Members whose e-mail ID's are registered with their respective Depository Participants unless any member has requested for a physical copy of the same. Even after registering for e-communication, members are entitled to receive such communication in physical form by post free of cost, upon making a request for the same. For any such communication, the members may also send requests to the Company's investor email id: secretarial@hccindia.com. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 and this Notice of the 90th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to them in the permitted mode.

13. Appointment of Director:

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

14. Members may also note that the Notice of the 90th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.hccindia.com for their download.

15. Members wishing to claim dividends, which remain unclaimed are requested to correspond with TSR Darashaw Limited, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education Protection Fund, as per Section 124 of the Companies Act, 2013 (corresponding to Section 205A of the ertswhile Companies Act, 1956).

16. Voting:

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely, July 7, 2016 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting through Ballot form at the General Meeting. If a person was a Member on the date of Book Closure as aforesaid but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this Notice for information purpose only.

General Information:

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clause (1) & (2) of Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide e-voting facilities to its members in respect of the business to be transacted at the 90th Annual General Meeting (AGM). The Company has engaged the services of National Securities Depository Ltd (NSDL) as authorised agency to provide the facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM) ('remote e-voting'). It is clarified that it is not mandatory for a Member to vote using remote e-voting facility.

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

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

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

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

The remote e-voting period will commence on Sunday, July 10, 2016 (9:00 am) and will end on Wednesday, July 13, 2016 (5:00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 7, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion of the paid-up equity share capital of the Company as on the cut-off date ie. July 7, 2016.

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

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

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

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

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e Thursday, July 14, 2016.

Voting through Electronic means:

Process and manner for remote e-voting:

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

i) Those Members whose valid e-mail IDs are registered with the Company/Depository Participant(s) will receive an email from NSDL.

ii) Open the email and thereafter open the attached PDF file viz; 'remote e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

iii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

iv) Click on Shareholder – Login

v) Put user ID and password as initial password/PIN noted in step (i) above.

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

vi) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of your new password.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

viii) Select 'EVEN' of 'Hindustan Construction Company Limited.'

ix) Now you are ready for remote e-voting as 'Cast Vote' page opens.

ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.

x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) who wish to cast their votes through remote e-voting are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature(s) of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through an e-mail to evoting.hcc@gmail.com with a copy marked to evoting@nsdl.co.in

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

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

ii)

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

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

Additional Information:

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

Members may also send their queries relating to e-voting to Ms. Pallavi Mhatre, Assistant. Manager, NSDL at:
E-mail id: evoting@nsdl.co.in
Toll free No.: 1800-222-990
Tel. No.: 022 2499 4545

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

Any person, who acquires shares of the Company and becomes a member of the Company after despatch of the notice and holding shares as of the cut-off date i.e. July 7, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer / RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/Password' option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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

By Order of the Board
For Hindustan Construction Co. Ltd

SANGAMESHWAR IYER
Company Secretary

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

Place : Mumbai
Date : June 3, 2016

Annexure to the Notice

Item No. 2

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

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

In view of the above, the existing appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai covering the period from the conclusion of this ensuing AGM until the conclusion of the next Annual General Meeting to be held in the FY 2017-18, is being placed for members' ratification.

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

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 2 of this Notice.

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

Item No. 3

Mr. N. R. Acharyulu (DIN: 02010249), was employed as Chief Business Development Officer of the Company and upon conclusion of his contract period, the Nomination and Remuneration Committee of the Board of Directors, vide its resolution dated May 2, 2016 has recommended his appointment as an Additional Director on the Board of the Company in the category of Non-Executive Director.

Based on the above recommendation from Nomination and Remuneration Committee and in accordance with Section 161 of the Companies Act, 2013 read with Article 88 of the Articles of Association of the Company, on May 2, 2016, the Board of Directors has appointed Mr. N. R. Acharyulu (DIN: 02010249) as an Additional Director on the Board of the Company in the category of Non-Executive Director, liable to retire by rotation. Mr. N. R. Acharyulu would hold office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice under Section 160 of the Companies Act, 2013, from a member of the Company alongwith the deposit of requisite amount, signifying an intention to propose Mr. N. R. Acharyulu as a candidate for the office of Director at the forthcoming Annual General Meeting.

Mr. Acharyulu has a distinguished career having more than forty six years of enriched experience and has held various leadership positions during his long stint. He had a remarkable rise during his career, due to his business acumen, project management and leadership skills.

A Mechanical Engineer from Andhra University, Mr. Acharyulu joined HCC in 1970 as Junior Engineer at Idukki Hydroelectric Power project in Kerala.

Over the years, he worked on various projects covering all segments viz., Hydro, Transport, Water, Marine & Nuclear/ Industrial structures, During this tenure, he worked on various state-of-art mining and tunneling equipments including tunnel boring machines.

During his career with HCC, he was entrusted with responsibilities of heading the Plant and Equipment department since 1991. Thereafter he headed the Construction Engineering and Methodology Group (CEMG) in 2001 for some time before he was made the Project Controller of the Water Supply and Irrigation Projects in 2004. He was then made the Head of Water Vertical in 2007 and later given the independent responsibility of Claims Task force in 2011.

Mr. Acharyulu became the Chief Operating Officer of HCC in mid of 2012 and then was given the charge to head the Sales and Tendering Division, since 2014 with the sole aim to build the order book.

Accordingly, the Board recommends the resolution contained in item no. 3 of the accompanying notice for approval of the members as an Ordinary Resolution.

Except Mr. Acharyulu, none of the Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 3 of this Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI Listing Regulations.

Item No. 4

Considering the financial position of the Company, Mr. Ajit Gulabchand, Chairman & Managing Director of the Company had at the time of his re-appointment expressed his desire to maintain his remuneration for the period of 3 years effective from April 1, 2013 to March 31, 2016 at the same level as of FY 2012-13 as approved earlier by the Shareholders of the Company by way of a Special Resolution at its Annual General Meeting held on June 15, 2012.

The Remuneration Committee of the Board and the Board of Directors of the Company at its Meeting held on March 28, 2013, subject to the approval of the Shareholders and the Central Government and in accordance with the provisions of Schedule XIII to the Companies Act, 1956 ('Earlier Act'), had approved his remuneration for a period of three years effective from April 1, 2013 to March 31, 2016 at the same level as of FY 2012-13 as was earlier approved by the Shareholders of the Company by way of Special Resolution at its Annual General Meeting held on June 15, 2012.

Accordingly the members had, at the Annual General Meeting (AGM) of the Company held on June 21, 2013, approved the re-appointment of Mr. Ajit Gulabchand as the Managing Director designated as Chairman & Managing Director of the Company for a period of 5 years with effect from April 1, 2013 and his terms of remuneration were approved by the shareholders at the same level as of FY 2012-13, for a period of three years effective from April 1, 2013 to March 31, 2016.

The aforesaid resolution and the accompanying explanatory statement approved by the Members at the foregoing AGM, interalia, stated that if the Company has no profits or its profits are inadequate in any financial year, during the currency of their tenure, the Company shall pay the approved remune-ration as Minimum remuneration to the Chairman and Managing Director, as per relevant applicable provisions of law including provisions as contained in Schedule XIII to the Companies Act, 1956. ('the Act') including any amendments thereto or any modifications or statutory re-enactment thereof and/or any rules or regulations framed there under.

As the managerial remuneration of ` 10,65,60,000 per annum payable to Mr. Ajit Gulabchand, Chairman and Managing Director, was in excess of the limits specified in Paragraph (C) of Section II of Part II of the Schedule XIII to the earlier Act, as per the requirements of the said Schedule, the Company had made necessary application to Central Government for its approval for the payment of aforesaid remuneration for the period of three years effective from April 1, 2013 to March 31, 2016 and the same is awaited.

As the profit computation of the Company as per Section 198 of the Companies Act, 2013, for FY 2015-16 was inadequate for payment of managerial remuneration to Mr. Ajit Gulabchand, the Nomination and Remuneration Committee of the Board and the Board of Directors had at their respective meetings held on June 3, 2016 approved an annual remuneration as specified in the Resolution No. 4 for the FY 2016-17 for Mr. Ajit Gulabchand and the same is within the yearly limit of remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

As per Schedule V to the Companies Act, 2013, the payment of the aforesaid managerial remuneration has to be approved vide special resolution by the shareholders of the Company.

Company Information:

In view of the unprecedented economic instability prevalent in the global environment the Indian economy has also been seriously affected in the last 5 – 6 years. There has been a sense of slow growth felt across various sectors which has resulted in a slowdown in the economy and thereby slackened demand in Infrastructure.

The present financial performance of the Company reflects the tough economic and business environment. As a consequence of developments which were beyond the control of management, mainly delays in decision making by the Company's major clients and delays in settlement of claims, the expected cash flows have not materialized for the Company and the Interest costs have continued to remain high. As a consequence, the Company has witnessed lower margins coupled with high interest costs which has resulted in lower operating profits for the Company on a year-on-year basis.

Section 198 read with Section II of Part II of Schedule V to the Companies Act. 2013 ('Act'), interalia, necessitates the Company to comply interalia with the conditions stipulated there under including seeking approval from the shareholders by way of a special resolution for payment of remuneration for a period not exceeding three years for payment of managerial remuneration by the Company, if in any financial year, during the currency of the tenure of a managerial person, it has no profits or its profits are inadequate.

As the payment of remuneration to Mr. Ajit Gulabchand, Chairman & Managing Director for the financial year 2016-17 is within the yearly limit of remuneration as laid down in Section 198 read with Schedule V to the Act, shareholders approval vide Special Resolution is sought for the said proposal.

In terms of compliance, interalia, with the conditions stipulated in Section II of Part II of Schedule V to the Act, information is as furnished below:

I. GENERAL INFORMATION:

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

(4) Financial Performance:

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

(` in crore)

Sr. No.	Particulars	Year				
		2011-12	2012-13	2013-14	2014-15	2015-16
1	Paid-up Capital	60.67	60.67	60.67	64.59	77.92
2	Reserves and Surplus	1,239.44	1,102.11	1,186.73	1,322.86	1784.91
3	Turnover *	4,010.60	3,838.65	4,113.49	4,301.14	4,190.90
4	Net Profit/(Loss) as per Sec 198 of the Companies Act, 1956 / Companies Act, 2013	(314.02)	(209.06)	12.79	139.54	73.11

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

(5) Export Performance, Net Foreign Exchange Earnings and Collaborations:

During the year 2015-16, the accrued value of exported goods or services on F.O.B. Basis and work bills realized on contracts is ` 97.72 crore. The Company has no foreign collaboration.

(6) Foreign Investments or Collaborators, if any:

As of March 31, 2016, the aggregate number of Equity Shares held by Foreign Institutional Investors (FIIs) and Foreign Portfolio Investment (FPIs) is 8,04,39,995 Equity Shares of ` 1 each which constitutes 10.32% of the Paid up Equity Share Capital of the Company.

There is no foreign collaboration for any investment.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Mr. Ajit Gulabchand:

Mr. Ajit Gulabchand, Chairman & Managing Director is B.Com (Hons) and aged 67 years. He has over three decades of enriched experience in construction business and has served the Board of HCC, as Managing Director from April 01, 1983 and was elevated as the Chairman of the Company in May 1994. Since then, he has been re-appointed from time to time, for a period of 5 years each. His present tenure of re-appointment as Managing Director designated as Chairman & Managing Director of the Company was approved by the Board of Directors of the Company at its meeting held on March 28, 2013 for the period of five years w.e.f. April 1, 2013 and the same was also approved by the shareholders at the Annual General Meeting of the Company held on June 21, 2013.

(2) Past Remuneration:

Mr. Ajit Gulabchand:

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

(Amount in `)

Period		Annual Salary, Perquisites, Allowances and Retirals
01/04/2013	31/03/2014	10,65,60,000
01/04/2014	31/03/2015	10,65,60,000
01/04/2015	31/03/2016	10,65,60,000

(3) Recognition/Awards:

Mr. Ajit Gulabchand's Global Engagements:

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

He is the Chairman of the Governing Council of the Construction Skills Development Council of India. He is member of CII National Council and President of the Construction Federation of India.

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

(4) Job Profile and Suitability:

Mr. Ajit Gulabchand:

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

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

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

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

(5) Remuneration proposed:

Details of the remuneration which is proposed to be paid to Mr. Ajit Gulabchand, Chairman & Managing Director for FY 2016-17 has been fully set out in the Special Resolution at Item No. 4.

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

Considering the size of the Industry in which the Company operates, the challenging and competitive business environment, the size of the Company, the business acumen and dynamism expected in discharge of the role of the Chairman & Managing Director, the shareholders of the Company, at the Annual General Meeting held on June 21, 2013, had approved the re-appointment of Mr. Ajit Gulabchand as the Managing Director designated as Chairman & Managing Director of the Company for a period of 5 years with effect from April 1, 2013 and his terms of remuneration were approved at the same level as of FY 2012-13, for a period of three years effective from April 1, 2013 to March 31, 2016 which was commensurate to comparative remuneration paid in the Industry considering his competence and invigorating leadership provided to the Company for more than 3 decades which ensured sustained growth for the Company.

As the profit computation of the Company as per Section 198 of the Companies Act, 2013, for FY 2015-16 was inadequate for payment of managerial remuneration to Mr. Ajit Gulabchand, the Nomination and Remuneration Committee of the Board and the Board of Directors had at their respective meetings held on June 3, 2016 approved an annual remuneration for FY 2016-17 for Mr. Ajit Gulabchand which is within the yearly limit of remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

The annual remuneration proposed for Mr. Ajit Gulabchand for FY 2016-17 has been computed with reference to the Effective Capital of the Company as on March 31, 2016.

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

Other than Ms. Shalaka Gulabchand Dhawan, Whole-time Director, Mr. Ajit Gulabchand, Chairman & Managing Director is not related to any managerial personnel in the Company. Mr. Ajit Gulabchand does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out in the resolution at Item No. 4 and except to the extent of the Promoter shareholdings in the Equity Share Capital of the Company.

III OTHER INFORMATION:

(1) Reasons for loss or inadequate profits:

Overview of the Construction Sector

The construction and infrastructure sector and economic growth have a symbiotic relationship. As described in The Economic Survey of India, 2015-16, infrastructure is a sine qua non or absolute necessity for robust economic growth in India. In direct terms, the construction sector is the second largest segment after agriculture in India's economy providing employment to 40 million people and contributing to around 8% of India's GDP. In indirect terms, as noted in a study conducted by ASSOCHAM, the output multiplier demonstrates how an increase in demand of Indian construction sector can lead to an increase in overall output of the economy by 2.4 times thereby showcasing strong backward linkages of the sector with ancillary and complementary industries such as cement, steel, iron, bricks, sand, chemicals, heavy machines and equipment, sanitary ware, wood, electrical and other fixtures, paints and others.

Equally, steady economic growth is essential to create a balance between risk and return in long term investments like infrastructure projects, in order to attract capital into the sector. Finally, the general economic well-being and purchasing power of the population needs to improve to afford and sustain better infrastructure.

Key Concerns for the Infrastructure / Construction Sector

Given India's ambition for sustained economic growth of over 8%, there are several gaps prevailing today in terms of road networks, power, water works, urban infra-structure and logistics support facilities in India. Bridging these gaps is essential to create a more competitive economy that can cater to domestic and global demand. In fact, several estimates by research organisations suggest a requirement of over US$1 trillion investment in the sector over the next five years.

The biggest issue in the sector is the legacy of stalled projects, which have accumulated due to the freeze in decision making over the last four years of the previous government. This legacy has far reaching adverse repercussions on the execution of work going forward. During the last financial year, the GoI had taken steps to expedite the progress of stalled projects and constituted a special project monitoring group (PMG) to support this initiative. As per the latest available data, a total of 304 projects involving an investment of ` 12,75,877 crore remain stalled as on February 1, 2016. While this is 33% less than the figure released by the PMG in March 2015, new projects are being added to the stalled list on a quarterly basis. In fact, the top 100 stalled projects — mostly in the power, steel, railways and petroleum sectors — account for the lion's share of investments at ` 10,41,281 crore.

Not surprisingly, this legacy of stalled projects has generated a vicious cycle of financial instability for infrastructure related companies and banks.

In this environment, the entire infrastructure and construction sector is highly strapped for cash. As long as such legacy issues are not expeditiously dealt with, there is very little scope of serious revival of the sector as most companies do not have the financial strength to absorb the losses of the past and continue financing new projects.

Overview of the Company

Hindustan Construction Company Ltd., (HCC) is a 90 year old business entity and among the leading engineering, construction and infrastructure development companies in India. With an engineering heritage of nearly 100 years, the Company has executed a majority of India's landmark infrastructure projects, having constructed 25% of India's Hydel Power generation and over 50% of India's Nuclear Power generation capacities, over 3,100 lane km of Expressways and Highways, more than 200 kms of complex tunneling and over 324 Bridges. HCC's landmark projects include the Bandra Worli Sea Link, Mumbai – India's first and longest open sea cable-stayed bridge; the Kolkata Metro, Farakka Barrage and India's largest nuclear power plant at Kudankulam – Tamil Nadu, to name a few.

HCC is one of the oldest infrastructure development companies in India, founded by Seth Walchand Hirachand in 1926 and continues to complete projects of national interest with a track record of timely completion and as a preferred contractor to Central and State Authorities. Focussing primarily on large scale projects, the Company has a presence across most infrastructure related sectors in India. It has always looked to create competitive advantage by adopting world class practices and operational processes and is one of the pioneers in promoting responsible infrastructure development in India.

As a business group of global scale, it has expertise in developing construction, infrastructure, urban development projects and integrated townships and is an integral part of the Infrastructure development value chain in the country.

Financial Performance of the Company:

With market conditions reflecting slowdown in orders and large cost overruns in stalled projects, HCC's financial performance is largely a reflection of its efforts at streamlining operations, optimising efficiencies of on-going projects and a concerted push to pursue just financial claims at every level. The salient points of the performance are:

- The order book as on March 31, 2016 is ` 18,123 crore. The Company also has a record number of L-1 positions in bids aggregating to ` 3,701 crore
- Revenue from operations decreased by 2.6% to ` 4190.9 crore in 2015-16
- EBITDA is ` 812.4 crore in 2015-16 an increase of 5% over the previous year. The EBITDA margin has increased from 18.7% in 2014-15 to 19.9% in 2015-16.
- PAT has improved by 4.1% to ` 84.97 crore for 2015-16

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

Like most companies in the construction industry in India, over the last few year's HCC has had to grapple with slowdown in orders and large cost over-runs in stalled projects, which have not been duly compensated by the clients. Consequently, the debt burden has increased in a manner that is not commensurate with the size of its operations and there has been severe stress in terms of cash flows. To counter this, the Company had realigned its business strategy with emphasis on capital conservation, productivity and increased cash generation. This included renewed focus on core operations, streamlining processes for cost optimisation, and proactively work on recovering uncompensated expenses through established processes.

To help support the revival plan and provide necessary breathing space for the Company in terms of obligatory payments, HCC had availed a Corporate Debt Restructuring (CDR) package with a consortium of its bankers in 2012-13. During the course of its implementation, the banks have been largely supportive and have helped the Company deal with continuing issues prevailing in the industry.

The realigned business strategy of the Company has focused on generating cash from monetisation of non-core assets. To accomplish this, the Company has sold operating building and some land parcels. However, this has been a more difficult task in the current environment where there are hardly any buyers of infrastructure assets and mainly under development assets. It needs to be recognised that monetisation of large investments — such as the toll-road projects under HCC Infrastructure — will take longer time. In a different vein, the efforts of HCC Infra-structure to effect stake sales have been limited by contractual obligations imposed by the National Highways Authority of India.

HCC is aware of the fact that it has to significantly increase its turnover to establish equilibrium with the size of its balance sheet. However, the Company is conscious that the increased turnover must be sufficiently profitable to generate the kind of cash requirements that can service its debt exposure. Consequently, profitable business development has been a thrust area for the Company.

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

The Government of India (GoI) has certainly recognised the importance of ac-celerating investments in infrastructure to boost the country's slowing economy and launched several reform measures to boost sectors like roads, railways, power distribution, rural and urban development. The Union Budget 2016-17 has allocated a record ` 2.21 lakh crore for the infrastructure sector. The roads sector alone has been allocated ` 97,000 crore as the government plans to award 10,000 kilometres of new road projects in 2016-17, including ` 19,000 crore earmarked for rural roads under the Pradhan Mantri Gram Sadak Yojna. In addition, the Government has initiated several policy reform measures to support the sector. This includes promotion of hybrid method of road development, reform measures for state electricity boards and power distribution, redeveloping inland waterways and thrust on renewable energy. Unfortunately, much of the measures are yet to translate into development work on the ground, and important initiatives like changes to the land acquisition bill and issues related to coal allocations are yet to be resolved politically.

These planned investments and initiatives, if realized, can propel the country's economic growth to a higher trajectory.

So, while there are some positive signals for the India's economic growth, there are clear concerns that we are far from being on the runway for a take-off. And, one of the biggest anxieties relate to infrastructure and construction activities, which not only provide the sinews for further economic growth but also provide serious opportunities for increasing employment for the country's huge labour force.

As far as the Company is concerned, 2015-16 has been a step in the right direction for HCC. The Company started the year with an order backlog of ` 14,451 crore. The focus on acquiring large orders has helped the Company grow the order backlog by 25% to ` 18,123 crore. Given the market dynamics and HCC's competitive strengths, most of the new projects have been in the roads and nuclear power sectors. The foray into buildings has also started paying dividend.

Much of the Company's performance in 2015-16 is reflected in its standalone financial statements, which reflects the results of primarily the engineering and construction business. This financial performance is largely a reflection of HCC's efforts at streamlining operations, optimising efficiencies of on-going projects and a concerted push to pursue pending dues at every level.

HCC continued with its emphasis on sustained improvements in project execution efficiencies by setting norms and adopting a strict monitoring mechanism for key operational parameters across projects. These have resulted in notable gains in terms of inventory turnover, operating margins, cash collections as well as employee productivity.

Specific thrust areas have been identified for all functional departments to bring about quantum reduction in direct cost of construction. In order to concentrate on value generating large projects, focus was laid on expeditious closing out of old projects which has helped release both equipment and management bandwidth.

The project management teams, through collaborative engagement with clients, worked on various solutions to ease cash flows of stressed projects and ensure unhindered progress of work. The Company also used a robust system to manage contractual and commercial risks of large value contracts and took timely actions in protecting the its contractual rights and realisation of entitlements.

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

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

IV DISCLOSURES:

(1) The Members of the Company have been informed of the remuneration proposed to be paid to Mr. Ajit Gulabchand, Chairman & Managing Director for the FY 2016-17 which has been fully set out in the Resolution at Item No. 4.

(2) Disclosures on remuneration to the Directors of the Company including details of Stock Options issued by the Company have been made in the Corporate Governance Report which forms a part of the Report of the Board of Directors in the Annual Report of the Company for FY 2015-16.

The Nomination and Remuneration Committee of the Board and the Board of Directors had at their respective meetings held on June 3, 2016 approved an annual remuneration for FY 2016-17 for Mr. Ajit Gulabchand which is within the yearly limit of remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013.

The remuneration as stated in the resolution at Item No. 4 of the accompanying notice is recommended by the Board for your approval.

Accordingly shareholders approval is sought vide special resolution in accordance with the requirements of Section II of Part II of Schedule V of the Companies Act, 2013. Mr. Ajit Gulabchand is interested to the extent of remuneration payable to them under Resolution No. 4. No other Director is directly or indirectly concerned or interested in the said resolution.

Ms. Shalaka Gulabchand Dhawan – Whole-time Director and Mr. Arjun Dhawan, President & CEO - Infrastructure Business of the Company being the relative of Mr. Ajit Gulabchand is directly/ indirectly concerned or interested in the resolution at Item No. 4.

Save and except as above, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 4 of this Notice.

Item No.5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Joshi Apte & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration paid / payable to the Cost Auditor is to be ratified by the Members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2015-16 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 5 of this Notice.

Item No.6

The Special Resolution contained in the Notice under Item No. 6 relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares, GDRs, ADRs, Foreign Currency Convertible Bonds, Convertible

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

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

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

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

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

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

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

The Special Resolution as set out at Resolution No. 6, if passed, will have the effect of permitting the Board to issue and allot Securities to Investors, who may or may not be existing members of the Company in the manner as set out in resolution No.6.

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

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7

The Company had in the FY 2011-12, approached its lenders to restructure its Debts under the Corporate Debt Restructuring Scheme (hereinafter referred to as the 'CDR Scheme') of the Reserve Bank of India and as per the terms of the Corporate Debt Restructuring package approved for the Company, the CDR Lenders have a right to convert the restructured facilities into Equity shares of the Company, in the event the Company fails to comply with the stipulated conditions in the Master Restructuring Agreement.

Further the Company has also executed a Common Loan Agreement (CLA) on January 11, 2016 for procuring additional facilities for the Company, as per the terms of the CLA, wherein it is provided that the CLA Lenders have the right to convert the additional facilities into equity shares of the Company, in the event the Company fails to comply with the terms and conditions of the CLA.

Therefore, it is necessary to pass an enabling Special resolution under Item No. 7 in order to provide the Lenders with the conversion right as stipulated in the MRA/CLA.

The Board recommends the resolution as Item No.7 of this Notice for approval of the shareholders as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 7 of this Notice.

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

SANGAMESHWAR IYER
Company Secretary

Registered Office:

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

Place : Mumbai
Date : June 3, 2016

Annexure A

Details of the Director seeking appointment in the forthcoming Annual General Meeting in pursuance of Regulation 36(3) of the SEBI Listing Regulations

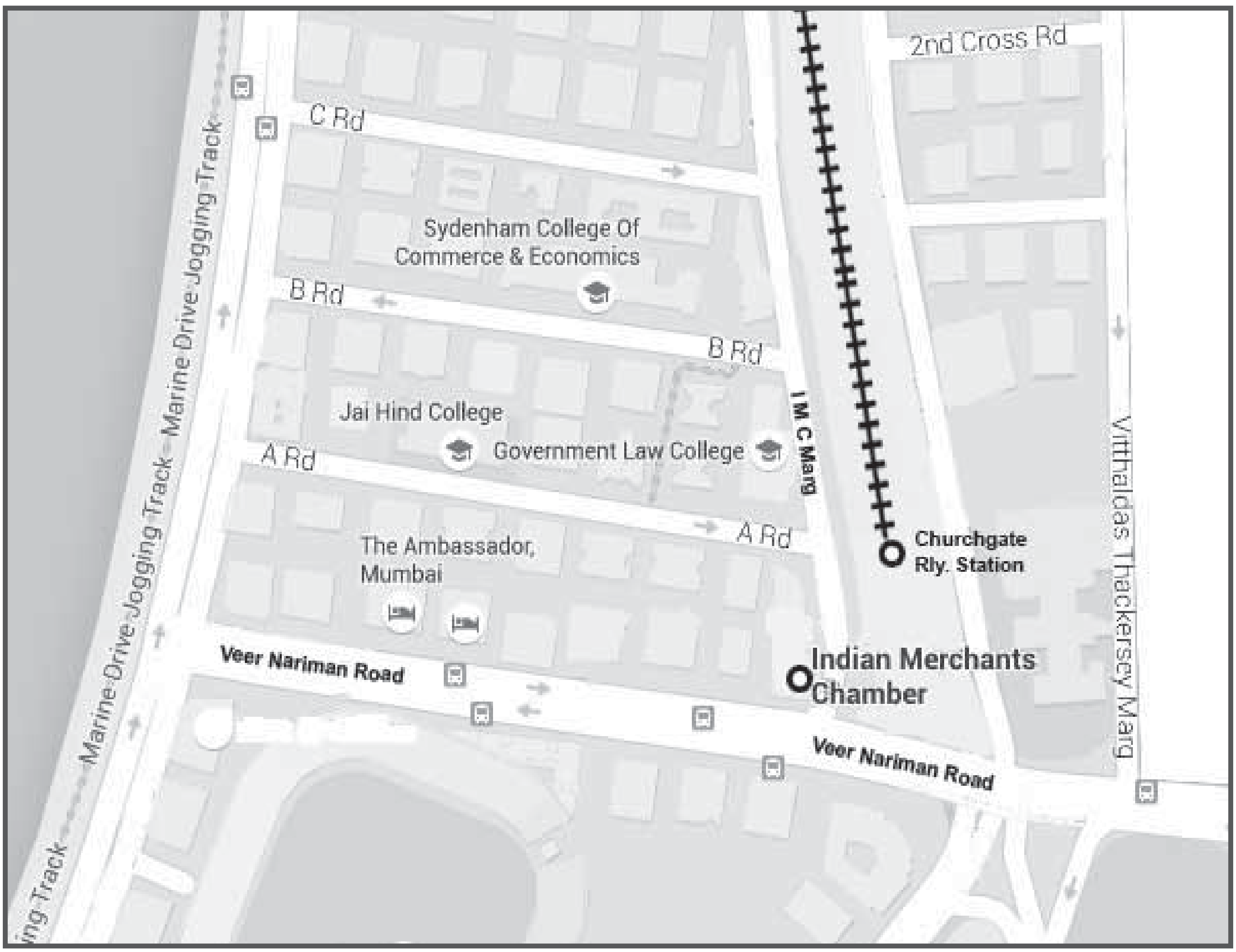
Name of the Director	Mr. N. R. Acharyulu
Date of Birth	May 22, 1944
Qualification	B.E. (Mechanical)
Date of Appointment	May 2, 2016
Brief Resume	As provided in the Explanatory Statement under Item No. 3
Relationship with Directors	None
Expertise in specific functional areas	Wide Experience in Project Management
Directorship held in Other Companies as on March 31, 2016	Eco Carbon Private Ltd
Chairman/Member of the Committee of the Board of Directors in Other Companies as on March 31, 2016	Nil
Number of Shares held in the Company as on March 31, 2016	Nil

ROUTE MAP TO REACH THE AGM VENUE

Venue of the 90th Annual General Meeting of the Company to be held on
Thursday, July 14, 2016 at 11.00 a.m.

Venue Address

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



Important Financial Statistics

Year	Paid Up Capital Equity ` Lacs	Preference ` Lacs	Reserves ` Lacs	Debentures ` Lacs	Fixed Assets Gross Block ` Lacs	Net Block ` Lacs	Turnover ` Lacs	Net Profit ` Lacs	Dividend paid on Preference and Equity shares ` Lacs	Equity Dividend %
1926-27	4.00	—	0.30	—	0.58	0.58	N.A.	0.98	0.80	20.00
1927-28	4.00	—	0.30	—	0.53	0.53	N.A.	0.98	0.80	20.00
1928-29	4.00	—	0.25	—	0.53	0.53	N.A.	1.38	1.40	35.00
1929-30	4.00	—	0.25	—	0.50	0.50	N.A.	0.81	0.70	17.50
1930-31	4.00	—	0.25	—	0.84	0.84	N.A.	0.12	-	-
1931-32	4.00	—	0.25	—	0.94	0.64	N.A.	0.44	0.40	10.00
1932-33	8.00	—	0.25	—	1.78	1.28	N.A.	2.19	2.00	25.00
1933-34	8.00	—	0.19	—	3.16	2.66	N.A.	2.67	2.80	35.00
1934-35	12.00	—	0.24	—	3.42	2.82	N.A.	2.19	2.00	16.33
1935-36	12.00	—	0.48	—	4.71	3.96	9.40	1.86	1.75	14.50
1936-37	12.00	—	0.56	—	7.30	6.40	62.96	1.81	—	—
1937-38	12.00	—	0.70	—	8.08	7.18	69.04	-1.90	—	—
1938-39	12.00	—	0.70	—	6.85	5.95	45.50	0.31	—	—
1939-40	12.00	—	0.70	—	6.02	5.12	90.39	3.58	2.40	20.00
1940-41	12.00	—	1.70	—	5.36	4.46	184.58	4.28	4.20	35.00
1941-42	12.00	25.00	1.70	—	4.70	3.80	510.53	7.45	6.18	45.00
1942-43	12.00	25.00	1.70	—	4.66	3.01	574.57	10.59	8.76	60.00
1943-44	12.00	25.00	1.70	—	4.89	1.74	466.69	10.33	8.56	60.00
1944-45	12.00	25.00	2.70	—	3.87	—	—	10.14	1.56	—
1945-46	12.00	25.00	9.70	—	3.99	0.04	175.47	12.89	4.56	25.00
1946-47	12.00	25.00	17.70	—	10.46	6.31	165.70	10.92	4.56	25.00
1947-48	36.00	25.00	1.70	—	12.40	8.25	249.76	8.26	4.56	8.33
1948-49	36.00	25.00	5.70	—	14.46	10.31	263.14	11.20	4.56	8.33
1949-50	36.00	25.00	12.70	—	18.52	14.37	202.49	9.75	5.16	10.00
1950-51	36.00	25.00	15.70	—	21.38	16.23	239.24	9.10	5.16	10.00
1951-52	36.00	25.00	18.70	—	21.89	15.94	299.04	6.22	5.16	10.00
1952-53	36.00	25.00	19.00	—	24.30	17.35	231.57	8.16	5.16	10.00
1953-54	36.00	25.00	21.50	—	24.09	16.64	—	10.65	5.16	10.00
1954-55	36.00	25.00	24.00	—	24.06	14.11	345.62	15.34	5.16	10.00
1955-56	36.00	25.00	25.35	—	27.93	16.01	415.54	17.73	6.06	12.50
1956-57	36.00	25.00	23.34	—	29.42	17.01	769.15	12.46	6.06	12.50
1957-58	36.00	25.00	51.11	—	37.16	25.06	928.37	15.22	6.06	12.50
1958-59	36.00	25.00	66.70	—	38.48	24.10	1080.85	24.37	8.76	20.00
1959-60	36.00	25.00	97.62	—	563.22	210.51	913.84	31.88	8.76	20.00
1960-61	36.00	25.00	129.34	—	575.97	202.46	1037.66	31.08	8.76	20.00
1961-62	72.00	25.00	144.75	—	635.20	225.06	1280.33	59.68	11.45	20.00
1962-63	72.00	25.00	218.32	—	673.22	259.40	1476.12	30.86	15.96	20.00
1963-64	72.00	25.00	280.29	—	744.67	281.65	1837.79	84.51	37.56	50.00
1964-65	72.00	25.00	389.13	—	889.87	364.65	2169.89	120.79	44.76	60.00
1965-66	180.00	25.00	389.81	—	977.45	401.22	2021.32	114.64	46.43	25.00
1966-67	252.00	25.00	391.81	—	1154.51	503.28	1994.93	72.76	46.92	18.00
1967-68	252.00	25.00	427.26	—	1250.05	524.60	1689.72	55.35	31.80	12.00
1968-69	252.00	25.00	472.14	—	1420.94	614.79	2249.82	36.61	31.80	12.00
1969-70	252.00	25.00	492.31	—	1473.64	577.23	2574.57	28.86	31.80	12.00
1970-71	252.00	25.00	468.44	—	1541.99	527.99	2256.93	-37.01	1.56	—
1971-72	252.00	25.00	355.07	—	1580.80	471.42	2294.29	-140.47	1.56	—
1972-73	252.00	25.00	260.62	120.00	1677.91	491.34	2478.09	-136.27	1.56	—
1973-74	252.00	25.00	216.33	120.00	1776.09	481.58	2962.99	-55.7	—	—
1974-75	252.00	25.00	301.11	120.00	1825.94	462.49	3006.50	61.65	—	—
1975-76	252.00	25.00	320.23	120.00	1890.47	471.69	2529.62	15.98	19.81	6.00
1976-77	252.00	25.00	435.82	120.00	1994.99	508.35	3485.71	-46.25	51.96	20.00
1977-78	252.00	25.00	384.81	96.00	2111.14	594.75	2903.63	145.71	16.68	6.00
1978-79	252.00	25.00	387.43	80.42	2170.42	595.93	3146.53	21.38	24.24	9.00
1979-80	252.00	25.00	409.90	64.85	2255.96	582.63	4181.76	45.31	24.24	9.00
1980-81	252.00	25.00	608.98	49.28	3122.81	1152.64	6916.96	233.58	39.36	15.00
1981-82	252.00	25.00	755.81	45.71	3991.44	1598.37	10989.86	184.07	39.36	15.00
1982-83	252.00	25.00	1861.51	42.14	4744.49	2745.66	11021.23	422.90	39.36	15.00
1983-84	628.54	25.00	2046.45	38.57	5022.30	2748.32	10989.89	513.13	81.46	15.00
1984-85	629.96	25.00	2253.89	1035.00	5627.17	3052.75	9178.04	231.06	96.06	15.00
1985-86	629.98	25.00	2057.21	1035.00	6329.50	3311.65	8426.38	-195.12	1.56	—
1986-87	630.00	25.00	1710.57	1035.00	6578.91	3102.10	9885.49	-346.64	—	—
1987-88	630.00	25.00	1672.72	990.83	6445.07	2653.76	12334.37	21.98	59.83	9.00
1988-89 (14 months)	630.00	25.00	1772.71	1032.15	6282.70	2308.82	12223.19	202.61	102.62	16.00
1989-91 (18 months)	630.00	—	1820.25	1421.60	6685.51	2477.79	12794.33	161.05	113.46	18.00
1991-92 (15 months)	775.13	—	1824.84	1031.78	6318.24	2015.47	11232.57	64.95	60.36	8.00
1992-93	775.90	—	2006.60	800.65	7033.20	2488.91	11072.27	275.01	93.25	12.00
1993-94	775.98	—	2624.81	547.16	7949.79	3101.73	14292.85	812.48	194.27	25.00
1994-95	776.79	—	3955.22	451.73	8442.89	2899.08	22037.40	1562.96	232.96	30.00
1995-96	2002.55	—	5499.23	7120.58	9890.04	4770.48	24695.24	1050.63	304.84	17.50
1996-97	2003.04	—	5559.82	7206.41	16083.41	10493.38	31170.13	324.51	200.03	10.00
1997-98	2003.04	—	5771.45	7133.23	17112.45	10743.31	37563.57	431.97	200.03	10.00
1998-99	2003.04	—	6348.45	7059.89	27251.87	18942.28	62540.25	924.66	300.46	15.00
99-2000	2003.04	—	8043.55	6962.16	29566.64	19839.21	53077.22	2139.83	400.66	20.00
2000-01	2003.05	—	10145.17	6142.13	34454.43	23602.22	56585.93	2653.54	500.83	25.00
2001-02 (9 months)	2003.06	—	9986.63	5819.92	41916.96	28851.20	46394.16	4274.91	600.72	30.00
2002-03	2003.06	—	11948.68	7000.00	48911.08	35820.96	78923.25	2865.64	800.96	40.00
2003-04	2003.06	—	14387.18	7000.00	54821.32	36943.13	117135.67	3567.98	1001.20	50.00
2004-05	2293.61	—	33004.80	9800.00	62076.02	43804.21	157654.05	7401.96	1375.77	60.00
2005-06	2563.16	—	86418.93	8933.33	77280.60	59949.11	202814.87	12479.81	1793.75	70.00
2006-07	2563.16	—	87845.40	17966.67	110118.56	74616.08	239450.36	3675.96	1921.87	75.00
2007-08	2563.16	—	96323.45	16900.00	140970.45	95307.98	310434.07	10875.74	2050.00	80.00
2008-09	2563.16	—	96403.00	20500.00	168283.00	112819.00	351832.00	12535.00	2050.00	80.00
2009-10	3033.16	—	148683.00	18333.00	181418.00	114969.00	386297.00	8144.00	2426.00	80.00
2010-11	6066.00	—	146153.00	16667.00	198749.00	118428.00	414905.00	7100.00	2426.00	40.00
2011-12	6066.00	—	123944.00	22000.00	205622.00	112447.00	401060.00	-22225.00	—	—
2012-13	6066.00	—	110211.00	22000.00	206289.00	101039.00	383865.00	-13764.00	—	—
2013-14	6066.00	—	118673.00	22000.00	202580.00	91540.00	411349.00	8064.00	—	—
2014-15	6459.00	—	132286.00	21010.00	200646.00	78474.00	430114.00	8165.00	—	—
2015-16	**7792.00**	—	**178491.00**	**18730.00**	**194985.00**	**66908.00**	**419090.00**	**8497.00**	—	—

Notes

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This annual report has been printed on eco-friendly paper.

Cover images (clockwise from top)
- An employee at the 160 MW Teesta Low Dam Hydroelectric Power Project - Stage IV, West Bengal
- Baharampore Farakka Highway (West Bengal), a BOT project of HCC Concessions
- Lakeside apartments alongside the serene Dasve Lake at Lavasa City
- SkyKey, a new landmark in Zurich North, Switzerland, built by Steiner AG