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HCC**Attendance Slip**

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Shares held _____

Regd. Folio No. _____ DP ID No. _____ Client ID No. _____

(Name in BLOCK letters) _____

I hereby record my presence at the 84th ANNUAL GENERAL MEETING of the Company held at Walchand Hirachand Hall, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020 on Friday, 11th June, 2010 at 11.00 a.m.

Member's/Proxy's Signature

NOTES :

1. Members/Proxy holders are requested to bring their copy of the Annual Report with them at the Meeting.

Hindustan Construction Co. Ltd.

Registered Office :

Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

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HCC**Proxy Form**

Shares held _____

Regd. Folio No. _____ DP ID No. _____ Client ID No. _____

(Name in BLOCK letters) _____

I/We _____ of _____ in the district of

_____ being a Member/Members of the above-named Company, hereby appoint _____

_____ of _____ in the district of

_____ or failing him _____ of _____ in the district of

_____ as my/our proxy to vote for me/us and on my/our behalf at the 84th Annual General Meeting of the Company to be held on Friday, 11th June, 2010 at 11.00 a.m. or at any adjournment thereof.

Signed this _____ day of _____ 2010.

Signature _____

Affix
One Rupee
Revenue
Stamp

Note : The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Hindustan Construction Co. Ltd.

Registered Office :

Hincon House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083

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Highlights 2009-10

- Order book increases by 15% to Rs. 18,810 crore
- New orders worth Rs. 5,748 crore received during the year
- Turnover improves by 10% to Rs. 3,863 crore
- Lavasa posts turnover of Rs. 482 crore and PAT of Rs. 140 crore
- HCC Infrastructure asset portfolio expands to Rs. 5,539 crore

HCC'S CONTRIBUTION TO NATION BUILDING

ANDHRA PRADESH

01. Ramagundam Thermal Power Project
02. Vizag Monolith, West Wall Protection
03. Godavari Barrage at Rajahmundry
04. Papavinasam Dam
05. Chimney at Vijayawada
06. Environmental Engineering Works at Hyderabad
07. Railway Bridge over river Godavari
08. Vijayawada Tunnel Works
09. Godavari LIS Phase I
- 10. Godavari LIS Phase II
- 11. Polavaram Project Right Main Canal
- ★ 12. North South Corridor NHDP Phase II Package AP-8 on BOT (Annuity) basis
- 13. Cavern for Crude Oil Storage, Vishakhapatnam
- 14. Rajiv Dummugudem
- 15. Pula Subbaiah Veligonda Tunnel
- 16. JCR Devadula LIS Phase III
- 17. Pranahita Chevella LIS

ASSAM

18. Brahmaputra Bridge at Amingaon and Tezpur
19. Civil Works for Refinery at Guwahati
- 20. Four laning of NH-54, (AS23)
- ▲ 21. Single Line Tunnel No. 1 between Dholakal and Kalmaj

BIHAR

22. Sone Barrage
23. Ganga Bridge at Mokameh
24. Barauni Thermal Power Plant
25. Panchet Powerhouse
26. Rail cum Road Bridge Munger

CHATTISGARH

27. Bhilai Steel Plant
28. Bailadila Project

DELHI

29. Water and Sewage Treatment Plants
30. DMRC - Vishwa Vidyalaya to ISBT
- 31. DMRC - Airport Metro Express Line Contract AMEL - C1
- 32. DMRC - Airport Metro Express Line Contract AMEL - C6

★ 33. Badarpur Elevated Highway

GOA

34. Goa Barge Berth at Marmugoa

GUJARAT

35. Kandla Oil Jetty
36. 180 m high Chimney at Wanakbori
37. Tapi Road Bridge
38. Kakrapar Atomic Power Project
39. Two Cooling Towers at Gandhinagar
40. Gujarat State Highways Project - Mehsana to Palanpur
- 41. Saurashtra Branch Canal Pumping Scheme
42. Kalol Mehsana Gas Pipeline Project
- ▲ 43. Pumped Water Supply Scheme from Kesaria to Sonaria, (NC-25)

HARYANA

44. Road Bridge at Palwai
45. Panipat Chimney
46. Hathnikund Barrage at Yamunanagar

HIMACHAL PRADESH

47. Chamera HEP, Stage I
48. Nathpa Jhakri HEP
- 49. Chamera HEP, Stage III
- 50. Kashang HEP

JAMMU & KASHMIR

51. Salal HEP
52. Udhampur - Srinagar - Baramulla Rail
- 53. Uri-II HEP, Lot 1
- 54. Pir Panjal Tunnel (Zone-VA)
- 55. Pir Panjal Tunnel (Zone-VB)
- 56. Mughal Road
- 57. Sawalkote HEP
- 58. Chutak HEP, Lot 1
- 59. Nimmo Bazgo HEP, Lot 1
- 60. Kishanganga HEP

JHARKAND

61. Chandil Dam
62. Icha Dam
63. Grand Trunk Road Improvement Project

KARNATAKA

64. Tunnel and Powerhouse at Sharavati
65. Dockwork for MPT at Mangalore
66. Kadra Dam
67. Karnataka State Highways Project
- ▲ 68. Cavern for Crude Oil Storage, Padur

KERALA

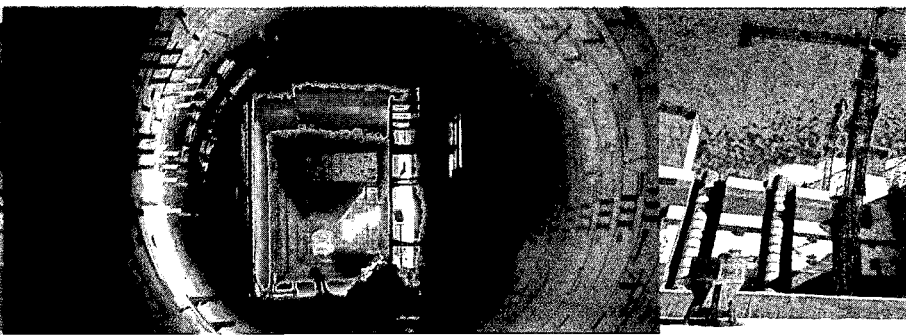
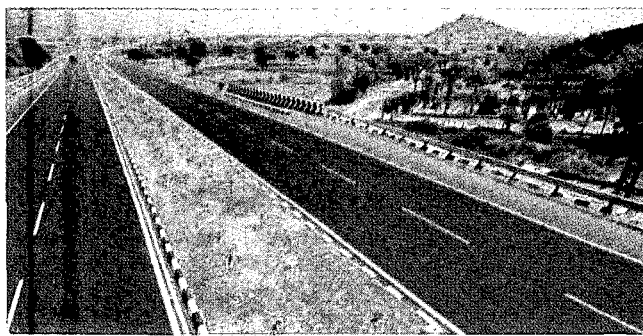
69. Tanker Terminal and Fertiliser Berth, Cochin
70. Dam across Kulamavu
71. Dam of Peppara
72. Dam across Idamalayar
73. Lower Periyar Tunnel Power Project
74. Dam across Moozhiyar and Veluthodu
75. Sebarigiri Dam
76. Wellington Bridge, Cochin
77. Lower Periyar Dam and Powerhouse
78. Brahmapuram Diesel Power Plant

MADHYA PRADESH

79. Satpura TPS
80. Tons Road Bridge
81. Tons HEP
82. Road Bridge over Indravati River

MAHARASHTRA

83. Uran Turbine and LPG Station
84. Bhandup Water Treatment Complex
85. BARC Civil Works
86. SSSF Project at Tarapur
87. Sina Aqueduct
88. Panvel Creek Bridge
89. Barvi Expansion Project
90. Railway bridges over Vasai Creek
91. Bhorghat Tunnel
92. Factory Civil Works for Premier Automobiles Limited
93. Ambernath/Ulhasnagar STP
94. Water Treatment Plant, Pune
95. Underground Powerhouse, Koyna
96. Kolkewadi Dam
97. Bridge over River Ulhas
98. Trombay Chimney Works



- 99. Nhava Sheva WTP Works, Raigadh
- 100. Tunnel between Sewri and Futka
- 101. Koyna Stage IV Powerhouse Complex
- 102. Tunnel between E Moses Road and Ruparel College, Mumbai
- 103. Aerated Lagoons, Mumbai
- 104. Bandra Effluent and Influent Disposal, Mumbai
- 105. Housing Complex, Navi Mumbai
- ★ 106. NH-3 MP/Maharashtra Border-Dhule
- 107. Ghatkopar High Level Tunnel, Mumbai
- 108. Mumbai-Pune Expressway
- 109. Vaitarna Dam
- 110. Satara Kolhapur Road, NH-4
- 111. Water Supply Tunnel from Bhandup to Charkop, Mumbai
- 112. Bandra-Worli Sea Link
- 113. Gosikhurd Spillway, Nagpur
- 114. Lavasa, Pune
- ★ 115. Pune Paud BOT Road
- 116. Ghodazari Branch Canal
- 117. Water Supply Tunnel from Maroshi to Ruparel College, Mumbai
- 118. Middle Vaitarna Water Pipeline
- ▲ 119. Gosikhurd Hydel Scheme
- ▲ 120. DGNP Dry-Dock and Wharves Construction, Mumbai

ORISSA

- 121. Dam at Upper Kolab
- 122. Road Bridge across Mahanadi
- 123. Syphons at Kuakhai and Khushbhadra
- 124. Naraj Barrage, New Cuttack
- 125. Paradip Port Road
- ▲ 126. Pot Shell Fabrication Works for Aditya Aluminium Project
- ▲ 127. Pot Superstructure Fabrication Works for Aditya Aluminium Project
- ▲ 128. Civil and Piling Works for Aditya Aluminium Project

PUNJAB

- 129. 140m high Chimney at Ropar
- 130. Rail Coach Factory at Kapurthala

RAJASTHAN

- 131. Rajasthan Atomic Power Project, Units I & II

- 132. Chambal Bridge at Dholpur
- 133. Rajasthan Atomic Power Project, Units 3 & 4
- 134. Rajasthan Atomic Power Project, Units 5 & 6
- 135. East-West Corridor Project, Package-EW-II (RJ-7)

SIKKIM

- 136. Teesta Hydroelectric Project Stage VI

TAMIL NADU

- 137. Kadamparai Pumped Storage
- 138. Lower Mettur Barrages, Substructure and Powerhouse
- 139. Chennai Ore Berth, Jetty, Wharf
- 140. Sewage Treatment Plant, Chennai
- 141. Upper Nirar Tunnel
- 142. Navamalai Tunnel
- 143. Ennore Port-Rock Quarrying
- 144. Ennore Breakwater
- 145. Mass Rapid Transit System, Chennai
- 146. Kudankulam Nuclear Power Project, Units 1 & 2, Package III
- 147. Tirupur Water Supply Project
- 148. Chennai Bypass, Package CBP2

UTTAR PRADESH

- 149. Maneri Bhali Hydel Project
- 150. Narora Atomic Power Project
- 151. Rihand Dam
- 152. Rihand STPP
- 153. Shards and Ghogra Barrages
- 154. Yamuna Hydel Project
- 155. Gomti Aqueduct
- 156. Sai Aqueduct
- 157. Varanasi Bridge
- 158. Malvika Steel Works
- 159. Naini Cable Stayed Bridge
- 160. Allahabad Bypass Road, Package ABP2
- 161. Lucknow-Muzaffarpur National Highway Project Package LMNHP-EW II (WB)-1
- 162. Lucknow-Muzaffarpur National Highway Project Package LMNHP-EW II (WB)-2
- 163. Lucknow-Muzaffarpur National Highway Project Package LMNHP-EW II (WB)-3

- 164. Lucknow-Muzaffarpur National Highway Project Package LMNHP-EW II (WB)-4

UTTARAKHAND

- 165. Dhauliganga HEP
- 166. Loharinag Pala HEP

WEST BENGAL

- 167. Farakka Barrage
- 168. Mahananda Barrage
- 169. Kolkata Metro
- 170. Teesta Barrage
- 171. Haldia Docks Project
- 172. Environmental Engineering Works at Kolkata
- 173. Kalyani Bridge
- 174. Earthworks for Farakka STPP
- 175. Dauk Barrage
- 176. RCC Chimney for Kolaghat TPS
- 177. Underwater works for KTPP
- 178. Golden Quadrilateral Road Project - Kolaghat to Kharagpur
- 179. Purulia Pumped Storage Project
- 180. Teesta Low Dam HEP Stage IV, Lot I
- ▲ 181. Elevated Road Corridor from Park Circus to E.M. Bypass, Kolkata
- ★ 182. Four-laning of Bahrapore-Farraka Section of NH-34
- ★ 183. Four-laning of Farraka-Raiganj Section of NH-34
- ★ 184. Four-laning of Raiganj-Dalkhola Section of NH-34

BHUTAN

- 185. Kurichu Hydroelectric Dam Project
- 186. Tala Hydroelectric Project, Package C-1
- 187. Tala Hydroelectric Project, Package C-4
- 188. Punatsangchhu Hydroelectric Project-Powerhouse
- ▲ 189. Dagachhu Hydro Power Plant (Civil Works), 114 MW

■ Projects completed in the year

● Projects in progress

▲ New Projects

★ BOT Projects



Chairman's Letter

Dear Shareholder,

As I write this letter, the world has avoided what could have been its worst depression in the last 100 years. But it is far from being 'business as usual'. Although the United States is expected to grow its real GDP by a bit over 3% in 2010, the same cannot be said about most of the developed world. The Economist poll puts Euro Zone growth at a mere 1.3% for 2010. Japan will grow by 1.9%. The United Kingdom will be lucky to post 1.3% GDP growth. Greece is bankrupt and S&P has sharply cut its sovereign credit rating. Its GDP is expected to contract by 2.5%. Spain, too, may contract this year.

Equally, we are seeing a clear shift in geographical plays. China achieved 8.7% GDP growth in 2009, and is expected to grow at somewhere between 9.7% and 10% in 2010. India should clock 7.2% to 7.5% growth in 2009-10, and then cross 8% in 2010-11. And Brazil is slated to grow at over 5.5% in 2010. In simple terms, the three major emerging economies - Brazil, India and China - have not only shrugged off the slowdown remarkably quickly, but are also poised to deliver significantly higher GDP growth in the next few years. Even The Economist, not prone to overstatement, has written, "It is hardly news that the world's centre of gravity is shifting towards emerging markets... Emerging countries are no longer content to be sources of cheap hands and low cost brains. Instead they too are becoming hotbeds of innovation, producing breakthroughs in everything..." [The Economist, leader, 17th April, 2010 p.9].

This is an India whose growth will have to be driven by infrastructure investments. Until 2007-08, there was rapid growth in infrastructure activity. That changed dramatically for the worse in 2008-09, and continued to be muted for most of 2009-10. Thankfully, infrastructure has again taken off from the last quarter of 2009-10, especially with investments in highways and power projects. And it is strengthening further going by what we are seeing of 2010-11.

Thus, while we see significant growth in 2010-11, the fact is that your Company's financial results for 2009-10 have been muted. Here is a brief summary:

HCC's order book grew by 15% to Rs. 18,810 crore during the year.

Income from operations increased by 10% to Rs. 3,863 crore in 2009-10.

EBITDA (before profits from JV and other income) increased by 3% to Rs. 443 crore.

PAT (including profit from JVs and other income) of Rs. 81 crore in 2009-10 is not comparable to 2008-09 due to one-time write-offs during 2009-10, and extraordinary gains in the previous year.

Although profits were subdued, there are several positive takeaways from 2009-10 that augur well for the future. Let me share some of these with you.

First, the landmark Bandra-Worli Sea Link Project was completed during the year, and today both the carriageways are open to traffic. It was inaugurated in June 2009 by Smt. Sonia Gandhi, Chairperson of the UPA. An iconic structure, not only for Mumbai but the whole country, the Sea Link was awarded the 'Most Outstanding Bridge - National Award' by the Indian Institution of Bridge Engineers (IIBE) in 2009.

Second, there was a sizeable growth in your Company's order book, which stood at Rs.18,810 crore as on 31st March, 2010. Indeed, it has crossed Rs.23,000 crore, including Rs.4,390 crore worth of orders where HCC is the L1 bidder.

Third, you may recall that in July 2009, your Company raised over Rs.480 crore through qualified institutional placement (QIP). These funds have been used to reduce HCC's debt, thereby bringing down the interest burden and enabling your Company rationalise its debt-equity and interest service coverage ratios. In effect, HCC has unencumbered its balance sheet.

Fourth, the environment of subdued growth allowed your Company to focus on improving its processes and systems, which has resulted in greater organisational productivity and better efficiency in project management. HCC has developed an excellent IT system which covers its head office, 44 major projects, key suppliers and vendors as well as operations of its subsidiaries including HCC Infrastructure, HCC Real Estate and Lavasa Corporation. Your Company has also adopted an integrated approach towards quality, environment, health and safety, with the objective of creating a culture of continuous improvements that can enhance product and deliver quality while maintaining the highest standards of environment protection and safety. HCC adheres to the stringent standards stipulated by ISO 9001:2008 for quality; ISO 14001:2004 for the environment; and BS OHSAS 18001:2007 for occupational health and safety.

Fifth, in March 2010, your Company made its first international acquisition by taking a controlling stake of 66% in Karl Steiner AG (KSAG) of Switzerland. KSAG is a total services contractor, and is engaged in planning and developing real estate projects, as well as undertaking construction and renovation work. It has several landmark works to its credit, and is the second largest total services contractor in the Swiss market. The KSAG acquisition should help HCC to capture both local market opportunities and also provides a presence for European expansion. KSAG's expertise in total services contracting will also allow HCC to undertake the development and construction of world-class, high-end residential and commercial spaces on a turnkey basis in India. This is one of the fastest growing segments in India - currently estimated at \$25 billion annually - and your Company intends to create a niche for itself by addressing the Indian customer's needs for top class, green and well-integrated spaces for living, work and leisure.

Sixth, HCC Infrastructure has done well. It services your Company's forays in the Design, Build, Finance, Operate and Transfer (DBFOT) business.

HCC Infrastructure started its operations two years ago. In the last year itself, it has grown its portfolio from Rs.2,300 crore to over Rs.5,500 crore. The assets under management include six NHAI road concessions, of which one is operational. Your Company plans to grow its road portfolio to Rs.15,000 crore in the next 24 to 30 months.

Seventh, HCC Real Estate has shown promise. The commercial complex, '247 Park' at Vikhroli (West) in Mumbai, was completed during the course of 2009-10. Even in a depressed commercial real estate market, over 75% of 247 Park's leasable area has been leased out. The building was awarded Leadership in Energy and Environmental Design (LEED) Gold Certification - the largest stand-alone building in India to receive this honour. In addition, construction activities are soon expected to commence on the Company's land parcel in Vikhroli (East).

Eighth, Lavasa has been progressing at a rapid pace. Set amidst seven hills of the Sahyadri range with a 60 km. lake front, Lavasa is free India's first planned hill city that will offer state-of-the-art modern amenities in a tranquil and scenic setting. Dasve, Lavasa's first town, will be ready later this year. Over the next 12 years a wide range of residential and commercial facilities, backed by tie-ups with premier education institutes, an extensive range of tourist and family entertainment activities, and business opportunities for non-polluting industries, will be created at Lavasa.

Following the soft inauguration of the city in 2009, Lavasa has started gaining traction as an independent enterprise. It has already completed pre-sales of more than Rs.1,100 crore, thus evolving from a magnificent vision to a business that is already generating financial returns. Given its initial success, the project has been expanded to 18,000 acres versus the earlier plan of developing 12,500 acres. This covers five towns, and the Central Business District (CBD). Lavasa has reached its point of inflexion.

To recapitulate, 2009-10 was a slow year for your Company. However, it was also a year that allowed the management to focus on 'nuts and bolts' and prepare for more aggressive multi-pronged growth. In large part, most of these enablers are in place. And I believe that HCC is better positioned to leverage the economic upswing of 2010-11 than ever before.

My congratulations to HCC's employees for steering your Company in what was a difficult year. And, as always, thanks for your support.

Yours sincerely,



Ajit Gulabchand
Chairman and Managing Director



Company Information

BOARD OF DIRECTORS

Ajit Gulabchand
Chairman & Managing Director

Y. H. Maragani

Rajesh R. Doshi

D.M. Popani

Ram P. Gandhi

Prof. Fred Moavenzadeh

Shirad M. Kulkarni

Nirmal P. Bhargava

Anil C. Singhvi

K.G. Tondhakar

(Dy. Managing Director up to
7th November, 2003)

COMPANY SECRETARY

Nihal P. Kulkarni

AUDITORS

K.S. Aiyar & Co., Chartered Accountants

ADVOCATES & SOLICITORS

Mulla & Mulla & Craigie Blunt & Caroe,
Kanga & Co.

BANKERS

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

ING Vysya Bank Ltd.

Standard Chartered Bank

The Federal Bank Ltd.

The Hong Kong & Shanghai Corporation Ltd.

Axis Bank Ltd.

Exim Bank of India

State Bank of Travancore

Bank of Maharashtra

DBS Bank Ltd.

State Bank of Bikaner & Jaipur

Catholic Syrian Bank

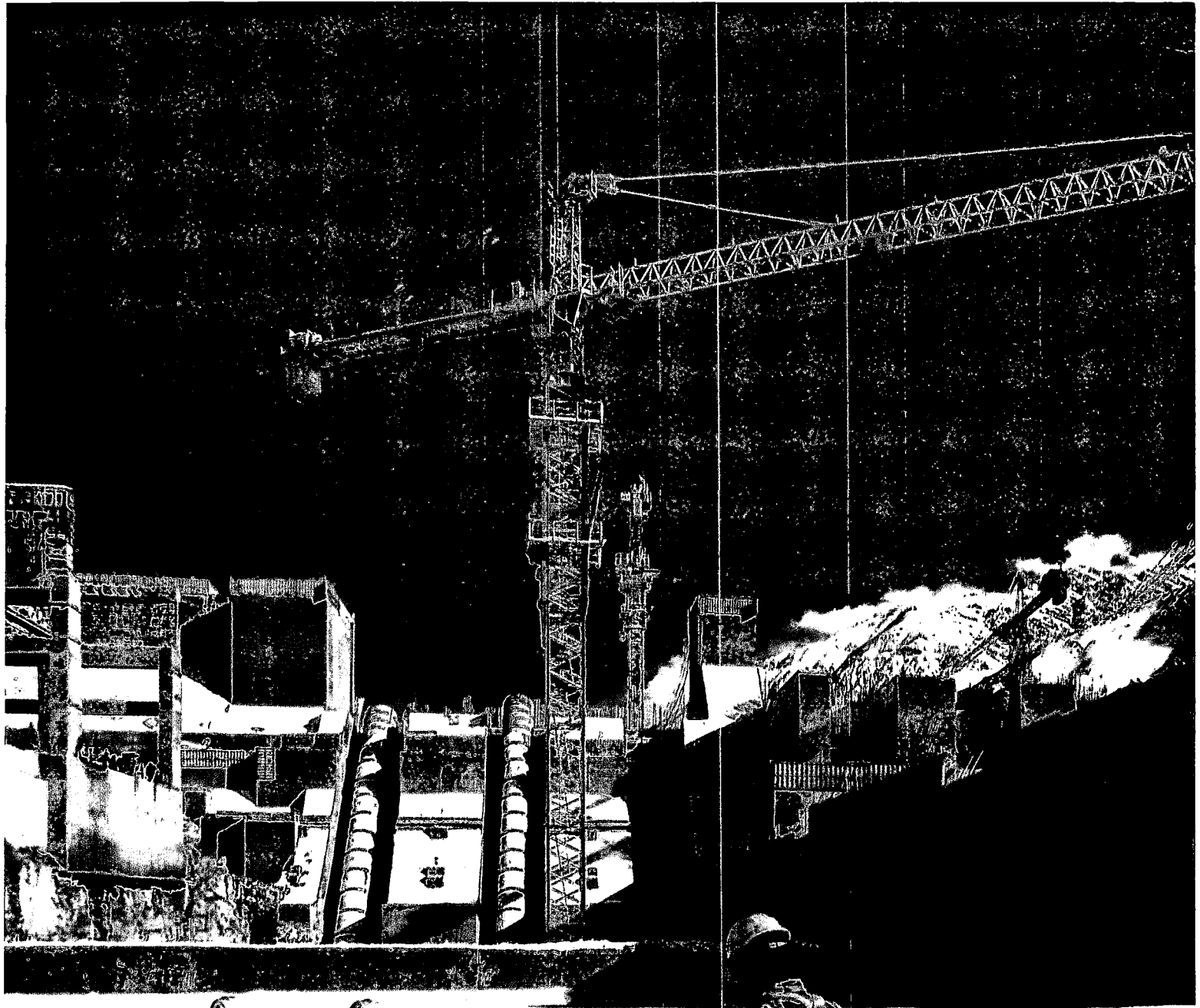
REGISTRAR & SHARE TRANSFER AGENT

TSR Darashaw Ltd.

6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalekmi, Mumbai - 400 011

REGISTERED OFFICE

Hineon House, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai - 400 083



Harsh working terrain - Nimoo Bazgo Hydro Power Project,
Leh-Ladakh, Jammu & Kashmir

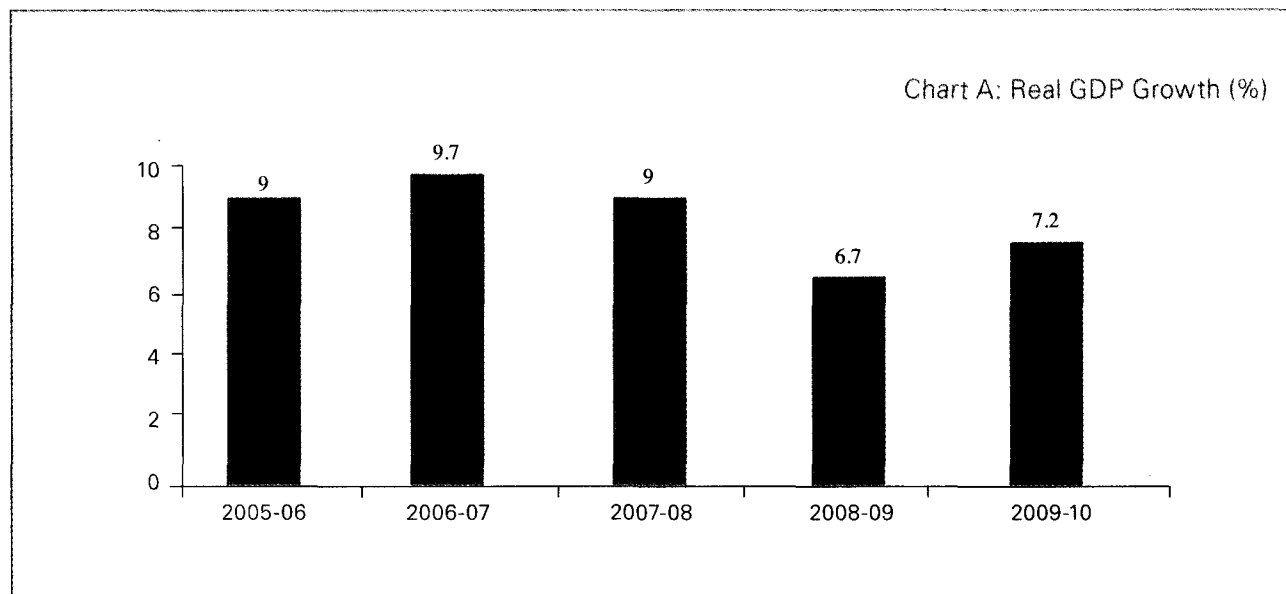
Management Discussion and Analysis

The Business Environment

While there are encouraging signs for the global economy with some stabilisation in international financial markets and two quarters of positive growth in the US, much of the developed world still continues to witness negative or very low real GDP growth. Uncertainties continue to haunt the global economic landscape. Business sentiments, while better than before, still remain muted.

infrastructure took off, with investments in highways and power projects. And it has strengthened further in what we are seeing of 2010-11.

However, it is fair to say that for 2009-10 as a whole, the year was muted as far as infrastructure investments were concerned. For instance, the first quarter of 2009-10 saw the general elections to the Indian Parliament,



The positive is the resilience shown by the Indian economy. To be sure, growth fell fairly sharp from three years of 9% or more to 6.7% in 2008-09. However, the upswing started in 2009-10. As matters stand today, the Central Statistical Organisation is predicting 7.2% GDP growth in 2009-10. Many believe that it will be bettered.

Chart A plots the data. A couple of points need to be made: First, India has recovered better than any large economy barring China; Second, growth is still lower than what the nation had got used to.

Construction activities have a strong correlation with economic growth as well as investor sentiments. As discussed in last year's Annual Report, uncertainties about the economy and subdued business sentiment had stalled large capital outlays in infrastructure development in 2008-09. In addition, there was a liquidity crunch in the second half, which affected on-going construction projects. In this milieu, Hindustan Construction Company's success lay in its ability to grow the order book.

While liquidity conditions improved and the economic outlook started turning positive in 2009-10, for most of the year the private sector in India was in a 'watch and wait' phase - assessing the strength of the economy in light of the global crisis, and not aggressively committing to large investments in physical infrastructure. That changed from the last quarter of 2009-10, when

or the Lok Sabha. The model code of conduct imposed by the Election Commission prevented any new investments of the Government of India (GoI) until elections were completed, and a new government sworn in. While investor confidence improved with the elections resulting in a stable government, the new ministers naturally took some time to assess the situation and kick-start the investment process once again.

Thankfully, GoI investments in infrastructure took off from the second half of 2009-10, especially in highways, power and urban infrastructure - the more so in the last quarter of the financial year. These positive developments have definitely increased the order books for the infrastructure and construction industry. However, as yet, these have not translated into full-fledged project execution. Hence, there was not much positive impact on the profit and loss for 2009-10 something that ought to occur more significantly in 2010-11.

The slowdown in 2008-09 and 2009-10 is evident from **Chart B**, which plots real growth in construction activities. While there is a slight improvement in growth from 5.9% in 2008-09 to 6.5% in 2009-10, the level is far below the double-digit growth rates recorded in the three years prior to 2008-09, when the Indian economy grew at an annual rate of over 9%.