



**31<sup>st</sup>**  
**Annual Report**  
**2013-14**

**HSCC (India) Ltd.**

(A Govt. of India Enterprise)  
(A Mini Ratna Company)





**Shri Jagat Prakash Nadda**

Hon'ble Union Minister  
for Health & Family Welfare



**Shri Shripad Yesso Naik**

Hon'ble Minister of State  
for Health & Family Welfare



**Shri Lov Verma**  
Hon'ble Secretary  
for  
Health & Family Welfare

## BOARD OF DIRECTORS



**Shri Gautam Guha**  
Additional Secretary & Financial Advisor  
Ministry of Health & Family Welfare



**Shri Gyanesh Pandey**  
Chairman & Managing Director



**Shri K. C. Samria**  
Joint Secretary  
Ministry of Health & Family Welfare



**Shri S. K. Jain**  
Director (Engineering)



**Shri Debidas Datta**  
Part-Time Non-Official Director



**CA Anil A. Masand**  
Part-Time Non-Official Director



**Prof. Sushil**  
Part-Time Non-Official Director

## SENIOR OFFICIALS



**Shri A. K. Aggarwal**  
Executive Director



**Shri S. A. Usmani**  
Chief General Manager  
(Project and D & E)



**Shri V. V. Govinda Rao**  
General Manager (Civil)



**Shri S. C. Garg**  
General Manager (Projects) & CVO

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## DIVIDEND CEREMONY 2013-14



Shri Gyanesh Pandey, CMD, HSCC presented a 205% dividend cheque amounting to Rs. 4.92 crores to the Hon'ble Union Minister of Health & Family Welfare, Dr. Harsh Vardhan in the presence of Shri Lov Verma, Secretary (Health & Family Welfare) on 1st October, 2014. Dr. Jagdish Prasad, DGHS, Shri C.K Mishra, Additional Secretary, Shri Gautam Guha, Additional Secretary & Financial Advisor, Shri Rakesh Kumar, Joint Secretary, Shri Anshu Prakash, Joint Secretary, Shri K.C Samria, Joint Secretary, Shri D. N. Singh, PS to HFM, Shri A. K. Aggarwal, ED, HSCC, Shri S. C. Garg, GM, HSCC were also present during the occasion.

## 31st Annual General Meeting (AGM)



HSCC (India) Ltd. declared 205% dividend on paid up Equity Capital of the Company on the occasion of the company's 31st Annual General Meeting, held at Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi on 19th September, 2014. During the AGM, Shri Gyanesh Pandey, CMD, HSCC informed that the company had achieved the highest ever total income of Rs. 6045 lakhs and HSCC has been continuously making profits for the last 29 years. Dr. Jagdish Prasad, DGHS, Shri C.K Mishra, Additional Secretary, Shri Gautam Guha, Additional Secretary & Financial Advisor, Shri Rakesh Kumar, Joint Secretary, Shri Anshu Prakash, Joint Secretary, Shri K.C Samria, Joint Secretary, Shri Gyanesh Pandey, CMD, HSCC, Shri Debidas Datta, part time non-official director, Shri Anil A. Masand, part time non-official director, Prof. Sushil, part time non-official director, Shri A.K Aggarwal, Executive Director, HSCC and other senior officials from HSCC were present during the meeting.

## FROM CMD

**From  
 The Chairman and Managing Director**



### **To Esteemed Shareholders,**

On behalf of the Board of Directors of HSCC, it gives me immense pleasure to welcome all of you at this 31st Annual General Meeting of your Company. I take this opportunity to extend sincere thanks to you for joining us today and your unstinted support, provided to the Company during the year.

The Director's Report and the Annual Audited Accounts for the year 2013-14 are already with you, and with your permission I take them as read.

### **Review of Performance**

As you would have seen in the Annual Report, during FY 2013-14 we set new records with strong top line and bottom line growth and high quality earnings, reflecting the robustness of its Corporate Strategy of creating fast growth drivers. This performance is particularly remarkable when viewed against the backdrop of the extremely challenging business context in which it was achieved, namely, a slowdown in the economy and high levels of inflation.

I am glad to report that your Company has posted impressive performance for the year ended on 31st March 2014.

The Company recorded the highest ever Total Income, Consultancy Fees, Profit Before Tax, Profit After Tax, Revenue & Surplus and the Dividend.

I am pleased to place before the shareholders that during Financial Year 2013-14, the Total Income has achieved at Rs. 60.45 Crore as compared to Rs. 58.35 Crore in the previous year posting 3.60% growth. The Company earned Consultancy Fees of Rs. 39.19 Crore as compared to 33.80 Crore for previous year resulting 15.95% growth.

The Company posted pre-tax profit of Rs.37.14 Crore as against Rs.36.01Crore during previous year. Thus company achieved 3.14% growth in pre-tax profits for the year 2013-14. The Company earned Net Profit of Rs.23.98 Crore as compared to 22.57 Crore earned in previous year posting 6.25% growth.

I am pleased to inform you that Company has recommended 205% dividend on paid up capital amounting to Rs. 4.92 Crore out of Current year's profit for the year 2013-14. This is the 30th consecutive year the company declared the dividend. Upon paying this year's dividend, cumulative dividend paid to Government of India would be Rs.35.50 Crore around 15 times of paid up equity capital of the Company.

### **On-going Projects**

The Company was awarded with highest ever work for providing consultancy services for Design & Engineering, Project and Procurement Management for various prestigious & challenging projects during the reported year from the MOH&FW, its institutes, State Governments and some of them on against open bidding.

### **Mini Ratna Status**

HSCC has earned the distinction of maintaining its Mini Ratna status from September 1999 onwards.

### **MOU**

Top Management is striving to achieve sustained growth in turnover as well as in pre-tax profits continually through



strategic interventions like cost-control, optimum utilization of resources and system improvements. The Company has achieved "Excellent" Rating under the Memorandum of Understanding (MOU) for the year 2012-13 signed with the Ministry of Health & Family Welfare as per guidelines of Department of Public Enterprises (DPE), Government of India. Further, based on results, for the year 2013-14, the Company expects to get Excellent rating as per MOU evaluation.

### Corporate Social Responsibility

The Company being in the field of Health Care, all its activities and operations are indirectly dedicated towards the social responsibility. During the year 2013-14, the company has contributed Rs. 30 Lakh towards Uttarakhand Relief Fund.

### Global Business

Your Company has also been exploring business opportunities abroad through Ministry of External Affairs in the SAARC group of countries.

### Growth Vision

To be a leading consulting company providing value-added, innovative and integrated services for enhancing healthcare in India and overseas, leveraging its core competence in other infrastructure projects and providing an invigorating and enabling work environment to its professional employees.

In order to develop into a world class Consultancy Organization, thrust is on diversifying and expanding the operations such as Building Engineering and maintenance services and also the client base of the Company.

### Corporate Governance

The philosophy of the Company is to ensure transparency in its dealings and compliance of country's laws and regulations in order to promote ethical conduct of business. i.e. observing, transparency, integrity, professionalism, accountability and proper disclosure.

### Acknowledgement

In conclusion, On behalf of the Board of Directors and on my own behalf, I extend sincere thanks for the valuable guidance, support and cooperation extended to the Company by the Ministry of Health & Family Welfare, Ministry of External Affairs and stakeholders. I thank all our esteemed shareholders for their continued support, whose trust and confidence are pillars of strength in our entire endeavour.

I also place on record my sincere thanks to all our valuable Clients - Ministry of Health & Family Welfare, Ministry of External Affairs, AIIMS, PGI Chandigarh, Govt. of Punjab & Haryana, Govt. of Kerala, Govt. of Himachal Pradesh, Govt. of Chhattisgarh, Govt. of Uttar Pradesh and other Business Associates for the continuous support and reposing confidence in us. The Company, as always, will remain focused on Customer Satisfaction.

I also like to thank the CAG, Statutory Auditors and Internal Auditors of the Company for their valuable co-operation.

I place on record the appreciation to the hard work, commitment and unstinting efforts put in by your Company's employees at all levels.

In return to your cooperation and support extended to me, I promise to take your company to new and commanding heights.

Thanking you,

(Gyanesh Pandey)  
Chairman and Managing Director

Place : - New Delhi

Dated : - 19.09.2014

## PERFORMANCE AT A GLANCE

The Company has yet again posted excellent results for the year ending 31.3.2014 with highest turnover of Rs. 6045 lakhs and the highest ever profit after tax Rs. 2398 lakhs.

The Company incorporated in 1983 with a paid up capital of Rs. 40 lakhs and later on issued bonus shares of Rs. 200 lakhs out of its Reserves & Surpluses resulting in increase of paid up capital to Rs. 240 lakhs. The Net Worth has been touched to Rs. 12081 lakhs as on 31.3.2014.

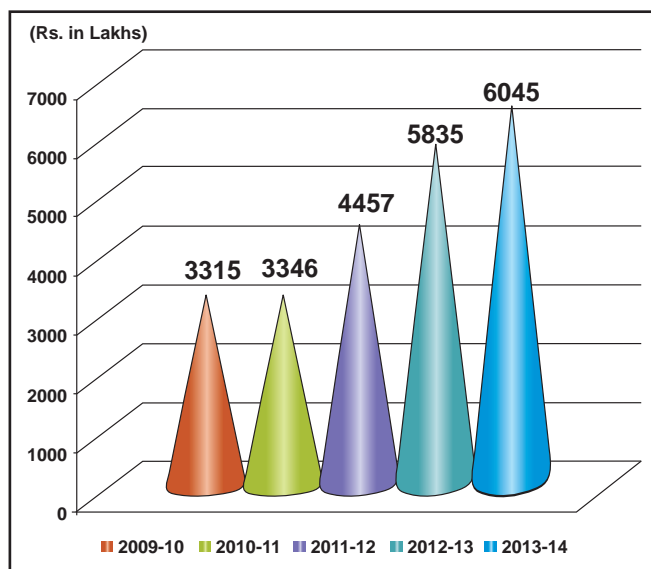
The objectives and strategies of HSCC are designed to significantly enhance Net Worth through business growth that drives higher revenue and profits as well as strong sustained free cash flow generation. In this way we will enhance company's value while at the same time maintaining a strong balance sheet and attractive dividend to shareholders.

We will continue to evolve as a best service provider in healthcare sector with both quality and timing factor, offering distinctive and innovative services that delight our clients.

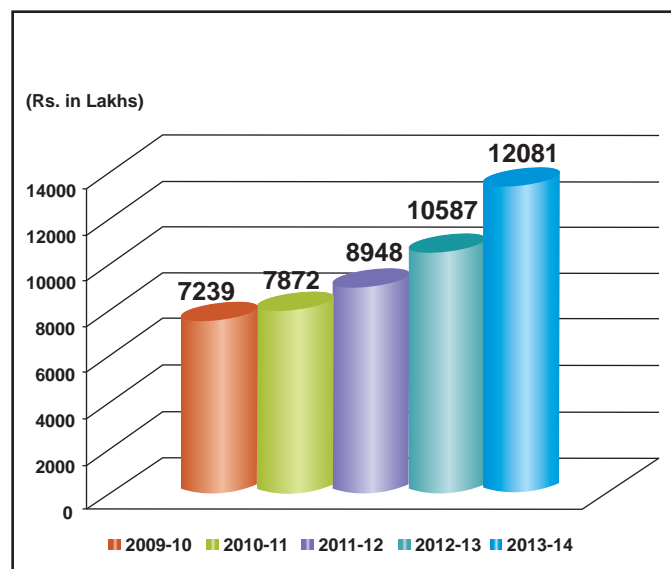
(Rs. in Lakhs)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Income	3315	3346	4458	5835	6045
Profit Before Tax	1346	1321	2352	3600	3714
Net Profit	859	834	1472	2257	2398
Dividend	173	173	300	468	492
Total Order Book (Fee)	3663	2195	5904	24928	30089
Rating Against MOU	Excellent	Excellent	Excellent	Excellent	Excellent (Expected)

### Total Income



### Net Worth



## FINANCIAL SUMMARY

### THE DECADES FINANCIAL RESULTS AT A GLANCE

(Figures Rs. in Lakhs)

Particulars	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
<b>FINANCIAL PERFORMANCE</b>										
Paid-up Capital	160	160	160	160	240	240	240	240	240	240
Reserve & Surplus	3838	4554	5111	5695	6341	6999	7632	8708	10347	11841
Net Worth	3998	4714	5271	5855	6581	7239	7872	8948	10587	12081
Net Fixed Assets	336	749	727	707	675	632	615	600	685	693
Working Capital	3631	3901	4455	5105	5811	6440	7117	8568	10200	11797
Capital employed	3998	4714	5271	5855	6581	7072	7731	9168	10885	12710
<b>OPERATING STATISTICS</b>										
Consultancy Fee	1078	1845	1678	1740	1936	2097	2311	2929	3380	3919
Interest & Other Income	562	785	845	1356	1337	1218	1034	1529	2455	2126
Total Income	1641	2630	2523	3096	3273	3315	3346	4458	5835	6045
Expenditure	925	1115	1224	1711	1696	2002	1993	2048	2203	2287
Gross Margin	716	1515	1299	1385	1577	1385	1357	2409	3632	3758
Depreciation	40	42	45	45	44	39	36	58	32	44
Profit before Tax	676	1474	1254	1340	1533	1346	1321	2352	3600	3714
Profit after Tax	418	962	798	836	970	859	834	1472	2257	2398
Dividend	88	216	208	208	208	173	173	300	468	492
<b>MANPOWER</b>										
Employees (in Nos)	125	133	130	132	139	135	132	124	123	143
(On regular Pay Scales)										
<b>RATIOS</b>										
PBT/Total Income (%)	41	56	50	43	47	41	39	53	62	61
Net Profit/Total Income (%)	25	37	32	27	30	26	25	33	39	40
Net Profit/Net Worth (%)	10	20	15	14	15	12	11	16	21	20
Total Income Per Employee	13	20	19	23	24	25	25	36	47	42
Earning Per Share (EPS) (Rs.)	261	601	499	523	404	358	347	613	940	999
Book Value Per Share (Rs.)	2499	2946	3294	3659	2742	3016	3280	3728	4411	5034

## VISION, MISSION & OBJECTIVES

### VISION

“To be a leading consulting company providing value-added, innovative and integrated services for enhancing healthcare in India and overseas, leveraging its core competence in other infrastructure projects and providing an invigorating and enabling work environment to its professional employees.”

### MISSION

“Providing comprehensive, concept to commissioning, project planning, architectural, engineering, project management, procurement and related consulting services for development of buildings and infrastructure for healthcare and other purposes in India and overseas.”

### CORPORATE VALUES

- Focus on value addition to the customer
- Fostering Creativity and innovation within the organization
- Create a learning organization
- Team Spirit as the enabler for all our activities

### CORPORATE QUALITY POLICY

To maintain leadership and customer confidence by providing continually improving quality consultancy services in the Healthcare and other Social Sectors.

## SERVICE SPECTRUM

### CONCEPTUAL STUDIES & MANAGEMENT CONSULTANCY

- Baseline Surveys & Economic Studies
- Epidemiological Survey
- Systems Planning
- Feasibility Studies
- Restructuring/Reorganization Studies
- Evaluation Studies

### PROCUREMENT

- Drugs & Pharmaceuticals
- Medical Equipment
- Other Equipment
- Communication Systems
- Appliances
- Furniture & Fixture

### PROJECT MANAGEMENT

- Project Planning including Selection of Contractors & award of work
- Project Monitoring
- Quality Control
- Construction Supervision
- Contract Administration
- Financial Control

### FACILITY DESIGN

- Conceptual Designs
- Basic Design
- Architectural Design/Plans
- Engineering Designs
- Equipment Planning
- Waste Management
- Design Coordination

### ENGINEERING STUDIES

- Renovation/Rehabilitation
- Modernization/Up-gradation
- Expansion
- Productivity/Efficiency Improvement

### LOGISTICS & INSTALLATION

- Transportation
- Clearing & Forwarding
- Site Delivery
- Installation
- Testing & Commissioning
- Training

### INFORMATION TECHNOLOGY

- Health MIS
- System Integration

## **NOTICE**

No. HSCC/AGM/31st

Dated : 04.09.2014

Notice is hereby given that the **31st ANNUAL GENERAL MEETING of the Members of the HSCC (INDIA) LIMITED will be held at 12.30 PM on Friday, the 19th September, 2014 at the Room No. 155A at MOH&FW, Nirman Bhawan, New Delhi** to transact the following business:

### **ORDINARY BUSINESS**

1. To receive and adopt the Audited Balance Sheet as at 31.03.2014, the statement of Profit & Loss Account of the Company for the year ended as on that date, Report of Statutory Auditors thereon, comments of the Comptroller & Auditor General of India and the Directors' Report alongwith compliance certificate from Secretarial Auditors.
2. To declare dividend for the Financial Year 2013-14.

BY ORDER OF THE BOARD

( Ravindra Kumar Pathak )  
DGM (F&A) & CS

Place : New Delhi

### **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy, to attend and vote instead of himself and a proxy need not be a Member of the Company.
2. Shri Gautam Guha, AS&FA, MOH&FW appointed as Part-time official Director on the Board of HSCC in place of Shri S. K. Srivastava vide MOH&FW letter dated 12.03.2014.
3. Shri K. C. Samria, Joint Secretary, MOH&FW has been nominated as Part-time official Director on the Board of HSCC in place of Shri S. K. Rao vide MOH&FW letter No.20026/9/2010-SSH-PH-II dated 05.08.2014.

## DIRECTORS' REPORT

**To**

**The Shareholders  
HSCC (India) Limited**

The Directors of your Company have the pleasure in presenting the 31st Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2014.

### FINANCIAL PERFORMANCE

The Financial Performance of the Company for the year 2013-14 along with the comparative figures for 2012-13 is indicated below:-

(Rupees in lakhs)

Particulars	2013-14	2012-13
Total Income	6045.14	5835.30
Total Expenditure	2286.89	2202.49
Gross Margin	3758.25	3632.81
Depreciation	44.64	32.08
Profit Before Tax	3713.61	3600.73
Taxation (net)	1315.61	1343.61
Profit After Tax	2398.00	2257.12
Dividend	492.04	468.03
Net Worth	12081.69	10587.40
Earning per Share (Rs.)	999	940

Your Company has posted excellent performance for the year ended on 31st March 2014. Company's growth in terms of Total income has increased by 3.60% and Net profit by 6.24% over last year.

### CAPITAL STRUCTURE

The Authorised and the Paid- Up Capital of the Company stood at Rs.500 lakhs and Rs.240.01 lakhs respectively during the year under review.

### DIVIDEND

Considering the performance of the Company for the year 2013-14, The Board of Directors have recommended Dividend @ 205% of the Paid-up Equity Share Capital of the Company amounting to Rs.492.04 Lakhs. This is subject to the approval of Members at the Annual General Meeting. This works out to 20.52% of the Post Tax Profit, which is in line with the guidelines issued by Department of Expenditure, Ministry of Finance. This is the 30th consecutive year in which the Company has declared dividend and with this the cumulative dividend till 2013-14 to MOH&FW, Govt. of India would be Rs. 3550.23 Lakhs.

### APPROPRIATION TO GENERAL RESERVE

After making provisions for dividend the Board of Directors recommends transfer of Rs.200 lakhs (Previous Year Rs.200 lakhs) out of the Net Profit appearing in the Profit & Loss Account to the General Reserve. Cumulative Reserve & Surplus as on 31.3.2014 stands at Rs. 11840.67 Lakhs (Previous Year Rs.10347 lakhs).

## FUND ON BEHALF OF MINISTRY/CLIENT

The funds on behalf of Ministry / Clients which has been considered under different heads of Current Assets & Current Liabilities are as under –

### On behalf of Ministry / Clients –

A. Current Assets	Rs. in Lakhs
- Cash & Cash Equivalents	72283.41
- Short Term Loans & Advances	19379.33
- Other Current Assets	649.95
	<u>92312.69</u>
	<u>92312.69</u>
B. Current Liabilities	
- Other Current Liabilities	92312.69
	<u>92312.69</u>
	<u>92312.69</u>

## PERFORMANCE HIGHLIGHTS

The Company continued to maintain its progress in its activities and operations. All out efforts are being made to expand the area of operations of the Company. Further, services of a fewer Experts and Consultants are being utilized to avail higher degree of technical expertise in performing the various activities of the Company.

During the year 2013-14 HSCC was awarded the work of rendering Consultancy Services for Design & Engineering, Project Management and Procurement of Medical Equipments, Drugs & Pharmaceuticals, etc. for various prestigious & challenging projects.

During the year 2013-14, new Order Book other than MOH&FW was Rs. 1466 lakhs and MOH&FW and its institutes was Rs. 28623 lakhs.

A list of major on-going projects where HSCC is rendering Consultancy Services is placed at Annexure I.

## MEMORANDUM OF UNDERSTANDING

The Company has been signing MOU with Ministry of Health & Family Welfare for more than a decade. The Company has been rated 'Excellent' by DPE for the year 2012-13 and expects to be rated "Excellent" based on the results for the year 2013-14. This is the seventh consecutive year for which the company will be rating "Excellent".

## FOREIGN EXCHANGE

(Rs. in Lakhs)

	2013-14	2012-13
<b>A. Expenditure</b>		
- Travelling	3.12	0.30
- Import of Capital Goods on C.I.F. basis (On behalf of Clients)	47.44	17.83
<b>B. Income</b>	<b>Nil</b>	<b>Nil</b>



## HUMAN RESOURCES

HSCC being the knowledge based Company, its real strength lies in its manpower. The manpower strength of the Company as on 31st March, 2014 was 143 on regular pay scales and 50 on fixed tenure basis including 43 SC/ST/OBC Category employees and physically 2 handicapped. The employee management relationship was excellent throughout the year. The company has maintained the level of minorities employment in the organization.

In line with changing market requirements, the knowledge and skill of HSCC employees are continuously upgraded. During the year employees of the Company were deputed to various training programs (totaling to 196 man days) to further develop their skill in various areas of operations of the Company.

## WELFARE ACTIVITIES

The Company continues to motivate the employees by providing various social benefits for the employees and their families.



*An Interactive Session held at Jim Corbett Park, Uttarakhand for the employee and their family of HSCC*

## IMPLEMENTATION AND PROMOTION OF OFFICIAL LANGUAGE

The Company continued to make efforts to fulfill the targets prescribed by Govt. of India in the Official Language Act and Rules framed there in with regard to increase the use of Hindi Rajbhasha in office during the year 2013–14. Employees were motivated to use their working knowledge of Hindi in day-to-day official work. All the Standard Forms, Files, etc. are bilingual. Significant progress has been made in the field of correspondence, noting and drafting in Hindi. All Hindi letters are being replied in Hindi only. To popularize the use of Hindi, the company organized a Hindi Pakhwada from 13.09.2013 to 27.09.2013; various competitions based on knowledge of Official Language were organized. Besides, the company is also a member of the Town Official Language Implementation Committee, NOIDA under the Ministry of Home Affairs, Government of India and is also represented at various competitions, meeting, seminars etc. HSCC has organized a seminar towards applicability of Rajbhasha in official works on 20.12.2013. The Company's employee also attended the seminar during 08.10.2013 to 10.10.2013 at Ramnagar, Uttarakhand towards All India Hindi Conference and workshop organized by



*A Group photo on Hindi Pakhwada from 13.09.2013 to 27.09.2013*

Rajbhasha Institute, New Delhi. Hindi Conference and workshop during 12.02.2014 to 13.02.2014 organized by Ministry of Health & Family Welfare at AIIMS, New Delhi. During the conference, second prize was won by Sh. Sharawan Kumar – Hindi Assistant cum Translator in “write up” competition.

## VIGILANCE

The Company being a Consultancy Organization, there is no separate Vigilance Unit in the Company. During the year Shri S.A.Usmani, Chief General Manager (Project &DE) was acting as part time Chief Vigilance Officer and since 01.07.2014. Shri S.C Garg General Manager (Projects) is acting as part–time Chief Vigilance Officer for a period of



The pledge being administered on 28th October, 2013 by Shri Gyanesh Pandey, CMD along with Shri S. K. Jain, Director (Engg.), Shri A. K. Aggarwal, Executive Director and Shri S. A. Usmani, CVO ( Part Time ).



The employees of HSCC taking oath at Head Office on 28th October, 2013 on the occasion of *Vigilance Awareness Week*.

three months. During the year, Vigilance Cell has functioned as an effective part of management. Returns and Reports were submitted to the respective agencies. CVC guidelines, received from time to time, were followed and adhered to as precautionary and preventive measure and inquiries are properly and promptly attended to. Existing systems and procedures were reviewed for further improvements and all out efforts were made to ensure transparency in the working of the Company. To maintain high moral standard of employees the Company observed Vigilance Awareness Week from 28.10.2013 to 02.11.2013. This started with pledge taking ceremony by the employees.

## PARTICULARS OF EMPLOYEES

Particulars of Employees are required under Section 217 (2A) of Companies Act, 1956 read with Companies Particulars of Employees Rules, 1975, as amended from time to time, none of the employees of the company was in receipt of remuneration of more than Rs. 60 lakhs per annum or Rs. 5 lakhs per month.

## CORPORATE GOVERNANCE

Corporate Governance practices in your Company focus on transparency, integrity, professionalism and accountability. The quarterly reports in the format prescribed by the Department of Public Enterprises (DPE), as per the guidelines on Corporate Governance, informing the status about Corporate Governance are being submitted to Ministry of Health & Family Welfare. As per Guidelines on Corporate Governance issued by Department of Public Enterprises, a “Corporate Governance Report” and a “Management Discussion and Analysis Report” are placed at Annexure II and III respectively.

## BOARD OF DIRECTORS

### (A) Directors nominated/appointed to hold office during and after the financial year:

Shri Gautam Guha , AS & FA, MOH&FW	from 12.03.2014
Shri K.C. Samria, Joint Secretary, MOH&FW	from 05.08.2014

**(B) Directors who ceased to hold office during and after the financial year is as under:**

Shri S.K.Srivastava AS & FA, MOH&FW)	from 27.02.2013 to 12.03.2014
Shri S.K.Rao Joint Secretary, MOH&FW	from 21.09.2012 to 05.08.2014

The Board places on record its appreciation for the valuable contribution made by Shri S.K. Srivastava and Shri S.K.Rao during their tenure as a Director on the Board of HSCC.

**(C) The following Directors are holding offices as on the date of the Report.**

Shri Gyanesh Pandey CMD, HSCC	from 26.07.2012 onwards
Shri Debidas Datta Part time non official Director	from 02.01.2013 onwards
Shri Anil.A.Masand Part time non official Director	from 02.01.2013 onwards
Prof. Sushil Part time non official Director	from 02.01.2013 onwards
Sh. S. K.Jain Director (Engg.)	from 16.04.2013 onwards
Shri Gautam Guha, AS & FA, MOH&FW	from 12.03.2014 onwards
Shri K.C.Samria Joint Secretary, MOH&FW	from 05.08.2014 onwards

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies (Amendment) Act,2000, your Directors hereby reports as under :-

- that in preparation of the Annual Accounts, the applicable Accounting Standards has been followed.
- that the Accounting Policies adopted by the Company are consistently followed that are reasonable and prudent to give true and fair view of the state of affairs of the Company at the end of financial year and of the Profit or Loss of the Company for that period.
- that proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of this Act for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Annual Accounts have been prepared on a going concern basis.

## COMPLIANCE CERTIFICATE

With reference to the Companies (Compliance Certificate) Rules, 2001 a Compliance Certificate issued by M/s Parveen Rastogi & Company, Company Secretary in whole time practice for the financial year ended on 31.03.2014 is enclosed at Annexure IV.

## AUDITORS

M/s S.K.Kapoor & Company, Chartered Accountants have been appointed by the Office of the Comptroller & Auditor General of India as Statutory Auditors of the Company for the financial year 2013-14. The remuneration fixed by the Company for them for the financial year 2013-14 is Rs. 3,00,000/- (Rupees Three lakh only) plus Service Tax as applicable. This is the first year of their appointment.

Management's replies to Comments in the Auditors' Report are enclosed at Annexure V as addendum to Directors' Report.

The Comments of CAG are enclosed at Annexure VI as addendum to Directors' Report.

The Board of Directors places on record their sincere thanks for the valuable service rendered by Auditors.

## ACKNOWLEDGMENT

The Directors deeply appreciate and acknowledge the continued assistance, cooperation, active support and guidance received from Ministry of Health & Family Welfare, Ministry of External affairs and other Ministries and Government Departments. We are also thankful to our esteemed clients for reposing their confidence in the capability and professional competence of the Company.

The Directors are also grateful to the Departmental of Public Enterprise, Comptroller & Auditor General of India, the Chairman and Member of the Audit Board, Statutory Auditors and Internal Auditors of the Company for their valued cooperation.

The Directors also place on record the continued support by Bankers, and many other organization as well as individuals.

The Directors also places on record the appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the  
Board of Directors

NEW DELHI  
Dated: 26/08/2014

(Gyanesh Pandey)  
Chairman & Managing Director

## ANNEXURE - I

### SUMMARY OF MAJOR ON-GOING CONSULTANCY PROJECTS AS ON DATE

#### A. Architectural Planning, Design Engineering & Project Management Services

- Construction for AIIMS their OPD Blocks, Hostel Block Mother & Child Block, Paid Ward, Surgical Block within AIIMS Campus, Ansari Nagar, New Delhi
- Redevelopment (Phase I) of Safdarjung Hospital, New Delhi
- Superspeciality Block at Dr. Ram Manohar Lohia Hospital, New Delhi
- Construction of All India Institute of Ayurveda (Under Department of Ayush, MOH&FW) at Sarita Vihar, New Delhi



*Construction of Dining Block, AIIMS, New Delhi*



*Construction of Hostels at AIIMS, New Delhi*



*Construction of Surgical Block, AIIMS, New Delhi*

- Comprehensive Re-development Plan for Lady Hardinge Medical College, New Delhi
- National Centre for Disease Control (NCDC), New Delhi.



*Construction of Super Speciality Block, Safdarjung Hospital, New Delhi*



*Construction of All India Institute of Ayurveda*

- Construction of Housing & Hospital at AIIMS Raebareilly
- Construction of National Cancer Institute at 2nd Campus AIIMS, Jhajjar (Haryana)

- Nursing college & National level Physiotherapy Workshop and substation at GMC, Patiala



*Construction of 100 bed Advanced Cancer Diagnostic Treatment & Research Centre, Bhatinda*



*Construction of Kalpana Chawla Govt. Medical College, Karnal*

- Advanced Cancer Diagnostic, Treatment & Research Centre, Bhatinda
- Kalpana Chawla Govt. Medical College, Karnal, Haryana
- Construction of Satellite Centre at PGIMER, Sangrur, Punjab
- Construction of Guru Tegh Bahadur Diagnostic Centre at Govt. Medical College, Amritsar under PMSSY



*PGI Satellite Centre at Sangrur, Punjab*



*Guru Teg Bahadur Diagnostic Centre, Govt. Medical College, Amritsar (Under PMSSY)*

- Construction of Super Specialty Block, OPD & Academic Block at Kolkata Medical College, Kolkata Under PMSSY
- Construction of AIIMS Housing Balance and phase II work at Bhubaneswar (Orissa) under PMSSY
- Construction of 750 Bedded Hospital (Phase I – 400 bedded) for IIT Kharagpur
- Vaccine processing facilities for Institute of Veterinary Biological Products, Pune
- Construction of Cancer Hospital at Cochin (Kerala)
- National Institute of Unani Medicine (NIUM), Bangalore and Construction of Regimental Therapy Block, Auditorium & Pharmacy building under phase - III works
- National Institute of Animal Bio-technology, Hyderabad
- Mother & Child - Metro Block within the campus of Bangalore Medical College for Bangalore Metro Rail Corporation



*Construction of Hospital Complex for North Eastern Institute of Ayurveda & Homeopathy (NEIAH), Shillong, Meghalaya*



*Construction of Hostels for Regional Institute of Medical Sciences (RIMS), Imphal*

- NRHM – Chhattisgarh, Uttar Pradesh, Kerala & Himachal Pradesh.
- Construction of North Eastern Institute for Ayurveda & Homeopathy for NEIGRIHMS, Shillong
- Construction of General hospital at Naharlagun (Arunachal Pradesh)
- Construction of PG Gents & Ladies Hostel, UG Ladies Hostel, Nursing Hostel and Internee Hostel at Regional Institute of Medical Sciences (RIMS), Imphal (Package - I)
- RIMS, Imphal (Package - II) - Construction of OPD block
- Construction of Bio - Safety Level-3 Laboratory at RMRC, Dibrugarh

## ABROAD

- 200 Bedded Emergency and Trauma Centre for Bir Hospital, Kathmandu, Nepal
- District General Hospital at Dickoya, Sri Lanka

## B. Procurement Management Services

- Drugs and Pharmaceuticals for Central Government Health Schemes
- Procurement of Equipment for AIIA Sarita Vihar
- Medical Equipment for NEIGRIHMS, Shillong
- Medical Equipments for Bir Hospital, Kathmandu, MEA
- Supply of Medical Equipment for Srilanka
- Medical Equipments for Yangon & Sittway Myanmar

## Glimpses of Projects recently completed by HSCC

**SRI LANKA 150 BED HOSPITAL AT  
DICKOYA, MEA, GOVT OF INDIA**



**SGPGI, LUCKNOW  
PMSSY (PH-I)**



**NIMS, HYDERABAD  
PMSSY ( PH-I )**



**SPORTS INJURY CENTRE,  
NEW DELHI**



**State-of-the-art Laboratory at  
RMRC, Dibrugarh (Assam)**



**Academic Block  
of Kolkata Medical College**



**Auditorium  
of Kolkata Medical College**



**LHMC Residential Qtr  
New Delhi**



**AIIMS  
Bhubaneswar**



**AIIMS - Under Ground Parking  
New Delhi**



**NIUM  
Bangalore**





## Glimpses of Projects recently visited by Hon'ble Minister



Hon'ble Union Minister for Health and Family Welfare Dr. Harsh Vardhan visited Lady Hardinge Medical College Redevelopment site on 12th July, 2014. Shri Lov Verma, Secretary Health and Family Welfare, Dr. Jagdish Prasad, DGHS, Dr. Atul Murari, Director LHMC, Shri Gyanesh Pandey, CMD HSCC and other senior officials from MOH&FW and LHMC were also present during the visit. HSCC is a project consultant for Redevelopment of LHMC.



Hon'ble Union Minister of Health and Family Welfare, Dr. Harsh Vardhan visited Safdarjung Hospital SSB Block on 13.06.2014. Dr. Jagdish Prasad, DGHS, Dr. Rajpal Singh, Medical Superintendent, Safdarjung Hospital, Shri Gyanesh Pandey, CMD, HSCC and other senior officials from MOH&FW, Safdarjung Hospital and HSCC were also present during the visit. HSCC is a project consultant for Redevelopment of Safdarjung Hospital.



Hon'ble Union Minister of Health and Family Welfare, Dr. Harsh Vardhan visited AIIMS Housing Complex, Bhubaneswar on 19th July, 2014. Shri Lov Verma, Secretary Health and Family Welfare, Shri S. K. Nayak, Joint Secretary, MOH&FW, Shri Gyanesh Pandey, CMD, HSCC and other senior official from MOH&FW, AIIMS, Bhubaneswar and HSCC were also present during the visit. HSCC is the Project Consultant for setting up of AIIMS House Complex, Bhubaneswar. Hon'ble Minister also planted a sapling during his visit.

## ANNEXURE - II

### CORPORATE GOVERNANCE REPORT

#### COMPANY PHILOSOPHY

A good Corporate Governance Policy is one which results in the control of the company in a regulated manner which makes management transparent, ethical, accountable and fair resulting in enhanced shareholder value. The management provides a detailed disclosure of relevant specific matters.

#### A. COMPOSITION OF BOARD OF DIRECTORS INCLUDING CATEGORY AND DIRECTORSHIP IN OTHER COMPANIES

The Company's Board of Directors as on 31.03.14 has one functional directors, two part- time official directors and three part- time non official directors. The details are given below:-

Director	Whole-time/Part-time	Member of Board of other PSUs
Sh. Gyanesh Pandey	Whole-time, Chairman and Managing Director	NIL
Shri. S.K.Jain	Director (Engineering)	NIL
Shri Gautam Guha*	Part- time, Official Director	-HLL Life Care Ltd - HLL Biotech Ltd.
Sh. S.K. Rao	Part-time, Official Director	-HLL Life Care Ltd.
Shri Debidas Datta	Part- time, Non Official Director	-West Bengal State Electricity Distribution Company Limited - RITES Ltd.
Shri Anil.A.Masand	Part- time, Non Official Director	NIL
Prof. Sushil	Part- time, Non Official Director	- Rashtriya Ispat Nigam Ltd. - River Engineering Pvt. Ltd

\* Shri Gautam Guha has been appointed as Part- time, Official Director w.e.f. 12.03.2014 in place of Shri. S.K.Srivastava.

#### B. TENURE

The age limit of the Chairman and Managing Director and other whole-time Director is 60 years.

The Chairman and Managing Director and other Whole-time Director are appointed for a period of 5 years from the date of taking over the charge or until the date of superannuation of the incumbent, or until further orders from Government of India, whichever events occur earlier.

Government Nominee Directors representing Ministry of Health & Family Welfare, Government of India retire from the Board on ceasing to be officials of the Ministry of Health & Family Welfare

Part- time, Non Official Directors are appointed by the Government of India for tenure of three years.

### C. BOARD MEETINGS

During April, 2013 to March, 2014 Six meetings (128th to 133th ) of the Board of Directors were held with minimum one meeting in each quarter on 10.05.13,25.06.13, 25.09.13, 29.10.13, 13.12.13, 27.03.14.

#### MEETINGS AND ATTENDANCE

Director	No. of Board Meetings held during their respective Tenure	Attended	Attended last Annual General Meeting
Sh. Gyanesh Pandey	6	6	Yes
Smt. S.K. Jain	6	6	Yes
Sh. S.K. Rao	6	5	Yes
Sh. S. K. Srivastava	5	4	No
Shri Gautam Guha	1	1	No
Shri Debidas Datta	6	5	Yes
Shri Anil.A.Masand	6	5	No
Prof. Sushil	6	2	No

### D. GENERAL BODY MEETING

#### Annual General Meeting

The last three Annual General Meeting were held as under:-

Financial Year	Date	Time	Location
2012-13	31.07.13	11.00 A.M.	Office of Secretary (H & FW), Nirman Bhawan, New Delhi
2011-12	26.09.12	05.15 P.M.	Office of Secretary (H & FW), Nirman Bhawan, New Delhi
2010-11	09.09.11	03.30 P.M.	Office of Secretary (H & FW), Nirman Bhawan, New Delhi

### E. SHAREHOLDING PATTERN OF DIRECTORS

Shares held out of the total equity share capital of Rs. 2,40,01,800 (240018 Equity Shares of Rs. 100/- each)

Director	No. of Shares of HSCC
Sh.Gyanesh Pandey,Chairman and Managing Director	6
Sh.S.K. Rao , JS MOH&FW	6
Sh.S.K.Srivastava , AS & FA MOH&FW	NIL
Sh. S.K.Jain, Director (Engineering)	6
Shri Debidas Datta , Part time non official Director	NIL
Shri Anil.A.Masand ,Part time non official Director	NIL
Prof. Sushil, Part time non official Director	NIL

Further, these share are held on behalf of President of India

## F. SHAREHOLDERS' GRIEVANCE COMMITTEE

Being a wholly owned Government Company (Shares are not listed), the shares are held by the President of India or its nominees, as such the Company has not constituted a Shareholders' Grievance Committee.

## G. AUDIT COMMITTEE

The Composition of the Audit Committee is as under :-

CA Anil A. Masand	Part time non official Director	Chairman
Shri Debidas Datta	Part time non official Director	Member
Prof. Sushil	Part time non official Director	Member
CA A. K. Aggarwal	Executive Director	Co-opted Member
CA Ravindra Kumar Pathak	DGM - F&A, CS	Secretary to Committee

During April, 2013 to March, 2014 four meetings (1st to 4th) of the Audit Committee meeting were held on 14.06.13, 25.09.13, 03.12.13, 27.03.14 at the corporate office HSCC, NOIDA.

### MEETINGS AND ATTENDANCE

Members	No. of Audit Meetings held during their respective Tenure	Attended
CA Anil A. Masand	4	3
Shri Debidas Datta	4	4
Prof. Sushil	4	2
CA A. K. Aggarwal	4	4

## H. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The Composition of the Corporate Social Responsibility Committee is as under:-

Prof. Sushil	Part time non official Director	Chairman
CA Anil. A. Masand	Part time non official Director	Member
Shri Debidas Datta	Part time non official Director	Member
CA A.K.Aggarwal,	Executive Director	Co-opted Member
CA Ravindra Kr.Pathak	DGM - F&A, CS	Secretary to Committee

During April, 2013 to March, 2014 two meetings of the Corporate Social Responsibility Committee were held on 25.09.13 & 27.03.2014 at the corporate office HSCC, NOIDA.

### MEETINGS AND ATTENDANCE

Members	No. of Corporate Social Responsibility Meetings held during their respective Tenure	Attended
Prof. Sushil	2	1
CA Anil. A. Masand	2	2
Shri Debidas Datta	2	2
CA A. K. Aggarwal	2	2

## I. REMUNERATION COMMITTEE

The Composition of the Remuneration Committee is as under:-

Shri Debidas Datta	Part time non official Director	Chairman
Prof. Sushil	Part time non official Director	Member
CA Anil A. Masand	Part time non official Director	Member
CA A. K. Aggarwal	Executive Director	Co-opted Member
CA Ravindra Kumar Pathak	DGM - F&A, CS	Secretary to Committee

First Remuneration committee meeting was held on 6th May 2013 at the Corporate office HSCC, NOIDA. As per board agenda.

### MEETINGS AND ATTENDANCE

Members	No. of Remuneration Committee Meetings held during their respective Tenure	Attended
Shri Debidas Datta	1	1
CA Anil. A. Masand	1	0
Prof. Sushil	1	1
CA A. K. Aggarwal	1	1

## J. REMUNERATION OF DIRECTORS

Being a Government Company, the functional directors including CMD are appointed by the President of India through the Ministry of Health & family Welfare and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre-determined by the Government and as per the terms and conditions of their appointment / contract issued by the Government. The allowances and perquisites including performance related pay are being given as per the Company Rules.

The part-time official directors on the Board do not draw any remuneration from the Company for their role as a director but draw their remuneration from the Government as Government official.

The part-time non-official directors of the Company also do not draw any remuneration from the Company, they were only paid sitting fee of Rs. 2,500/- per meeting attended by them up to March 2014 which was increased to Rs. 5,000/- per meeting from April'2014 onwards in accordance with the approval of the Board of Directors.

During the year Sitting Fee has been paid to Non-official Part time Directors are as under:

- |                       |            |
|-----------------------|------------|
| 1. Shri Anil A Masand | Rs.25000/- |
| 2. Shri Debidas Datta | Rs.30000/- |
| 3. Prof. Sushil       | Rs.17500/- |

## K. DISCLOSURE

During the period there were no materially significant related party transactions with its directors & management that had a potential conflict with the interest of the Company at large. Further, the Company does not have any subsidiary company.

## ANNEXURE - III

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **INDUSTRY STRUCTURE & DEVELOPMENTS**

HSCC is a Government of India Enterprise under administrative control of Ministry of Health & Family Welfare which was setup in March 1983. The share capital of the company is Rs. 240 lakhs and net worth is Rs. 10587 lakhs. Since inception the total business of the Company has been managed without any borrowing either from the Government or from other sources. HSCC has been declared 'Mini Ratna' Company in September 1999.

The Company is engaged in rendering comprehensive consultancy services in the field of Hospital planning, design, detail engineering, quality control, project management and monitoring as well as procurement, supply, installation and commissioning of medical equipments for the projects assigned to it by the Ministry of Health & Family Welfare, Ministry of External Affairs, Private & Public Sector Organizations as well as various State Governments.

HSCC has adopted an integrated approach to projects, drawing on its pool of expertise to provide the best combination to evolve client specific, cost effective and innovative solutions. HSCC has successfully completed major healthcare projects comprising hospital, medical colleges, laboratories etc. not only in India but in many countries. The Company has also diversified its activities in the areas of Hospital Waste Management, Hospital Computerisation, health related Management studies and training & recruitment etc.

HSCC has over the years evolved as a pioneer organization in the field of Healthcare Consultancy. The company at present executing work all over India but focuses increased business in North-Eastern Region.

#### **Strength :**

- Debt free & Profit making Company since inception
- GOI backing and support
- Wide range of consulting services under single roof
- Extensive experience with multi lateral funding and other international agencies
- Strong project experience with ability in handling complex and large projects,
- Performing organization through quality and timely completion of projects
- Qualified, committed, lean and thin work force
- Strategic partnerships for leveraging competitive advantage
- Cost effective policy for man management
- Healthy balance sheet with a comfortable cash position and stringent man management
- Open & Energizing Work Culture

#### **Weakness :**

- Only one business – Consultancy.
- Difficult to compete with private contractors.
- Inability to stem attrition
- Most business is generated from clients in the public sector
- Revenue model is based on one-time projects rather than recurring services generating constant revenue streams or assured business support
- Limited number of specialized Vendors / Agencies

#### **Opportunities :**

- The Country is lagging behind in terms of no. of hospitals, beds, doctors, nurses and other paramedical staff
- Redevelopment & up gradation of existing hospitals
- Expansion of business in SAARC Countries
- Increase in Outlay for Health Sector in 12th Five Year Plan by 335%
- PPP Models to be adopted in Hospitals, Medical Colleges and Diagnostic Centre's at PAN India

- Rising demand for Integrated Health Care Solutions
- Scope of diversification in other Building Engineering and Maintenance services.
- Demand for basic healthcare infrastructure (in both public and private sectors) set to rise.
- Procurement of drugs/medical equipment on an ongoing basis
- Increasing shortage of skilled manpower resulting in demand for resourcing, retention and training.
- Handholding Opportunities for hospitals and outsourcing of hospital activities in government hospitals
- North East Health Care
- Leasing of Equipments Consultancy
- Long Term Maintenance Advisory Services
- Leveraging basic architectural, design, engineering, project management and procurement skills in like infrastructure development activities

### Threats :

- Business Projects shifting to North East with longer gestation / completion period, unavailability of timely funds leading to spread of turnover over longer time.
- Attrition of experienced personnel in view of burgeoning private sector operations.
- MOH&FW policy shift from supporting their PSUs and inviting private sector as an alternative source of consulting services.
- Fragmented market with a large no. of private sector and public sector competitors extreme low fee
- Increasing commoditization of basic D&E skills due to large number of players gaining experience due to the infrastructure boom
- Non availability of land causes halt in projects, reasons beyond control
- Competition among PSU firms for nomination for projects and non related diversification by them causes business loss
- Decrease in Fee for procurement projects and lack large assignments leading to loss in business propositions in micro small assignments.

### Outlook :

HSCC is a multi-disciplinary renowned consultancy and procurement management service organization in the health care and other social infrastructure development sectors. Its service spectrum covers feasibility studies, design engineering, detailed tender documentation, construction supervision, comprehensive project management, procurement support services in all areas of civil, electrical, mechanical, information technology and auxiliary medical service areas. Its important clients include

- Ministry of Health & Family Welfare and its Hospitals / Institutes
- Ministry of External Affairs and other Ministries
- State Governments and their Hospitals / Institutes
- PSUs / Other Institutes

In order to develop into a world class Consultancy Organisation, thrust is on diversifying and expending the operations such as Building Engineering and maintenance services and also the client base of the Company.

### Risks & Concerns :

The main risk and the area of concern for the Company are reduction in procurement assignments from concerned Ministry and constant/reduced consultancy fee in some of civil works in current scenario.

### IT related initiatives:

- Internet connection has been installed at Corporate Office and the Units.
- Various departments at Corporate Office are linked up through Local Area Network (LAN).
- E-Tender Activity

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total earning of the company was Rs.6045.14 lakhs including Other Income of Rs. 2125.69 lakhs as compared to the previous year's figure of Rs. 5835 lakhs and Rs.2455 lakhs respectively. The company's Gross Margin and Profit before Tax during the year was Rs. 3758.25 lakhs and Rs. 3713.61 lakhs as compared to the previous year figure of Rs. 3632 lakhs and Rs. 3600 lakhs respectively.

Cost of operation has increased by 3.83% as compared to the previous year. The increase in the expenditure is mainly due to increased employee cost and provision for doubtful debts.

## SEGMENT REPORTING

As per Accounting Standard AS-17, Consultancy is the only reportable business segment. The geographical segmentation is not relevant, as the company has no business operation outside India.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has an efficient system of internal control for achieving the business objectives of the company which inter-alia includes accuracy and promptness of financial reporting. Efficiency of operation, compliance with the laid down policies and procedures and compliance with law and regulations.

To ensure independence to the internal audit function emphasizing transparency in the systems and internal controls, the internal audit of the company is entrusted to external firms of Chartered Accountants. The reports of Internal Audit are periodically submitted to the management for corrective action.

## HUMAN RESOURCES DEVELOPMENTS

HSCC being the knowledge based Company, its real strength lies in its manpower. The manpower strength of the Company as on 31st March, 2014 was 143 on regular pay scales and 50 on fixed tenure basis. The employee management relationship was excellent throughout the year. In line with changing market requirements, the knowledge and skill of HSCC employees are continuously upgraded. During the year employees of the Company were deputed to various training programs, to further develop their skill in various areas of operations of the Company. The Company continues to motivate the employees by providing various social benefits for the employees and their families.

## CODE OF CONDUCT

The company's Board has laid down a code of conduct for all the Board Members and Senior Management of the Company, which has been circulated, to all concerned executives through e-mail as well as circulated through hard copies. All Board Members and designated Senior Management Personnel have affirmed the compliance of code of conduct.

## SUBMISSION OF QUARTERLY REPORT TO DEPTT. OF PUBLIC ENTERPRISES

The quarterly reports in the format prescribed by the Department of Public Enterprises (DPE), as per the Guidelines on Corporate Governance, informing the status about Corporate Governance are being submitted to Ministry of Health & Family Welfare.

## RESEARCH AND DEVELOPMENT

During the year the company had taken initiatives towards research and development for sustained and continuous innovation as under:-

- The Company prepared Reports for Bio-Medical Waste Management and Reduced Bed Cost.
- The Company developed system to monitor progress of Projects for timely Completion

## CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

During the year under review the company had made efforts towards Corporate Social Responsibility as under:-

- In line with the DPE guideline the Company has contributed during the financial year 2013-14, Rs. 30.00 Lakhs (Thirty lakhs) towards Contribution to Uttarakhand Relief fund.



## ANNEXURE - IV

**Compliance Certificate for the financial year ended as on 31st March, 2014**

**HSCC (India) Limited**

**Compliance Certificate**  
**FORM (SEE RULE 3)**

**CIN: U74140DL1983GOI015459**

To,

**The Members,  
HSCC (India) Ltd.  
(A Govt. of India Enterprise)**

**CIN: U74140DL1983GOI015459**

**Authorised Capital: Rs. 5, 00, 00,000/-**

**Paid up Capital: Rs. 2, 40, 01,800/-**

We have examined the registers, records, books and papers of M/s. HSCC (India) Limited as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended as on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- As per information & explanations provided to us the Company has kept and maintained the registers as stated below, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.

S.No.	Registers as maintained by the Company	U/s	Remarks
1.	Register of Members	150	Upto Date
2.	Registers and Returns	163	Upto date
3.	Minutes Book of Meetings	193	Upto date
4.	Books of Accounts	209	Upto date
5.	Register of Transfers	108	Upto date
6.	Register of Share Application Money & Share Allotment	150	Upto date
7.	Register of Particulars of Contracts in which Directors are Interested	301	Upto date
8.	Register of Directors, Managing Directors, Managers and Secretary	303	Upto date
9.	Register of Directors' Shareholdings	307	Upto date
10.	Directors Attendance Register	193	Upto date
11.	Fixed Assets Register	209	Upto date
12.	Dividend Register	205	Upto date

- As per information & explanations provided to us, the Company has filed the forms and returns as stated below, with the Registrar of Companies, Regional Director, Central Government, and Company Law Board or other authorities prescribed under the Act and the rules made there under during the financial year ended on 31st March, 2014.

### Forms / Returns filed by the Company during the Financial Year

S. No.	Form No.	Authority with whom forms & returns filed	Filed u/s	Remarks
1.	Form 66	ROC	383A	Annual General Meeting : 31.07.2013 Filing date : 14.08.2013 Receipt No. : Q10105765
2.	Form 20B	ROC	159	Annual General Meeting : 31.07.2013 Filing date : 11.09.2013 Receipt No. : Q11012952
3.	Form 23AC & 23ACA	ROC	220	Financial Year : 31.03.2013 Filing date : 22.08.2013 Receipt No. : Q10306595

**Details of Form 32 filed during 2013-14**

1	Form 32*	ROC	303(2)	Date of Change : 10.04.2013 Filing date : 03.05.2013 Receipt No. : B56700792
2	Form 32**	ROC	303(2)	Date of Change : 10.02.2014 Filing date : 20.02.2014 Receipt No. : B96659842
3	Form DIR-12***	ROC	303(2)	Date of Change : 12.03.2014 Filing date : 24.06.2014 Receipt No. : C07319502

**Details of Other Form filed during 2013-14**

1	Form 23	ROC	-	Date of Meeting : 13.05.2013 Filing date : 22.05.2013 Receipt No. : B75469817
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\* Form 32 for appointment of Shri Sanjai Kumar Jain as Director w.e.f. 10.04.2013.

\*\* Form 32 for appointment of Shri Ravindra Kumar Pathak as Company Secretary and Cessation of Ajay Suri w.e.f. 10.02.2014.

\*\*\* Form DIR-12 for appointment of Shri Gautam Guha as Director and Cessation of Shri Sanjay Kumar Srivastava w.e.f. 12.03.2014.

3. The Company being a Government of India Enterprise has paid-up capital of Rs. 2,40,01,800/- and its number of members as on 31st March 2014 as per information & explanations provided to us was TEN. The detail of shareholders is given below:

S.No	Particulars of Shareholders	No. of Shares	Distinctive Nos.	Share Certificate No.	Ledger Folio
1.	The President of India	5994	1-5994	000003	2/I
	The President of India	10000	6001-16000	000010	2/I
	The President of India	24000	16001-40000	000011	2/I
	The President of India	17982	40004-57985	000015	2/I
	The President of India	30000	57986-87985	000016	2/I
	The President of India	72000	87986-159985	000017	2/I
	The President of India	79988	160013-240000	000027	2/I
2.	Sh. S.K. Jain (Director-Engg)	1	40002	000013	24/III
	Sh. S.K. Jain (Director-Engg)	3	159986-159988	000018	24/III
	Sh. S.K. Jain (Director-Engg)	2	240017-240018	000036	24/III
3.	Sh. Anshu Prakash (J.S.)	1	5995	000004	22/III
	Sh. Anshu Prakash (J.S.)	3	159989-159991	000019	22/III
	Sh. Anshu Prakash (J.S.)	2	240001-240002	000028	22/III
4.	Dr.(Prof.) Jagdish Prasad, Former DGHS	1	5996	000007	18/III
	Dr.(Prof.) Jagdish Prasad, Former DGHS	3	159992-159994	000020	18/III
	Dr.(Prof.) Jagdish Prasad, Former DGHS	2	240003-240004	000029	18/III
5.	Sh. Arun Panda (J.S.)	1	5997	000006	15/III
	Sh. Arun Panda (J.S.)	3	159995-159997	000021	15/III
	Sh. Arun Panda (J.S.)	2	240005-240006	000030	15/III

6.	Smt. Shakuntala D. Gamlin, JS (A)	1	5998	000009	13/III
	Smt. Shakuntala D. Gamlin, JS (A)	3	159998-160000	000022	13/III
	Smt. Shakuntala D. Gamlin, JS (A)	2	240007-240008	000031	13/III
7.	Sh. C.K. Mishra (A.S.)	1	5999	000005	23/III
	Sh. C.K. Mishra (A.S.)	3	160001-160003	000023	23/III
	Sh. C.K. Mishra (A.S.)	2	240009-240010	000032	23/III
8.	Dr. Rakesh Kumar (J.S.)	1	6000	000008	19/III
	Dr. Rakesh Kumar (J.S.)	3	160004-160006	000024	19/III
	Dr. Rakesh Kumar (J.S.)	2	240011-240012	000033	19/III
9.	Sh. Gyanesh Pandey (CMD, HSCC)	1	40001	000012	21/III
	Sh. Gyanesh Pandey (CMD, HSCC)	3	160007-160009	000025	21/III
	Sh. Gyanesh Pandey (CMD, HSCC)	2	240013-240014	000034	21/III
10.	Sh. S.K. Rao (J.S.)	1	40003	000014	20/III
	Sh. S.K. Rao (J.S.)	3	160010-160012	000026	20/III
	Sh. S.K. Rao (J.S.)	2	240015-240016	000035	20/III

4. As per information & explanations provided to us the Board of Directors duly met SIX times on the date mentioned below in the table, in respect of those meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

#### Dates of Meetings of Board of Directors

Meeting No.	Dates on which Meeting held	Remarks
128th	10.05.2013	Meeting held at Office of AS and FA, Room No.-244A, MOH & FW, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
129th	25.06.2013	Meeting held at Room No. 155, First Floor MOH & FW, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
130th	25.09.2013	Meeting held at Room No. 151A, MOH & FW, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
131st	29.10.2013	Meeting held at Room No. 249A, 2nd Floor MOH & FW, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
132nd	13.12.2013	Meeting held at Room No. 249A, 2nd Floor MOH & FW, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
133rd	27.03.2014	Meeting held at Corporate Office, HSCC (India) Ltd., E-6 (A) Sector-1, Noida-201301, U.P.

5. The Company was not required to close its Register of Members during the financial year.
6. As per information & explanations provided to us, the Annual General Meeting for the financial year ended on 31.03.2013 was held on 31.07.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Books maintained for the purpose.
7. Extraordinary General Meeting was held on 13.05.2013
8. The company being a Government of India Enterprise, all loans and advances given to directors are as per the guidelines specifically laid down by the Government.

9. As per information & explanations provided to us the Company, being a Government Company, has been exempted from the purview of Section 297 of the Act vide exemption notification no. GSR No. 233 Dated 31.01.1978.
10. As per information & explanations provided to us the Company was not required to make any entries in the register maintained under section 301 of the Act, as the company has been exempted from the purview of Section 297 of the Act vide exemption notification No. GSR No. 233 Dated 31.01.1978
11. As per information & explanations provided to us there are no instances falling within the purview of Section 314 of the Act.
12. As per information & explanations provided to us the Company has not issued any duplicate share certificates during the financial year.
13. As per information & explanations provided to us:
  - (i) There was three transfer/transmission of shares as directed by concerned Ministry during the financial year.
  - (ii) The Company has declared and paid the following amount of dividend during the financial year:

S.No	Particulars	Amount of Dividend Declared	Date of Declaration of Dividend	Date of payment of Dividend
1.	Final Dividend	Rs. 4,68,03,510/-	31.07.2013 (AGM)	10.08.2013

The Company is wholly owned by Government of India and is maintaining a separate Bank Account since 27.09.2001 for payment of dividend and the Company was not required to post warrants to any member of the company as dividend was credited to Government of India account.

(iii) There are no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;

(iv) The Company has duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted and the appointments of directors have been duly made; none of the directors of the company are eligible to retire by rotation.

#### Details of Board of Directors during 2013-14

S.No.	Name of the Director	DIN	Date of Appointment	Date of Cessation	Authority by whom appointed	Under Section
1.	Shri Gyanesh Pandey CMD (HSCC)	03555957	26.07.2012	-	Government of India	617
2.	Shri S.K. Rao	06426779	21.09.2012	-	Government of India	617
3.	Shri Debidas Datta	00229856	02.01.2013	-	Government of India	617
4.	Shri Anil A. Masand	03520037	02.01.2013	-	Government of India	617
5.	Prof. Sushil	05300091	02.01.2013	-	Government of India	617
6.	Shri Sanjai Kumar Jain	06573103	10.04.2013	-	Government of India	617
7.	Shri Gautam Guha	06894434	12.03.2014	-	Government of India	617
8.	Shri Sanjay Kumar Srivastava	01658754	27.02.2013	12.03.2014	Government of India	617

- Shri Gyanesh Pandey appointed as CMD on 26.07.2012.

- Shri Debidas Datta, Prof. Sushil and Shri Anil A. Masand have been nominated as part- time non official Director w.e.f. 02.01.2013

15. The Company has not appointed any Managing Director / Whole time Director / Manager during the financial year.
16. As per information & explanations provided to us, the Company has not appointed any sole-selling agents

during the financial year.

17. As per information & explanations provided to us, the Company has obtained the requisite approval from the Central Government or such other authorities prescribed under the various provisions of the Companies Act during the financial year.
18. Directors interest has been duly disclosed.
19. As per information & explanations provided to us, all the directors have been nominated by the Government of India and general disclosure of interest has been recorded in the Minutes.
20. As per information & explanations provided to us the company has not bought back any shares during the financial year.
21. As per information & explanations provided to us the company does not have preference shares or debentures.
22. As per information & explanations provided to us there was no transaction necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per information & explanations provided to us the company has not invited/accepted any deposits including any unsecured loans falling with in the purview of Section 58A during the financial year.
24. The Company has not made any borrowing during the financial year ended 31st March, 2014.
25. As per information & explanations provided to us the company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The company has not altered the provisions of its Articles of Association during the year under scrutiny.
31. As per information & explanations provided to us there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
32. As per information & explanations provided to us the Company has not received any money as security from its employees during the financial year.
33. As per information & explanations provided to us the company has deducted contribution towards Provident Fund and has deposited both employees' and employer's contribution with the prescribed authorities pursuant to Section 418 of the Companies Act, 1956.

Place : New Delhi  
Date : 30.05.2014

sd/-  
Name of the Company Secretary : Parveen Rastogi  
C.P. No. : 2883

For Parveen Rastogi & Co.  
Company Secretaries

## ANNEXURE - V

(Addendum to Directors' Report)

### REPLIES TO COMMENTS IN AUDITORS' REPORT

#### Opinion

(i) Note no.19 (1) (g) regarding acceptance by the company of joint moral responsibility with the client for the reported lapses in one of the projects (CRI, kasauli) and to bear half of the assessed cost (infructuous expenditure on construction). There had not been further development during the year on this issue and hence, the amount of liability has not yet been ascertained.

Reply: Disclosed in Note No. 19(1) (g), which is self explanatory.

(ii) Note no. 19 (1) (h) regarding deposit by the company Rs.1704.77 lakhs, out of the deposit from other projects of MOH&FW. In view of pending settlement with MOH & FW no provision for the same has been made in the books of account.

Reply: Disclosed in Note No. 19(1)(h), which is self explanatory.

(iii) Note no. 19 (1) (i) regarding accounting of Rs. 848.62 lakhs (previous year 1296.44 lakhs) interest out of client's funds (corpus accounts) as income of the company during the year, wherever agreements do not specify credit to the client corpus accounts.

Reply: Disclosed in Note No. 19(1) (i), which is self explanatory.

(iv) a) Note no. 19 (4) regarding Trade Receivable , trade payable , loans & advances, deposits and other balances on behalf of the ministries / clients are subject to reconciliation and confirmation.  
 b) Majority of the debtors have not responded to the confirmation request sent by the company hence the differences if any remained unadjusted.

Reply: Disclosed in Note No. 19(4), which is self explanatory.

(v) Note no. 19 (6) Regarding old credit balances of Rs.1771.76 lakhs ( previous year Rs 2996.53 lacs) lying unpaid / unadjusted in the deposit accounts of the clients.

Reply: Disclosed in Note No. 19(6), which is self explanatory.

(vi) Note no 19(2) regarding charging of Rs 280.06 lacs being interest paid on Fixed deposit to All India Institute of Medical Sciences to General Reserve as against to prior period expenses has resulted in overstatement of Profit before Exceptional and Extra Ordinary items by the same amount.

Reply: Disclosed in Note No. 19(2), which is self explanatory.

#### A. Para iv of Annexure

##### Observation

- There have been generally delays in submission of R.A and final bills by the contractors for projects managed by the company on behalf of the clients. In some cases such delays span over one year.

Reply: Contractors for Projects are instructed to submit RA & final bills as per terms of their contract time to time and to avoid further delays.

##### Observation

- Business Risk Assessment procedures and Financial controls Review procedures have not been set up for self-assessment of risks, operating controls and compliance with Corporate Policies.

Reply: Noted for compliances

##### Observation

- The company is having system of accounting of fixed deposits and interest thereon however a real time system of analysing Fixed Deposit Accounts, date of Maturity, Verification of interest credited by banks needs to be further strengthened.

Reply: Noted for compliances

## ANNEXURE - V

(Addendum to Directors' Report)



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, oa insu lnL;] yskk ijh{kk ckM&IV, ubZ fnYyh  
Office of the Principal Director of Commercial  
Audit & Ex-office Member, Audit Board-IV, New Delhi

No. 280-PDCA/MAB-IV/HS/A/cs/HSCC/14-15/444

Dated : 12.09.2014

To,

The Chairman and Managing Director  
HSCC (India) Limited  
E-6 (A), Sector-1,  
NOIDA (U.P.)-201 301

**Subject :- Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of HSCC (India) Limited for the year ended 31 March, 2014.**

Sir,

I am to enclose herewith a Non-Reviewed Certificate under Section 619(4) of the Companies Act. 1956 on the accounts of HSCC (India) Limited for the year ended 31 March, 2014.

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

Encl: As above

**(Suparna Deb)**

Principal Director of Commercial Audit &  
Ex-Officio Member Audit Board-IV

vkBok; o uok; ry] l dk; Hkou] 10 cgnj 'kkg tQj ekx] ubZ fnYyh&110002  
8th & 9th Floor Annexe Building, 10, Bahadur Shah Zafar Marg, New Delhi - 110002  
Tel./nijHkk" : 23239413, 23239415, 23239419, Fax/QDl : 23239416  
bEY/Email : mabNewdelhi4@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HSCC (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2014.**

The preparation of financial statement of **HSCC (India) Limited** for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Auditing Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **26.08.2014**.

I, on the behalf of the Comptroller and Auditor General of India, have decided not to reviewed the report of the Statutory Auditors on the Accounts of **HSCC (India) Limited** for the year ended 31 March 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the Comptroller  
and Auditor General of India

(Suparna Deb)

Principal Director of Commercial Audit &  
Ex-Officio Member Audit Board-IV

Place : New Delhi  
Date : 11.09.2014



## INDEPENDENT AUDITORS' REPORT

To,

**The Members**

**HSCC (India) Ltd.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of HSCC (India) Ltd. (the "Company"), which comprises the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Managements Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and the financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 and circular no 8/2014 of April 4, 2014 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes 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 misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

Attention is invited to the following notes in schedule 19 "Notes to Accounts" forming part of Financial Statements:

- (i) Note no.19(1)(g) regarding acceptance by the company of joint moral responsibility with the client for the reported lapses in one of the projects (CRI, kasauli) and to bear half of the assessed cost (infuctuous expenditure on construction). There had not been further development during the year on this issue and hence, the amount of liability has not yet been ascertained.
- (ii) Note no. 19 (1) (h) regarding deposit by the company Rs.1704.77 lakhs, out of the deposit from other projects of MOH&FW. In view of pending settlement with MOH & FW no provision for the same has been made in the books of account.
- (iii) Note no. 19 (1) (i) regarding accounting of Rs. 848.62 lakhs (previous year 1296.44 lakhs) interest out of client's funds (corpus accounts) as income of the company during the year, wherever agreements do not specify credit to the client corpus accounts.
- (iv) a) Note no. 19 (4) regarding Trade Receivable, trade payable, loans & advances, deposits and other balances on behalf of the ministries / clients are subject to reconciliation and confirmation.  
b) Majority of the debtors have not responded to the confirmation request sent by the company hence the differences if any remained unadjusted.
- (v) Note no. 19 (6) Regarding old credit balances of Rs.1771.76 lakhs (previous year Rs 2996.53 lacs) lying unpaid/ unadjusted in the deposit accounts of the clients.

- (vi) Note no 19(2) regarding charging of Rs 280.06 lacs being interest paid on Fixed deposit to All India Institute of Medical Sciences to General Reserve as against to prior period expenses has resulted in overstatement of Profit before Exceptional and Extra Ordinary items by the same amount.

**The impact of the above qualifications, in view of uncertainties, in Profit and Assets and Liabilities of the company is presently not quantifiable.**

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us , **except for the effects of the matter described in the Basis for Qualified Opinion Paragraph “6” above, including the matters whose effect on the Profit for the year and assets / liabilities as at March 31,2014 is unascertainable**, the accompanying 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies (Auditor’s Report) Order, 2003 , as amended by the Companies (Auditor’s Report ) (Amendment ) Order,2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the “Order”), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the informations and explanations given to us , we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order :-

As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books ;
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with books of accounts;
- d) **Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph “6”, the impact of which in the Statement of Profit and Loss and various heads of Balance Sheet is presently not quantifiable**, in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 and circular no 8/2014 of April 4, 2014 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 .
- e) Being a Govt Company, pursuant to the notification no . GSR 829 (E) dated 21st October 2003 issued by the Govt of India , provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 , are not applicable to the Company .

For S.K. Kapoor & Co.  
Chartered Accountants  
Firm Registration No: 000745C

(V B Singh)  
Partner  
Membership No. 073124

Place: Noida

Date : 26.08.2014

## Annexure to the Independent Auditor's Report

(Referred to in paragraph 8 of the Auditors' Report of even date to the members of HSCC(India) Ltd on the financial statements as of and for the year ended March 31st 2014.)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of assets.
- (b) According to information and explanations given to us, the company has a system of physical verification of all major fixed assets. The programme of physical verification is reasonable having regard to the size of the company and the value of its fixed assets. The company got physical verification of fixed assets for the year 2013-14 conducted by a firm of chartered accountants and difference found on such verification has been appropriately dealt with in the books of account.
- (c) In our opinion and according to the information and explanations given to us, the company has not disposed of substantial part of fixed assets during the year.
- (ii) Since no inventory is maintained by the Company, therefore, paras 4(ii)(a), 4(ii)(b), and 4(ii)(c), of the Order are not applicable.
- (iii) The Company has not granted / taken any loans, secured or unsecured to / from companies, firms or others parties covered in the register maintained under section 301 of the Act. Therefore Para 4(iii)(a) to 4(iii)(g), of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company needs strengthening of its internal control systems and procedures in view of the following:
  - (a) There have been generally delays in submission of R.A and final bills by the contractors for projects managed by the company on behalf of the clients. In some cases such delays span over one year.
  - (b) Business Risk Assessment procedures and Financial controls review procedures have not been set up for self-assessment of risks, operating controls and compliance with Corporate Policies.
  - (c) The company is having system of accounting of fixed deposits and interest thereon however a real time system of analysing Fixed Deposit Accounts, date of Maturity, Verification of interest credited by banks needs to be further strengthened.

We cannot express our opinion about deficiencies in existing internal control systems and actions of the management with respect to above to correct the major weaknesses in the system.

The Company being in the business of rendering consultancy services, the question of purchase of inventory and sale of goods does not arise.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Act and therefore the para 4 (v) (a) and 4 (v)(b) of the Order are not applicable to the company.
- (vi) The Company has not accepted deposits from the public to which the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act apply.
- (vii) The Company has entrusted the internal audit to an independent firm of Chartered Accountants. The reports submitted by the internal auditors do not show the extent of checking and the methods applied for sampling of data. The reports are not submitted timely. Hence we are of the opinion that internal audit system needs to be further strengthened.
- (viii) As informed to us by the management, the Central Government has not prescribed the maintenance of cost records for the company under section 209(1) (d) of the Companies act.

- (ix) (a) According to the information and explanation given to us and on the basis of the records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, TDS, Cess and other statutory dues with the appropriate authorities and there is no amount outstanding as on 31st March 2014 for a period of more than six months from the date they became payable except labour cess withheld from contractors amounting to Rs 80.33 lacs which has not been paid within six month from the date the same was withheld since the liability belong to the contractors.
- (b) There are no dues of sales tax/ Wealth tax/ Service Tax / Custom Duty/ Excise Duty/ Cess pending to be deposited on account of any dispute. However, appeals by the Tax authority are pending before the ITAT in respect of income tax demand of Rs 388.86 lacs for A.Y. 2005-06 and Rs 6.29 lacs for A.Y. 2008-09 on the company.
- (x) The company has neither accumulated losses nor incurred any cash loss during the year and in the immediately preceding financial year.
- (xi) The company has not taken any loan from financial institutions or banks nor have any debentures been issued by the company. Hence para 4(xi) of the order is not applicable to the company.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence para 4(xii) of the order is not applicable to the company.
- (xiii) The company is not a chit fund or nidhi / mutual benefit fund/society to which the provisions of any special statute relating to chit fund are applicable.
- (xiv) According to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Hence para 4(xvi) of the order is not applicable.
- (xvi) As explained to us, the company has not obtained any term loans during the year. Hence para 4(xvi) of the order is not applicable.
- (xvii) According to information and explanation given to us, there are no funds raised on short-term basis or on long term basis during the year.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised money by public issue during the year.
- (xxi) According to the information and explanation given to us, there has been no fraud on or by the company noticed or reported during the year.

For S.K. Kapoor & Co.  
Chartered Accountants  
Firm Registration No: 000745C

(V B Singh)  
Partner  
Membership No. 073124

Place: Noida  
Date : 26.08.2014

## HSCC (India) Ltd

### Balance Sheet as at 31.03.2014

Particulars	Note	As at 31/3/2014 (in Rs.)	As at 31/3/2013 (in Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	1	24001800	24001800
Reserves and Surplus	2	1184067118	1034738515
<b>Specific Reserves</b>	3	15254582	10354582
<b>Non - Current Liabilities</b>			
Other Long Term Liabilities	4 A	55901827	59236228
Long-Term Provisions	B	48638760	38311546
<b>Current Liabilities</b>			
Trade Payables	5	5932532	4175548
Other Current Liabilities	6 A	715739902	335262021
Other Current Liabilities (on behalf of Ministry/Clients)	6 B	9231269449	5823303678
Short Term Provisions	7	38467368	52019192
<b>TOTAL</b>		<b><u>11319273338</u></b>	<b><u>7381403110</u></b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Fixed Assets - Tangible	8	69295215	68491968
- Intangible		25162	29066
Deferred Tax Assets (Net)	9	20970352	16530837
Long-Term Loans and Advances	10	1962248	2399850
<b>Current Assets</b>			
Trade Receivables	11	315599973	177957495
Cash and Cash Equivalents	12 A	1392103781	1055027887
Cash and Cash Equivalents (on behalf of Ministry/Clients)	12 B	7228340792	4231927765
Short-Term Loans and Advances	13 A	71373324	57331752
Short-Term Loans and Advances (on behalf of Ministry/Clients)	13 B	1937933323	1346126946
Other Current Assets	14 A	216673834	180330575
Other Current Assets (on behalf of Ministry/Clients)	14 B	64995334	245248969
<b>TOTAL</b>		<b><u>11319273338</u></b>	<b><u>7381403110</u></b>

The accompanying notes 1 to 19 are an integral part of the financial statements

As per our report of even date

For S K Kapoor & Co.  
Chartered Accountants  
Firm Regn. No. - 000745C

(V.B.Singh)  
Partner  
M No. 073124

Dated : 26.08.2014  
Place : Noida

For and on behalf of the Board of Directors

(Gyanesh Pandey)  
Chairman & Managing Director

(S. K. Jain)  
Director (Engg.)

(A. K. Aggarwal)  
Executive Director

(J.P.Behl)  
Chief Gen. Mgr. (F&A)

(R.K. Pathak)  
DGM (F&A) & Co. Secy.

## PROFIT AND LOSS STATEMENT

### Statement of Profit & Loss for the year ended 31.03.2014

Particulars	Note	2013 - 14 ( Amount in Rs.)	2012 - 13 ( Amount in Rs.)
<b>Income</b>			
Consultancy Fee (Gross)		440388971	379753779
Less : Service Tax		<u>48444354</u>	<u>41774268</u>
Other Income	15	212569086	245551434
<b>Total</b>		<b><u>604513703</u></b>	<b><u>583530945</u></b>
<b>Expenses</b>			
Employee Benefits Expense	16	169692561	157698209
Administrative & Other Expenses	17	58996261	62550803
Depreciation & Amortization Expenses		<u>4463932</u>	<u>3208289</u>
<b>Total</b>		<b><u>233152754</u></b>	<b><u>223457301</u></b>
<b>Profit Before Exceptional &amp; Extraordinary items &amp; Tax</b>		<b>371360949</b>	<b>360073644</b>
<b>Exceptional &amp; Extraordinary items</b>		-	-
<b>Profit Before Tax</b>		<b>371360949</b>	<b>360073644</b>
<b>Tax Expense</b>			
Current Tax		136000000	136869150
Deferred Tax		<u>(4439515)</u>	<u>(2508771)</u>
<b>Profit after Tax</b>		<b><u>131560485</u></b>	<b><u>134360379</u></b>
		<b><u>239800463</u></b>	<b><u>225713265</u></b>
<b>Earning Per Share</b>			
<b>Basic</b>		<b>999</b>	<b>940</b>

The accompanying notes 1 to 19 are an integral part of the financial statements

As per our report of even date

For S K Kapoor & Co.  
Chartered Accountants  
Firm Regn. No. - 000745C

(V.B.Singh)  
Partner  
M No. 073124

Dated : 26.08.2014  
Place : Noida

For and on behalf of the Board of Directors

(Gyanesh Pandey)  
Chairman & Managing Director

(S. K. Jain)  
Director (Engg.)

(A. K. Aggarwal)  
Executive Director

(J.P.Behl)  
Chief Gen. Mgr. (F&A)

(R.K. Pathak)  
DGM (F&A) & Co. Secy.

## NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2014 (No. of Shares)	As at 31.03.2014 (in Rs.)	As at 31.03.2013 (No. of Shares)	As at 31.03.2013 (in Rs.)
<b>1. SHARE CAPITAL</b>				
<b>Authorised</b>				
Ordinary Shares of Rs. 100/-each	500000	50000000	500000	50000000
<b>Issued ,Subscribed &amp; Paid up</b>				
Ordinary Shares of Rs. 100/-each	240018	<u>24001800</u>	240018	<u>24001800</u>
<b>A) Reconciliation of number of Ordinary Shares outstanding</b>				
At the beginning of the Year	240018	24001800	240018	24001800
At the end of the Year	240018	24001800	240018	24001800
<b>B) Details of Equity Shareholding more than 5 %</b>	<b>(No. of Shares)</b>	<b>%</b>	<b>(No. of Shares)</b>	<b>%</b>
Name of shareholder				
The President of India	239970	99.98	239970	99.98
<b>C) Details of Bonus Equity Shares fully paid up issued by Capitalisation of Reserves</b>	<b>2013 -14</b>		<b>2012-13</b>	
	No. of Shares		No. of Shares	
2003-04	120009		120009	
2008-09	80006		80006	
Total	<u>200015</u>		<u>200015</u>	
<b>2. RESERVES AND SURPLUS</b>				
<b>General Reserves</b>				
At the beginning of the Year		267559727		247559727
Add:-Transfer from Surplus in Statement of Profit & Loss		20000000		20000000
		<u>287559727</u>		<u>267559727</u>
Less:-Provision of Interest to Client (Refer Note no. 19(2))		28006000		-
	<b>( A )</b>	<u>259553727</u>		<u>267559727</u>
<b>Surplus in Statement of Profit &amp; Loss</b>				
At the beginning of the Year		767178788		623270233
Add:- Profit for the year		239800463		225713265
Appropriations				
Less:- a) Transferred to General Reserves		20000000		20000000
b) Proposed Dividend( Rs 205/- Per Share, Previous year Rs 195/- Per share)		49203690		46803510
c) Tax on Proposed Dividend		8362170		7592700
d) Transferred to Corporate Social Responsibility Fund		3771400		4415400
e) Transferred to Research & Development Fund		1128600		1128600
f) Transferred to Sustained Development Fund		-		1864500
	<b>( B )</b>	<u>924513391</u>		<u>767178788</u>
Reserves & Surpluses at the end of the Year	<b>( A + B )</b>	<u>1184067118</u>		<u>1034738515</u>
<b>3. Specific Reserves</b>				
	<b>As at</b>	<b>Addition</b>	<b>Utilisation</b>	<b>As at</b>
	<b>31.03.2013</b>	<b>during the year</b>	<b>during the year</b>	<b>31.03.2014</b>
Corporate Social Responsibility Fund*	8515082	6771400	3000000	12286482
Research & Development Fund**	548600	1128600	-	1677200
Sustained Development Fund***	1290900	-	-	1290900
<b>Total</b>	<u>10354582</u>	<u>7900000</u>	<u>3000000</u>	<u>15254582</u>

(According to the guidelines, this fund is non-lapsable, hence this fund is shown as a specific reserve. )

\*Corporate Social Responsibility Fund @ 3% of Net Profit of the previous year following DPE guidelines, Govt. of India. Fund has been created since Fin Yr. 2010-11. Net balances has been arrived at after adjustments of Rs 30,00,000/- spent towards CSR activities during the year.

\*\*Research & Development Fund @ 0.50 % of Net Profit of the Previous financial year following DPE guidelines, Govt. of India. Fund has been created for current year. Net balances has been arrived at after adjustments of Rs NIL/- spent towards R&D activities during the year.

\*\*\*Sustained Development Fund @ 0.50 % of Net Profit of the financial year following DPE guidelines, Govt. of India. Fund has been created for previous year only. From the current year sustainable development fund creation has been included in CSR as per DPE guidelines.

		As at 31st March, 2014 (in Rs.)	As at 31st March, 2013 (in Rs.)
<b>4 Non-Current Liabilities</b>			
Other-Non-Current Liabilities			
Retention Money	<b>A</b>	<b>55901827</b>	<b>59236228</b>
Long Term Provisions			
Leave Encashment	<b>B</b>	<b>48638760</b>	<b>38311546</b>
<b>5 Trade Payable</b>			
Sundry Creditors		5932532	4175548
		<u><b>5932532</b></u>	<u><b>4175548</b></u>
<b>6 Other Current Liabilities</b>			
Earnest Money Deposits		21825561	10659960
Travelling Expenses / Advance Payable		326285	513672
Rent Payable		142389	75360
HRR Recovery - Arrears		609066	609066
Outstanding Expenses Payable		20029638	41331854
Ex-Employee Payable		583290	582923
Others Employees		683552	-
TDS Payable		7028054	12795156
SBP Payable		832851	832851
Service Tax Payable		1996051	2048608
Sales Tax- Cont/Supp		9089603	-
Advance Fee From Clients		36750270	16498738
On behalf of Clients			
-Sundry Creditors		59261386	69685133
-Deposits/Advances		556581906	179628700
	<b>A</b>	<u><b>715739902</b></u>	<u><b>335262021</b></u>
On behalf of Ministries/Clients			
-Sundry Creditors		1903995769	1284921722
-Deposits/Advances		6845748112	4057400850
-Retention Money		361439348	390133792
-Others		120086220	90847314
	<b>B</b>	<u><b>9231269449</b></u>	<u><b>5823303678</b></u>
<b>7 SHORT TERM PROVISIONS</b>			
Provision for Income Tax	361423082		476600000
Less: Advance Income Tax/TDS	<u>385436705</u>	(24013623)	<u>479065493</u> (2465493)
Proposed Dividend		49203690	46803510
Corporate Dividend Tax		8362170	7592700
Provision for Fixed Assets Scrap		-	88475
Provision for Gratuity		4915131	-
		<u><b>38467368</b></u>	<u><b>52019192</b></u>



## 8 Fixed Assets

(in Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.2013	Additions during the year	Sales/Adj. during the year	As At 31.03.2014	Upto 31.03.2013	For the Year 2013-14	Adjustments during the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>										
Land - Lease Hold*	44665262	-	-	44665262	4332429	496281	-	4828710	39836552	40332833
Buildings - On Lease Hold Land	27647915	153862	-	27801777	12147787	779439	-	12927226	14874551	15500128
Boundary Wall - New Plot	-	456543	-	456543	-	63	-	63	456480	-
Flats - Lease Hold	2947502	-	-	2947502	1689398	62905	-	1752303	1195199	1258104
Furniture & Fixtures	12140604	652126	74797	12717933	8651325	799391	69325	9381391	3336542	3489279
Electrical Appliances	11853328	281235	22484	12112079	9644917	347804	21275	9971446	2140633	2208411
Air Conditioners/Cooling	4478865	6800	348516	4137149	1646182	394624	306245	1734561	2402588	2832683
Equipments	2186247	178865	292800	2072312	1322096	137058	253512	1205642	866670	864151
Vehicles	1125070	-	-	1125070	1072554	13597	-	1086151	38919	52516
Computers	14202309	3620973	439274	17384008	12248446	1410816	422335	13236927	4147081	1953863
Sub Total - A	121247102	5350404	1177871	125419635	52755134	4441978	1072692	56124420	69295215	68491968
<b>Intangible Assets</b>										
Software	1089692	18050	-	1107742	1089692	21954	-	1082580	25162	29066
Sub Total - B	1089692	18050	-	1107742	1060626	21954	-	1082580	25162	29066
<b>Current Year Total (A+B)</b>	<b>122336794</b>	<b>5368454</b>	<b>1177871</b>	<b>126527377</b>	<b>53815760</b>	<b>4463932</b>	<b>1072692</b>	<b>57207000</b>	<b>69320377</b>	<b>68521034</b>
Previous Year's Total	114760360	12085302	4508868	122336794	54710825	3208289	4103354	53815760	68521034	

Note :-

\* Leasehold Land is amortised proportionately over 90 years from the date of Lease deed from 1996 valuing Rs. 5749075/- and from 2006 valuing Rs. 38916187/-

	As at 31st March,2014 ( in Rs. )	As at 31st March,2013 ( in Rs. )
<b>9 Deferred Tax Assets(Net)</b>		
Deferred Tax Assets		
On Leave Encashment	16532315	12432097
On Provision for Doubtful Debts	6670692	6072527
Less : Deferred Tax Liabilities		
On Difference of Fixed Assets Block Between Income Tax and Companies Act	2232655	1973787
Net Deferred Tax Assets	<u><u>20970352</u></u>	<u><u>16530837</u></u>
<b>10 Long Term Loans &amp; Advances</b>		
Employees Advances		
- Conveyance Advance	655998	943600
- House Building Advance	1306250	1456250
(Unsecured considered good)	<u><u>1962248</u></u>	<u><u>2399850</u></u>
<b>11 Trade Receivables</b>		
Debts Outstanding for a Period exceeding six months:		
- Considered Good	203864939	47898584
- Considered Doubtful	16471363	17323961
	220336302	65222545
Other Debts - Considered Good	111735034	130058911
	332071336	195281456
Less : Allowances for Doubtful Debts	16471363	17323961
	<u><u>315599973</u></u>	<u><u>177957495</u></u>
<b>12 Cash and Equivalents</b>		
Cash -in-Hand including Imprest	642180	288369
With Scheduled Banks :		
- On Current Accounts	114639813	7634296
- On Deposit Accounts(< 1Yrs)	1276821788	995635774
- On Deposit Accounts(> 1Yrs)	NIL	51469448
A	<u><u>1392103781</u></u>	<u><u>1055027887</u></u>
Balance held on behalf of Ministries/Clients		
- On Saving Accounts	677699655	325693416
- On Deposit Accounts(< 1Yrs)	5726929407	2859771486
- On Deposit Accounts(> 1Yrs)	845421276	1112259879
Less: Book Overdraft	(21709546)	(65797016)
B	<u><u>7228340792</u></u>	<u><u>4231927765</u></u>

	As at 31st March,2014 ( in Rs. )		As at 31st March,2013 ( in Rs. )	
<b>13 Short Term Loans &amp; Advances</b>				
Advances recoverable in cash or in kind or for value to be received (unsecured, considered good except specified otherwise) :				
Employees Advance				
- Tour Advance		362528		129407
- General Advance		812259		888411
Suppliers/ Contractors on behalf of Clients				
- Creditors Advance	2841313	-	3550681	-
- Deposit from Clients	44762149	47603462	39502858	43053539
Receivable from Client				
- Deposit from Clients(Considered Doubtful)	1301053	-	1301053	-
Less : Allowances for Deposit from Clients	<u>1301053</u>	-	<u>1301053</u>	-
Others				
- Considered Good		16232744		6898064
Income Tax Deposit under protest		5835000		5835000
Receivable from Income Tax Authority		330850		330850
Fringe Benefits Tax Receivable		196481		196481
	<b>A</b>	<u><u>71373324</u></u>		<u><u>57331752</u></u>
-Creditors Advance - MOH&FW/ Clients	753381577		814849463	
-Deposit from Clients - MOH&FW/ Clients (Includes deposit with court Rs. 1704.77 lakhs)	<u>1184551746</u>	1937933323	<u>531277483</u>	1346126946
	<b>B</b>	<u><u>1937933323</u></u>		<u><u>1346126946</u></u>
Notes:				
-Amount Due from Directors/ Departmental Heads		477007		78979
<b>14 Other Current Assets</b>				
Interest accrued but not due				
- On Deposits with banks		85758877		83389397
- On Staff Loans and advances		878596		742454
Interest Receivable		120086228		90847314
Consultancy Fee accrued but not due		9844952		5351410
Discard Assets		105181		-
	<b>A</b>	<u><u>216673834</u></u>		<u><u>180330575</u></u>
Interest accrued but not due				
- On behalf of Ministries/ Client-on Deposit with Banks	<b>B</b>	<u><u>64995334</u></u>		<u><u>245248969</u></u>
<b>15 Other Income</b>				
Interest on deposits with banks		196354245		237832437
Interest on Staff Loans		213391		134741
Unclaimed balances written back		669400		314800
Provisions no longer required written back		12906997		3207424
Sale of Tender Documents		2412700		1347300
Miscellaneous Income		12352		2714732
		<u><u>212569086</u></u>		<u><u>245551434</u></u>

	As at 31st March,2014 ( in Rs. )	As at 31st March,2013 ( in Rs. )
<b>16 Employees Benefits Expenses</b>		
Salaries, Wages, Ex-gratia/PRP and allowances	125863221	118547324
Contribution to provident fund and Pension funds	9915500	8530498
Contribution to Gratuity funds	4915131	4263704
Contribution for Group insurance	12188	20,000
Lease Rent for staff accomodations (Net of recoveries)	15400506	15239883
Staff welfare (including Medical and Leave Travel Concession)	7396015	5651800
Contribution to Medical Fund Trust	4000000	3525000
Contribution to Welfare Fund Trust	2190000	1920000
	<b><u>169692561</u></b>	<b><u>157698209</u></b>
<b>17 Administrative &amp; Other Expenses</b>		
Rent	1656913	466692
Travelling and Conveyance -		
- Directors (including Foreign Travel - Rs 0.76 Lakh ; Previous Year Nil /-)	1280736	799488
- Others (including Foreign Travel - Rs 2.35 Lakh /- ; Previous Year Rs 0.30 Lakh /-)	<u>8536207</u>	<u>6949693</u>
	9816943	7749181
Insurance	302398	209576
Power and Fuel	3489248	2059610
Printing and Stationery	4326061	3666805
Postage	504995	385987
Telephone	1432809	1026721
Vehicle Running & Maint. Expenses	178035	247664
Vehicle / Taxi hire charges(Net of Recoveries)	4047040	3133182
Advertisement and Publicity	796194	386010
Professional Charges and Fees for Services rendered	11771667	7285787
Repair and Maintenance		
- Building	2608124	6427516
- Office Equip	<u>368619</u>	<u>542337</u>
	2976743	6969853
Auditors' Remuneration - Refer Note no. 19(9)	413371	507977
Charity & Donations	25000	-
Business Promotion	1799342	2935753
Directors Sitting Fees	96852	5000
Subscription & Membership Fees	453972	102925
Legal Expenses	486089	91660
Information & Technology Expenses	742407	897511
CSR	3000000	-
Recruitment and Training Expenses	1433778	565323
Watch and Ward Expenses	1294424	188076
Miscellaneous Expenses	288098	1462424
Provision for Bad & Doubtful Debts	1000442	5702710
Provision for Fixed Assets Scrap	-	88475
Loss on Sale of Assets (Net)	-	162579
Prior Period items (Net)		
Prior Period Income (for details see note below)	(5929000)	(14203631)
Prior Period Expenses (for details see note below)	<u>734440</u>	<u>359691</u>
	<b><u>6663440</u></b>	<b><u>14563322</u></b>
	<b><u>58996261</u></b>	<b><u>62550803</u></b>

	As at 31st March,2014 ( in Rs. )	As at 31st March,2013 ( in Rs. )
<b>Details of Prior Period Adjustments (Net)</b>		
<b>Income</b>		
Consultancy Fee	(5929000)	(2127667)
Income - Interest	0	(12075964)
	<u>(5929000)</u>	<u>(14203631)</u>
<b>Employees Remuneration and Benefits</b>		
Lease Rent	-	54000
<b>Administrative and Other Expenses</b>		
Travelling Expenses	70500	-
Printing Stationery	280458	159868
Vehicle Hire Charges	108203	-
Professional Charges and Fee for Services Rendered	162200	20178
IT Expenses	11333	-
Service Tax	16490	-
Repair & Maintenance	85256	125645
	<u>734440</u>	<u>359691</u>
	<u>(6663440)</u>	<u>(14563322)</u>

## 18. SIGNIFICANT ACCOUNTING POLICIES

### I. COMPANY INFORMATION :

HSCC (India) Ltd., a Mini Ratna, is a Govt. of India enterprise engaged in rendering comprehensive range of professional consultancy services in healthcare & other social sectors in India and abroad that includes conceptual studies, Management consultancy, Project Management, logistics & Installation, Procurements & Purchase and Healthcare facility design.

### II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

#### 1. BASIS OF PREPARATION

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956, pursuant to Circular 15/ 2013 dated 13th September, 2013 read with circular 08/ 2014 dated 4th April, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### 2. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

#### 3. REVENUE RECOGNITION

##### CONSULTANCY FEE

The policies for recognition of Consultancy fee in respect of various services are as under:

##### (a) ON DESIGN ENGINEERING / STUDIES / TRAINING / INFORMATION & TECHNOLOGY

Consultancy fee is recognized as income on the basis of bills raised/due to be raised in respect of fee receivable for supplies completed as scheduled in the agreement with the client.

##### (b) ON PROCUREMENT

- (i) Consultancy fee is recognized as income on the basis of bills raised/due to be raised in respect of fee receivable for work/stages completed as scheduled in the agreement with the client.
- (ii) Where stages of Consultancy fee have not been expressly prescribed in the agreement with clients, the same is recognized as income to the following extent:
  - on placement of supply order - 70% of total fee receivable.
  - on receipt of supplies/installation of equipments - balance 30% of total fees.

##### (c) ON CONSTRUCTION CONTRACTS (Project Management)

Consultancy fee is recognized as income on the basis of work measured as scheduled in the agreement with the client. Where work done is not measured as at the end of the year, Consultancy fee is recognized as Income on the basis of technical assessment of work done.

##### (d) GENERAL

- (i) Where there is a revision in the cost of the project the consultancy income is reflected in the year of revision in the cost.
- (ii) If mobilization advance is received against fee then it is adjusted proportionately against the various stages as scheduled in the agreement with client.

- (iii) If advance fee is part of stage payment then it is recognized as income along with the completion of next stage as defined in the agreement.

#### 4. TANGIBLE & INTANGIBLE ASSETS

##### A. Assets

##### (a) Tangible Assets :

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under "Other current assets". Any expected loss is recognised immediately in the Statement of Profit and Loss.

##### (b) Intangible Assets :

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any

##### B. Depreciation

##### (a) Tangible Assets:

- (i) Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed under Schedule XIV, of the Companies Act, 1956. Assets costing upto Rs 5000/- each is fully depreciated in the year of purchase.
- (ii) Leasehold land is amortised proportionately over the duration of lease.
- (iii) Stationery items and library books are completely charged off to revenue in the year of purchase.

##### (b) Intangible Assets:

- (ii) Depreciation on software is provided on written down value method and the same is fully is depreciated in the 3rd year of purchase, considering maximum useful life of the Software as three years.
- (iii) Software costing less than Rs 5000/- is depreciated in the year of purchase.

#### 5. PRIOR PERIOD ITEMS

Items of income/expenditure is excess of Rs. 20,000/- each, relating to earlier years are treated as prior period income/expenditure and are appropriately disclosed.

#### 6. PREPAID EXPENSES

Expenses in each case upto Rs. 20,000/- relating to subsequent years are being charged off to current year expenses and those more than Rs. 20,000/- each are treated as prepaid expenses.

#### 7. EMPLOYEE BENEFITS (Retirement / post retirement)

##### A. Defined contribution plans :

##### (i) Medical Facility

The Company has Medical benefit scheme under which employees on regular pay scales including retired employees are provided medical facilities. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Medical Fund Trust". The contribution to the Trust is recognized in Profit & Loss Account on payment basis

**(ii) Leave Travel Concession (LTC) for Home Town**

The Company has a Scheme of providing Leave Travel Concession for visit to home town to employees and their dependents. The Scheme is unfunded and is recognized in Profit & Loss Account on the basis of actual payment.

**(iii) Pension Plans**

Contributions to defined contribution schemes such as superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Contribution to Employees Pension Scheme is out of employer share of Provident Fund.

**B. Defined benefit plans:****(i) Provident Fund**

Provident fund contributions are made to a trust administered by the PF Trust. 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. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

**(ii) Gratuity**

The Company also provides for retirement/ post-retirement benefits in the form of gratuity, compensated absences. The Group'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 year in which they arise.

The Company has a defined benefit Gratuity Plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15 / 26 x last drawn Basic Pay plus Dearness Allowance) for each completed year of service, subject to a maximum of Rs. 10 lakhs (Previous Year Rs. 10 lakhs) on superannuation, resignation, disablement or on death. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Gratuity Fund Trust". The Company has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. The liability for the same is recognized on the basis of amount payable to Life Insurance Corporation of India being calculated by them on actuarial valuation using projected unit credit method on annual basis.

**(iii) Leave Encashment**

The Company has a defined benefit Leave Encashment Plan for compensated absence for Earned Leave and Half Pay Leave (sick leave). The Scheme is unfunded and is recognized in Profit & Loss Account on the basis of actuarial valuation using projected unit credit method on annual basis. The amount received from previous organization is being credited to Profit & Loss Account.

**8. FOREIGN CURRENCY TRANSACTIONS**

Foreign Currency Transactions are recorded on the basis of exchange rate prevailing on the date of respective transaction. Gains / losses arising out of subsequent fluctuations in exchange rates, arising, either on settlement or on translation, is recognized in the Profit & Loss Account. Where such transactions are on behalf of clients, the gain / loss is transferred to respective clients' Accounts.

**9. RESEARCH & DEVELOPMENT**

Revenue expenditure on Research & Development is charged as expense in the year in which it is incurred.

**10. PROVISION FOR TAXATION**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and



deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where the Company has unabsorbed depreciation or carry forward of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. At each balance sheet date, the Company reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably or virtually certain as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### **11. LIABILITIES / PROVISIONS NO LONGER REQUIRED**

Liabilities / Provisions outstanding for four years or more which are no longer required as on the date of Balance Sheet are written back. Claims arise, if any, after that date are charged off in the year of claim. Net Amount is shown under the head other income.

#### **12. PERFORMANCE RELATED PAY**

In line with DPE guidelines liability is provided for Performance Related Pay to Employees. 3% of PBT and 2% of PBT or 10% of incremental profit whichever ever is lower subject to maximum of 5% of PBT for Board executives and additional liability is provided for non executives.

#### **13. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS**

A provision is recognised when Company an enterprise has a present obligation as a result of past event; 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 its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

#### **14. DOUBTFUL DEBTS**

The outstanding which are not collected upto 3 years of their ageing are provided in the books of accounts. The outstanding which are unrecoverable after all efforts are made for its recovery are written off after approval of board of directors. Any future recovery in these accounts are considered as income of the company in the year of receipt.

#### **15. OPERATING LEASES**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The company is lessee under such arrangements. Payments under such leases are charged to the Statement of Profit and Loss on a straight line basis over the primary period of the lease.

## ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

### 19. Notes to Accounts

(1) Contingent Liabilities not provided for :

- (a) Claims against the Company not acknowledged as debts - Rs. 1.83 lakhs (Previous Year Rs.1.83 lakhs).
- (b) Unsettled disputed staff dues - Rs 34.61 Lakhs (Previous Year Rs 34.61 lakhs).
- (c) Guarantees issued by Banks on behalf of Company outstanding as on 31.03.2014 –Rs. 353.175 lakhs (Previous Year Rs. 557.56 lakhs).
- (d) Cases aggregating to Rs 2310.40 lakhs (Previous Year Rs.4706.00 lakhs) (approx)are under court / arbitration by suppliers / contractors against various clients,where HSCC is co- defendant. However, the Management does not foresee any liability on the Company in these cases.
- (e) Against demand of Rs 6.82 Lakhs received from EPF department Rs 5.15 Lakhs have been deposited (including Rs 3.15 Lakhs deposited in HSCC Employees Provident Fund Trust), the company has preferred Appeal against it.
- (e) Income Tax
- Against Income Tax demand for Assessment Year 2005-06 of Rs. 388.86 lakhs by assessing officer, Company went into appeal with CIT (Appeals) and the orders were passed by CIT (Appeals) in favour of the Company. Now the DCIT has filed an appeal to ITAT against the order of CIT (Appeals). The appeal is pending at ITAT .
  - Against Income Tax demand for Assessment Year 2008-09 of Rs. 6.29 lakhs by assessing officer, Company went into appeal with CIT (Appeals) and the orders were passed by CIT (Appeals) in favour of the Company. Now the DCIT has filed an appeal to ITAT against the order of CIT (Appeals). The appeal is pending at ITAT.
- (g) In one of the Project (CRI, Kasauli) regarding Consultancy Services, due to certain lapses in the project, the Company had earlier (in Oct. 2006) estimated the cost of modification of Rs 3 Crores and had agreed to meet 2/3rd of the said cost. But later this decision was not confirmed by the Board. Further, the Board has decided that the Company can accept the joint moral responsibility with the client for reported lapses in the Project. On this extraordinary liability, in the event the Ministry of Health & Family Welfare (MOH&FW), Government of India engages an agency to appraise and quantify the extent of reported infructuous expenditure on building construction works for which the Company provided consultancy services till 2004 i.e. when building was offered for taking over by CRI, the Company may have to pay and bear half of such assessed costs, if there be a demand in that behalf from MOH&FW, Government of India. The amount of liability has not yet been ascertained. Accordingly, the same will be charged to Profit & Loss Account in the year in which the liability is determined.
- (h) MOH&FW vide letter no. T-14020/27/2009-VBD, dated. 09/05/2013 referring order passed by the Hon'ble Supreme Court of India in the matter of SLP No 12397/2013 arising out of Judgement& Order dt. 21/12/2012 in FAO No. 623/2012 passed by Hon'ble Delhi High Court and to say that it has been decided that M/s HSCC (India) Ltd. will deposit the payment towards the decretal amount in the Delhi high Court at this stage in respect of M/s ISSA Industries case for Bednets.  
To comply the above order of MOH&FW, HSCC has deposited the payment of Rs 1704.77 Lakhs on 15/05/2013 out of the deposits of MOH&FW available with HSCC from the projects of MOH&FW as the funds are not available with HSCC for this project as approved by the Board in their 128th meeting held on 10/5/2013 and by the Shareholders in their 2nd Extra ordinary General Meeting held on 13/05/2013. This amount is included in the Deposit from Clients – MOH&FW, Note No. 13 – Short Term Loans & Advances of Notes to the Financial Statements. As decided in EGM, MOH&FW may be requested to set up an inquiry to ascertain the person (s) / Organization (s) responsible for the lapses in the matter and also apportion the liability generation out of Arbitration / Courts order to the extent of their lapses / omissions / commissions to bring the justice in the matter. Especially this may be seen in view of the facts that lapses and reasons for arbitral award are not attributable to HSCC. Liability in this regard, if any attracted to HSCC will be dealt accordingly in the year in which it is ascertained. HSCC as of now doesn't foresee any liability in this respect. Further opinion has been sought from ASG Indira Jaising which has also opined the same vide opinion dtd. 19/02/14.

- (i) Funds received from some of the clients are kept in separate Bank accounts (Corpus Accounts) in accordance with the terms and conditions of the agreement. In terms of such agreements Rs. 68181.97/-lakhs (Previous Year Rs. 42911.01 lakhs) were received during the year for execution of various consultancy projects.  
Interest accrued, on deposit of amount so received with Banks is accumulated to the credit of respective clients' accounts. Wherever agreements do not specify, the interest is accounted for as income of the Company- such interest on Corpus Account accrued during the year 2013-14 being Rs.848.62 lakhs (Previous year Rs.1296.44 lakhs). Further, various debit and credit balances held on behalf of such clients are shown separately under respective account heads in the financial statements.  
Also, Letters of Credit have been established with banks on behalf of Ministries / clients. amount outstanding as on 31.03.2014 – Rs.746.34 lakhs (Previous Year Rs. 10.10 lakhs).
2. During the year All India Institute of Medical Science claimed interest on their deposit with the Company earned from the date of funds deposited by client. In agreement with client, the Company has provided a sum of Rs.352.24 lakhs towards the liability by crediting to the client account for current year's interest on deposit & Rs.280.06 lakhs by utilizing General Reserve in respect of interest Income earned in earlier years & taken as Income by the Company Net of Tax paid by the Company.
  3. As identified from the available information, a sum of Rs.NIL towards principal is due to the units on behalf of client as on 31.03.2014 (Previous Year Rs. 13.63 lakhs) covered under Micro, Small and Medium Enterprises Development Act, 2006. However, there is no interest paid / payable / accrued on this outstanding during the year.
  4. The company has sent 38 confirmation letter to the sundry debtors but no reply received till date. Balances appearing in most of the parties' accounts under the head Sundry Creditors, Deposits and various balances on behalf of Ministries / Clients are subject to confirmation.
  5. Unclaimed balances of Sundry Creditors on account of client works are being transferred to respective client account in the year in which the accounts are settled with the clients.
  6. Credit balances lying in the deposit account of clients (MOH&FW, MEA, State Govts., Govt. Autonomous Bodies, PSUs etc.) for more than 4 years are Rs.1771.76 lakhs (Previous year Rs. 2996.53 lakhs) inclusive of Corpus Account Rs.872.65 lakhs (Previous year Rs. 2262.79 lakhs) will be paid in the year in which accounts are settled with them.
  7. The Company during the year has contributed Rs. 40 lakhs and Rs 21.90lakhs (Previous Year Rs. 35.25 lakhs and Rs.19.20 lakhs) to approved Employees' Medical and Welfare Fund Trusts respectively for the welfare of its employees.
  8. Outstanding Expenses includes Performance Related Pay (PRP) for the year 2013-14 Rs.95.45 lakhs. (Previous Year Rs. 180 lakhs)
  9. Payment to Auditors

(Rs. In lakhs)

Particulars	2013-14	2012-13
Audit Fee	3.00	3.50
Tax Audit Fee	0.60	0.70
Reimbursement of out of pocket expenses	0.53*	0.44
Total	<u>4.13</u>	<u>4.64</u>

\* This relates to previous auditor

10. In the opinion of the Board of Directors, the Current Assets and Loans & Advances as on 31.03.2014 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
11. Physical Verification of Fixed Assets of the company for the year 2013-14 has been conducted by a firm of independent Chartered Accountants. Unusable assets found in verification have been dealt with according to significant accounting policies of the company.
12. Information regarding foreign exchange (excluding exchange rate variation):

(Rs. In lakhs)

Particulars	2013-14	2012-13
Expenditure in Foreign Currency on :		
- Travelling	1.21	0.30
- Value of imports on C.I.F. basis : Capital Goods (on behalf of clients)	47.44	17.83

**13. Disclosure as per Accounting Standard -7 on “Construction Contracts”**

Disclosure so far as related to Civil Construction Projects in which the Company has acted as Consultant on behalf of Clients is as under :

(Rs. In lakhs)

Particulars	2013-14	2012-13
(a) Aggregate amount of cost incurred on behalf of the clients during the year	36979	39352
(b) Consultancy fee of such contracts recognized during the year	3692	3200
(c) Outstanding deposits / advances from Ministries / Clients in respect of such contracts	48867	28643
(d) Outstanding retention money in respect of such contracts	3614	4494

14. The total transaction made on behalf of Client in respect of Construction activities by HSCC during the financial year 2013-14 was Rs. 36979 lakhs (previous year Rs. 39352 lakhs).

**15. Disclosure as per Accounting Standard -17 on “Employee Benefits”**

Disclosure in terms of ‘Employees’ Benefit’ are as under:

**I. Defined Contribution Plan**

**(a) Medical Facility**

During the year the Company had contributed Rs. 40 lakhs towards the said Trust (Previous Year Rs. 35.25 lakhs) in the Profit & Loss Account which includes hospitalization of existing & retired employees.

**(b) Leave Travel Concession (LTC) for Home Town :**

During the year the Company had recognized Rs 1.28 lakhs towards LTC (Previous Year Rs. 0.28 lakhs) in the Profit & Loss Account.

## II. Defined Benefit Plan

### (a) Gratuity

The following is the summary of components as per AS – 15 (Revised).

(Rs. In lakhs)

S.No.	Particulars	31.03.2014	31.03.2013
(a)	Present value of obligation as at the beginning of the period	259.07	225.12
(b)	Interest cost	20.73	18.01
(c)	Current service cost	21.18	18.32
(d)	Benefits paid	(10.05)	(22.53)
(e)	Actuarial (gain) / loss on obligation	30.72	20.14
(f)	Present value of obligation as at the end of period	321.64	259.06

#### (ii) Expenses recognized in Profit & Loss Account

(Rs. in lakhs)

Particulars	31.03.2014	31.03.2013
(a) Current service cost	21.18	18.32
(b) Interest cost	20.73	18.01
(c) Net actuarial (gain) / loss recognized in the period	30.72	20.14
(d) Expenses recognized in the statement of Profit & Loss	49.15	35.01

#### (iii) Movement in the liability recognized in Balance Sheet

(Rs. in lakhs)

Particulars	31.03.2014	31.03.2013
(a) Opening net liability	239.83	211.03
(b) Expenses as above	63.87	51.33
(c) Benefits paid	(10.05)	(22.53)
(d) Closing net liability	293.65	239.83

During the year the Company has made provision of Rs 49.15 Lakhs towards contribution to Gratuity as per policy with Life Insurance Corporation of India.

### Leave Encashment

The following is the summary of components Compensated Absences (leave encashment):

#### (i) Change in present value of obligation.

(Rs. In lakhs)

S.No.	Particulars	31.03.2014	31.03.2013
(a)	Present value of obligation as at the beginning of the period	383.10	325.47
(b)	Interest cost	30.65	26.04
(c)	Current service cost	63.40	36.31
(d)	Benefits paid	(30.61)	(45.55)
(e)	Actuarial (gain) / loss on obligation	39.83	40.83
(f)	Present value of obligation as at the end of period	486.37	383.10

(ii) Expenses recognized in Profit & Loss Account

(Rs. in lakhs)

Particulars	31.03.2014	31.03.2013
(a) Current service cost	63.40	36.31
(b) Interest cost	30.65	26.04
(c) Net actuarial (gain) / loss recognized in the period	39.83	40.83
(d) Expenses recognized in the statement of Profit & Loss	133.88	103.18

(iii) Movement in the liability recognized in Balance Sheet

(Rs. in lakhs)

Particulars	31.03.2014	31.03.2013
(a) Opening net liability	383.10	325.47
(b) Expenses as above	133.88	103.18
(c) Benefits paid	(30.61)	(45.55)
(d) Closing net liability	486.37	383.10

(iv) The principal assumptions used in actuarial valuation are shown below:

Particulars	31.03.2014	31.03.2013
(a) Discounting Rate (%)	8.5	8.0
(b) Future salary increase (%)	6.00	5.5
(c) Retirement Age (Years)	60	60

**16. Disclosure as per Accounting Standard - 17 on "Segment Reporting"**

The Company's business is confined only to Consultancy. Accordingly, the Company operates in single primary segment. Further, the Company undertakes projects primarily within India. Hence there are no reportable geographical segments

17. Previous year's figures have been rearranged and regrouped wherever possible so as to make them comparable with those of current year.

**18. Disclosure as per Accounting Standard - 18 on "Related Party Disclosures"**

Details pertaining to Related Party Transactions are as follows:

**(a) List of Related Parties**

Name	Nature of Relationship
(i) Sri Gyanesh Pandey Chairman & Managing Director	Key Management Personnel
(ii) Sri S.K. Jain Director (Engg) (w.e.f. 16.04.13)	Key Management Personnel

**(b) Related Party Transaction**

Remuneration to the Chairman & Managing Director and Director (Engineering) during the year is Rs. 61.61 lakhs (Previous Year Rs. 25.76 lakhs) as detailed below excluding reimbursement of expenses

(Rs. in lakhs)

Particulars (Paid/Payable)	2013-14	2012-13
Salaries & Allowances	44.44	17.30
Contribution to Provident Fund	3.56	1.50
House Rent (Net)	11.06	5.48
Medical, LTC, perquisites and Tax on perquisites	2.55	1.48
<b>Total</b>	<b>61.61</b>	<b>25.76</b>

Further, the above excludes contribution to Gratuity Scheme, Staff Trust, Group Insurance Scheme and Provision for leave encashment

**19. Disclosure as per Accounting Standard -20 on "Earning Per Share"**

Calculation of E.P.S.	2013-14	2012-13
A. Net Profit for the year attributable to Equity Shareholders (Rs. in lakhs)	2398.00	2257.13
B. Number of Equity Shares outstanding during the year	240018	240018
C. Earning per Share (A) / (B) (Rs.)	999	940
D. Nominal value per Share (Rs.)	100	100

**Signatures to Schedules 1 to 19**

As per our report of even date attached

For S.K. Kapoor & Co  
Chartered Accountants  
Firm Regn No-000745C

(Dr.V.B. Singh)  
Partner  
M. No :- 073124

Place: Noida  
Dated : 26.08.2014

For and on behalf of Board of Directors

(Gyanesh Pandey)  
Chairman & Managing Director

(S.K.Jain)  
Director (Engg.)

(J.P.Behl)  
Chief Gen. Mgr. (F&A) & Proc.

(A.K.Aggarwal)  
Executive Director

(R.K. Pathak)  
DGM (F&A) & CS

## EXECUTIVES



**Shri Ravindra Kr. Pathak**  
DGM (F&A) & CS



**Shri Pramod Kumar**  
DGM (Elect.)



**Shri P. K. Bhatia**  
DGM (Mech.)



**Shri Rajiv**  
DGM (Civil)



**Shri S. Samanta**  
DGM (Civil)



**Smt. Monisha Tankha**  
DGM (Civil)



**Shri R. K. Aggarwal**  
DGM (Elect.)



**Shri Debashish Bandyopadhyay**  
DGM (Mech.)



**Shri Shivanna**  
DGM (Civil)



**Smt. R. Sitamani**  
DGM (PR)



**Smt. Aparna Datta Bakshi**  
DGM (HRM) & PIO



**Shri A. K. Nema**  
Sr. Manager (System)



**Shri S.S. Popli**  
Sr. Manager (Civil)



**Shri Narendra Kumar**  
Sr. Manager (BD & S&T)



**Shri Deepak Kumar**  
Sr. Manager (Mech)



**Shri S.S. Midha**  
Sr. Manager (Civil)



## HSCCs' OFFICES

### Registered Office:

205 (2nd Floor), East End Plaza,  
Plot No. 4, DDA LSC - Centre-II  
Vasundhara Enclave, Delhi-110096  
CIN No. U74140DL1983GOI015459

### Corporate Office :

E-6(A), Sector-1,  
NOIDA - 201301 (U.P.)

### Project Cum Site Office :

#### ASSAM

House No. - 35, 1st Floor  
Barthakur Mill Road,  
Ulubari, Guwahati - 781007

#### CHHATTISGARH

House No. B-19/7, Near Pani Ki Tanki  
New Rajendar Nagar,  
Raipur - 492001

### Major Site Offices :

1. All India Institute of Medical Sciences (AIIMS), New Delhi
2. All India Institute of Ayurveda, Sarita Vihar, New Delhi
3. Lady Hardinge Medical College, New Delhi
4. Redevelopment of Safdarjung Hospital, New Delhi.
5. Guru Tegh Bahadur Diagnostic Centre and Govt. Medical College, Amritsar, Punjab
6. Advanced Cancer Diagnostic Treatment & Research Centre, Bhatinda (Punjab)
7. Physiotherapy & Nursing College, Patiala, Punjab
8. Government Medical College, Patiala, Punjab
9. Dr. Rajendra Prasad Govt. Medical College, Super Speciality Block, Kangra, Tanda
10. Kalpana Chawla Medical College, Karnal
11. AIIMS - Raibareli
12. MCC - Pune
13. IIIM - Jammu
14. National Institute of Unani Medicine, Phase-III, Banagalore
15. National Institute of Animal Bio-technology - Hyderabad
16. Housing Complex for AIIMS type of Institution, Bhubaneshwar
17. Ayush - Shillong
18. Lokopriya Gopinath Bordoloi Regional Institute of Mental Health, Tezpur, Assam
19. Regional Institute of Medical Sciences (RIMS), Imphal
20. RIPANS - Aizwal
21. District General Hospital at Dickoya, Sri Lanka
22. IIT, Kharagpur, West Begal
23. PGI, Satellite Centre at Sangrur, Punjab
24. NRHM Sites at Kerala
25. NRHM Sites at Chhattisgarh

## STATUTORY AUDITORS

**M/s S. K. Kapoor & Co.**  
Chartered Accountants  
Himalaya House,  
23, Kasturba Gandhi Marg,  
New Delhi-110001

## INTERNAL AUDITORS

**M/s Budhraj Adalkha & Co.**  
Chartered Accountants  
5/31, WEA, Karol Bagh,  
New Delhi-110005

## SECRETARIAL AUDITORS

**M/s Parveen Rastogi & Co.**  
Company Secretaries  
Flat No.-3, Sood Building,  
Teil Mill Marg,  
Ram Nagar, Paharganj,  
Delhi - 110055

## BANKERS

Indian Overseas Bank  
Canara Bank  
Punjab National Bank  
State Bank of Patiala  
Bank of Baroda  
State Bank of India  
Syndicate Bank  
UCO Bank  
Corporation Bank



# HSCC (India) Ltd.

(A Govt. of India Enterprise)

(A Mini Ratna Company)

CIN No. U74140DL1983GOI015459

**Corporate Office :**

E-6(A), Sector-1, Noida - 201 301 (U.P.)

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