

**K. S. AIYAR & CO**  
CHARTERED ACCOUNTANTS

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**The Board of Directors  
Hindustan Construction Co. Ltd.  
11<sup>th</sup> Floor, Hinson House,  
247 Park  
L. B. S. Marg, Vikhroli (West)  
Mumbai – 400 083**

Dear Sirs,

**Re: Limited Review of the Unaudited Financial Results for the period ended 31<sup>st</sup> December, 2011.**

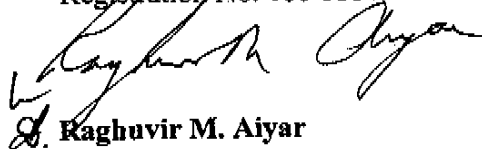
1. We have reviewed the accompanying statement of unaudited financial results of Hindustan Construction Company Limited for the period ended 31<sup>st</sup> December, 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors on 20<sup>th</sup> January, 2012. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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3. Without qualifying our opinion, we draw attention to:
- (a) Note No. 6, regarding an Order of the Calcutta High Court which has not accepted an arbitration award decided in favour of the Company in earlier years to the extent of Rs 34.63 crore; the Company intends to contest the same in appeal; the ultimate outcome cannot presently be determined and no provision has been considered necessary by the management.
  - (b) the negative net worth of two subsidiary companies namely Pune Paud Toll Road Company Limited and HCC Aviation Limited; the management is of the opinion that the losses in both the subsidiaries are temporary in nature in view of the long term business outlook and future growth plans, in the above subsidiaries. In view of the above, no diminution in the value of investment is considered and the loans and advances given are fully recoverable.
  - (c) Note No 7, detailing various Exceptional Items aggregating to Rs 166.33 Crs which include review of the profitability of certain projects, expected future losses, cost to complete, based on technical estimates made by the management
4. Read with para 3 above and based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For K. S. Aiyar & Co.  
Chartered Accountants  
Registration No. 100 186W



**R. Raghuvir M. Aiyar**  
Partner  
Membership No. : 38128

Place: Mumbai  
Date: 20<sup>th</sup> January, 2012