



Regd. Office : C-124, NBR House, Preet Vihar Delhi-110092
Head Office: 122-124, Model Basti, New Delhi -110 005

INDEPENDENT AUDITORS' REPORT

To,

The Members of HSCC (India) Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of HSCC (India) Ltd ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

Attention is invited to the following notes in schedule 20 "Notes to Accounts" forming part of Financial Statements:

- (a) (i) *Note no.20(l)(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, the amount of liability if any has not yet been ascertained and provided for in the books of account.*
- (ii) *Note no. 20(l)(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. 20 (VI) regarding Trade Payable, Lease Deposits, Sundry Debtors, EMD and Security Deposits given by the company and various other balances on behalf of the ministries / clients are subject to reconciliation and confirmation.*
- (iv) *During the financial year 2014-15, the company got an FDR made for Rs. 4,92,03,690/- out of dividend account opened with Indian Overseas Bank for encashment of dividend warrant (dividend Cheque) for the year 2013-14. On the said FDR, the company earned interest income of Rs. 1,41,169/- during the intervening period from*



the date of FDR till the Dividend warrant was presented in the bank which is in contravention of the payment of Dividend Rules.

(v) Note no. 20 (VIII) regarding old credit balances of Rs. 1387.81 lakhs (previous year Rs. 939.55 lacs) are lying unpaid / unadjusted in the deposit accounts of the clients for more than 4 years.

(vi) The amount of unclaimed balances of trade payable are not ascertainable on client's works and the outcome of liability, if any, is not known.

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

(b) (i) The company is maintaining project financials of 132 projects being undertaken by it on behalf of Ministry / Clients. These financials are incorporated in the books of the company as assets and liabilities and shown separately as "on behalf of Ministry / Clients" Account. The Bank accounts and Fixed Deposits maintained with the bank on behalf of Ministry / Clients are not being monitored by the company on regular basis and accounting of interest and Fixed Deposits is being made by the company based on data / statement provided by the respective banks at the year end.

(ii) Other than the above projects undertaken on behalf of Ministry / Clients, the company is also providing services to other old clients for which no separate financials have been maintained. In absence of details of funds deposited by the client and Statement of Expenditure of these client accounts, interest income on such funds is also taken as income of the company (amount not ascertained) which is in addition to the income as referred to in Note no. 20 (XXIV) amounting to Rs. 1038.88 lakhs (previous year 1098.32 lakhs) and Para (a) (iii) Basis for Qualified Opinion Para above.

The impact of deficiencies if any existing in the bank accounts, Fixed Deposits, Accrued Interest and Tax Deducted at Source in Ministry / Client accounts and Financials of the Company, in absence of adequate internal control as referred to in annexure "1" Para (IV) (c) of this report is not ascertainable.

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 above; including the matters whose effect on the Profit for the year and assets / liabilities as at March 31, 2016 is unascertainable, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at the reporting date and its profit and its Cash flow for the year ended on that date.



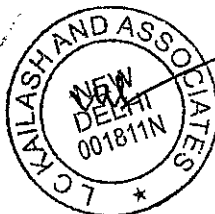
Emphasis of Matter

We draw attention to the following matters in the notes to the financial statements:-

- (a) Note no:- XXIII to the financial statements regarding change in accounting policy for recognition of operating revenue for all civil projects and accounting of expenditure incurred thereon .
- (b) Note no:- XXIV to the financial statements regarding accounting for recognition of interest earned on FDRs made out of deposits received from the clients (Corpus) as per approval of Board of Directors and accounting of interest paid to the clients as expenditure..
- (c) The company has paid Rs.3.13 lakhs during the year towards LTC reimbursement. However, the actuarial valuation of the same as on 31.03.2016 has not been obtained by the company.
- (d) Internal Financial control over financial statements (Refer Auditors Report Point No (b) (i) is weak and needs to be strengthened.

Report on Other Legal and Regulatory Requirements

- 1- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "1" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2- As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the accounting standard specified u/s 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) As per the notification no:- G.S.R 829 (E) dated 21/10/2003 issued u/s. 620(1) of the Companies Act 1956 and read with section 465(2) of the Companies Act 2013, sub section (2) of section 164 of the Companies Act 2013 provisions is not applicable to Government Company.



- (f) With respect to the adequacy of Internal Financial Control systems and the operating effectiveness of such controls, we give our report in Annexure-2.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31st March 2016 on its financial positions in its financial statements -- (Refer note no. 20 to the financial statements).
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3- As required under section 143 (5) of Companies Act 2013, we give in annexure "3" a statement containing our reply to directions issued by the Comptroller and Auditor General of India.

For LC KAILASH & ASSOCIATES
Chartered Accountants
Firm Regn No. 008122

Date:-19.09.2016

Place: - NOIDA



ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of section 143

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. The company got physical verification of fixed assets for the year 2015-16 conducted by a firm of Chartered Accountants and no material discrepancies were noticed on such verification.
- (ii) Since no inventory is maintained by the company as all contracts are awarded to the contractors with materials on turnkey basis, this Para of the order is not applicable.
- (iii) According to information and explanation given to us the Company has neither granted any loan nor taken any loan, secured or unsecured loans to / from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence other Paras of this clause are not applicable.
- (iv) The company has not advanced loans, given guarantees or security or made any investment in contravention of section 185 and / or section 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of sections 73 to 76 read with the rules framed thereunder are not applicable to the company.
- (vi) 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. This results in delay in accounting of Income as well as service tax liability as per Service tax Act.*
- (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 analyzing Fixed Deposit Accounts, date of Maturity, Verification of interest credited by the banks needs to be further strengthened.*

The Company being in the business of rendering consultancy services, the question of purchase of inventory and sale of goods does not arise.

- (vii) *The Central Govt. has not prescribed the maintenance of cost records as per section 148 (1) of the Companies Act 2013.*

- (viii) (a) *The company has generally been regular in depositing Provident Fund dues of its own employees. Based on the information and explanations given to us the company has laid down system and procedures regarding deposit of PF and ESI dues related to contractor's workers. The company has generally been regular in depositing Income-Tax, Sales Tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues to the appropriate authorities.*

- (b) *According to the records of the company and information and explanation given to us there are no dues of sales tax or wealth tax or duty of customs or duty of excise or value added tax or cess which has not been deposited on the account of dispute with appropriate authorities. However, Income Tax which has not been deposited on account of dispute is as under.*

Name of the the Dues	Nature of the dues	Amount Rs Lacs	Period to which Relates	Forum where dispute is pending
Service Tax	Service Tax	5.29 plus equivalent amount of penalty and interest	Oct 2009 – Sep-2010	Commissioner of Central Excise (Appeals)
Service Tax	Service Tax (Cenvat Credit)	10.05 plus interest	April 2010-March 2012	Commissioner of Central Excise (Appeals)
Income Tax Act	Income Tax	1452.00 Lacs	AY 2012-13	CIT (Appeals)



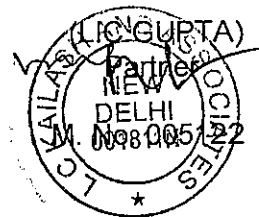
- (c) According to the information and explanations given to us, there are no amounts that are required to be transferred to Investors Education and Protection Fund during the year in accordance with the relevant provisions of the Companies Act, 1956.
- (ix) According to the information and explanations given to us, no fraud by the company and no fraud on the company by its officers or employees has been noticed or reported during the year.
- (x) The company has not taken any loan from Financial Institutions or Banks or Debenture holders since inception. Hence Para of this order is not applicable to the company.
- (xi) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xii) In our opinion and according to the information and explanations provided to us, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
- (xiii) The company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 Order is not applicable.
- (xv) According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- (xvi) The company is not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **L.C KAILASH & ASSOCIATES**

Chartered Accountants
Firm Regn. No. : 001181N

Place: Noida

Date: 19.09.2016



ANNEXURE “2” TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of HSCC (India) Ltd. (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

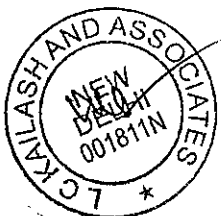
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting needs improvement as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L.C KAILASH & ASSOCIATES

Chartered Accountants

Firm Regn. No. : 001181N



Place: Noida

Date: 19.09.2016

M. No. 005122

ANNEXURE "3" TO INDEPENDENT AUDITORS' REPORT

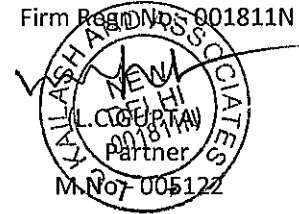
Directions/Sub-Directions indicating the areas to be examined by the statutory auditors during the course of audit of Annual Accounts of the HSCC (India) Ltd for the year 2015-16 issued by the Comptroller & Auditor General of India under section 143 (5) of the Companies Act, 2013

S.No	Directions/Sub-Directions	Action Taken	Impact on Financial Statement
A	Directions		
1.	Please report whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company has clear title/lease deeds for freehold and leasehold land.	NIL
2.	whether there are any cases of waiver/ write off of debts/ loans / interest etc., if yes, the reason there for and the amount involved.	NIL	NIL
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Not applicable, since the company does not carry any inventory due to nature of its business and no assets received as gift from government or other authorities.	NIL
B	Sub Directions : NIL		

Date:- 19.09.2016

Place:- NOIDA

For LC KAILASH & ASSOCIATES
Chartered Accountants
Firm Regd No. 001811N



BALANCE SHEET

ह.स.कॉ.क.
HSCC

HSCC (INDIA) LIMITED.

Balance Sheet as at 31st March, 2016

(Amount in Rupees)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
(a) Share Capital	2	2,40,01,800	2,40,01,800
(b) Reserves and Surplus	3	1,71,82,25,451	1,36,92,72,403
(c) Specific reserve	4	1,36,60,523	1,52,54,582
2 Non - Current Liabilities			
(a) Other Long Term Liabilities	5	5,45,30,451	5,89,30,802
(b) Long -Term Provisions	6	5,98,93,737	5,12,24,388
3 Current Liabilities			
(a) Trade Payables	7	37,84,904	45,02,318
(b) (i) Other Current Liabilities	8	60,88,86,073	58,70,84,765
(ii) Other Current Liabilities - Ministry / Clients	8	16,80,65,61,917	11,79,35,90,637
(c) Short -Term Provisions	9	17,32,96,542	6,78,12,027
TOTAL		19,46,28,41,398	13,97,16,73,722
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	10		
(i) Tangible		6,26,27,411	6,48,04,719
(ii) Intangible		8,32,006	1,11,092
(b) Deferred Tax Assets (Net)	11	4,63,75,884	2,83,92,327
(c) Long-Term Loans and Advances	12	85,91,639	88,62,849
2 Current Assets			
(a) Trade Receivables	13	42,45,24,650	31,09,06,972
(b) (i) Cash and Cash Equivalents	14	1,55,91,44,086	1,33,71,07,712
(ii) Cash and Cash Equivalents (on behalf of Ministry / Clients)	14	12,47,29,37,549	10,12,49,94,489
(c) (i) Short-Term Loans and Advances	15	28,19,16,211	17,35,91,629
(ii) Short-Term Loans and Advances (on behalf of Ministry / Clients)	15	1,56,24,75,273	1,46,84,50,268
(d) (i) Other Current Assets	16	2,84,45,69,040	25,43,05,785
(ii) Other Current Assets (on behalf of Ministry / Clients)	16	19,88,47,649	20,01,45,880
TOTAL		19,46,28,41,398	13,97,16,73,722

The accompanying notes 1 to 20 are an integral part of these Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

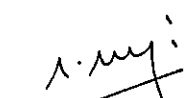
For L. C. Kailash & Associates
Chartered Accountants
Firm Regn. No. 001811N

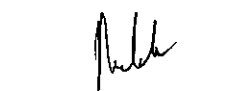
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Partner : L. C. Gupta
M. No. : 005122
Place : Noida
Date : 19.09.2016


(S.R. Jain)
Director (Engg.)
DIN: 06573103


(Saurabh Srivastava)
CGM (F&A)


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


(Gyanesh Pandey)
Chairman & Managing Director
DIN: 03555957

STATEMENT OF PROFIT AND LOSS

इ.स.क.क.
HSCC

HSCC (INDIA) LIMITED.

Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in Rupees)

PARTICULARS	Note No.	2015-2016	2014-2015
I. REVENUE FROM OPERATIONS:			
Value of Work Done		10,21,80,42,198	4,90,04,22,891
II. Other Income	17	85,17,64,163	85,72,39,082
III. TOTAL REVENUE (I+II)		11,06,98,06,361	5,75,76,61,973
IV. EXPENSES:			
a Contract Expenses		9,24,02,40,153	4,47,76,51,667
b Interest Credited/Paid to Govt. Clients		59,44,47,522	64,15,18,445
c Employee Benefits Expense	18	22,16,95,764	18,47,49,751
d Administrative and other Expenses	19	12,73,22,141	6,73,43,452
e Depreciation and amortization Expense	10	62,95,172	69,42,182
V. TOTAL EXPENSES		10,19,00,00,752	5,37,82,05,497
VI. Profit before Exceptional and Extraordinary items (III - V)		87,98,05,609	37,94,56,476
VII. Exceptional and Extraordinary items		1,11,48,894	-
VIII. Profit Before Tax (VI - VII)		86,86,56,715	37,94,56,476
IX. TAX EXPENSES:			
Current Tax		34,04,85,522	14,10,00,000
Deferred Tax		(1,79,83,557)	(69,47,759)
X. Profit for the year (VIII - IX)		54,61,54,750	24,54,04,235
XI. Earnings per equity share of Rs. 100 each	20(XXI)		
Basic Earnings Per Share		2,275.47	1,022.44
Diluted Earnings Per Share		2,275.47	1,022.44

The accompanying notes 1 to 20 are an integral part of these Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For L. C. Kailash & Associates
Chartered Accountants
Firm Reg. No.: 001811N

Firm Reg. No.: 001811N



Partner: L. C. Gupta
M. No.: 005122
Place : Noida
Date : 19.09.2016

(S. K. Jain)
Director (Dsg.)
DIN: 06573103

(Gyamsh Pandey)
Chairman & Managing Director
DIN: 03555957

(Saurabh Srivastava)
CGM (F&A)

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016.

इ.स.क.क.
HSCC

Particulars	As on 31.03.2016		As on 31.03.2015	
	Amount in Rs.		Amount in Rs.	
(A) Cash flow from operating activities				
Profit Before Tax		86,86,56,715		37,94,56,476
Adjustment for:				
Add: Depreciation & Amortisation as per Profit & Loss Account of RS. 62,95,172/- & Prior period depreciation Rs. 35,791/-		63,30,963		69,42,182
Add: Loss on sale / discarded assets		-		70,292
Less: Profit on sale of Fixed Assets		11,383		-
Less: Provision Written Back(Dividend Tax)		57,594		-
Less: Interest received		24,91,83,152		21,32,31,654
Operating Profit before working capital changes		62,57,35,549		17,32,37,296
Adjustment for:				
Add: Increase in other current liabilities-Ministry		5,01,29,71,280		2,54,06,11,642
Add: Increase in Other Long term liabilities		-		30,28,975
Add: Increase in Provisions		44,85,384		52,14,892
Add: Increase in other current liabilities		2,18,01,308		-
Add: Decrease in Trade receivables		-		46,93,001
Add: Decrease in short term loans & advances		-		-
Add: Decrease in short term loans & advances-on behalf of Ministry/clients		-		46,94,83,055
Add: Decrease in Long term loans & advances		2,71,210		-
Add: Decrease in other current assets-on behalf of Ministry/clients		12,98,231		-
Total		5,04,08,27,413		3,02,30,31,565
Less: Increase in Long term loans & advances		-		5,38,270
Less: Increase in other current assets-on behalf of Ministry/clients		-		13,51,50,546
Less: Increase in other current assets		2,59,02,01,106		3,76,31,951
Less: Increase in short term loans & advances-on behalf of Ministry/clients		9,40,25,005		-
Less: Increase in short term loans & advances		10,83,24,582		10,85,80,636
Less: Increase in Trade receivables		11,36,17,678		-
Less: Decrease in Other Long term liabilities		44,00,351		-
Less: Decrease in Trade Payables		7,17,414		14,30,215
Less: Decrease in Corporate Social Responsibility Fund		15,94,059		-
Less: Decrease in other current liabilities		-		12,86,55,139
Total		2,91,28,80,195		41,19,86,757
Cash generated from Operating activities		2,75,36,82,767		2,78,42,82,104
Less: Direct Tax Paid		36,87,40,746		11,59,96,743
Net Cash flow from Operating activities		2,38,49,42,021		2,66,82,85,361
(B) Cash Flows from Investing Activities:				
Sale of Fixed Assets		38,696		73,431
Add: Interest received		24,91,83,152		21,32,31,654
Less: Purchase of New Equipment		49,64,033		40,76,503
Net Cash Flows from Investing Activities		24,42,57,815		20,92,28,582
(C) Cash Flows from Financing Activities:				
Dividend on equity shares paid		4,92,03,690		4,92,03,690
Add: Dividend Tax paid		1,00,16,714		83,62,170
Net Cash from Financing Activities		5,92,20,404		5,75,65,860
Net Increase / Decrease in cash & cash equivalent		2,56,99,79,434		2,81,99,48,082
Cash beginning of the year		11,46,21,02,201		8,64,21,54,119
Cash end of the Year		14,03,20,81,635		11,46,21,02,201
Summary:				
Cash end of the year				
(a) Cash -in-Hand including Imprest		4,35,974		2,16,920
(b) Balance With Banks				
- On Current Accounts		29,17,34,211		26,75,40,115
- On Deposit Accounts(< 1Yrs)				
- On Deposit Accounts(> 1Yrs)		1,26,69,73,901		1,06,93,50,677
Total(A)		1,55,91,44,086		1,33,71,07,712
Other Bank Balance held on behalf of Ministries/Clients				
- On Saving Accounts		90,97,98,779		39,44,51,266
- On Deposit Accounts(< 1Yrs)				
- On Deposit Accounts(> 1Yrs)		11,56,31,38,770		9,73,05,43,223
Total(B)		12,47,29,37,549		10,12,49,94,489
TOTAL(A+B)		14,03,20,81,635		11,46,21,02,201

The accompanying notes 1 to 20 are an integral part of these Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors

For L. C. Kailash & Associates.
Chartered Accountants
Firm Regn. No. 001811N
NEW DELHI
Barnes 001811N
M No. 005122
Place: Noida
Date: 19.09.2016

S. K. Jain,
Director (Engg.)
DIN: 06573103

(Gyanesh Pandey)
Chairman & Managing Director
DIN: 03555957
Saurabh Srivastava
CGM (F&A)

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

1. SIGNIFICANT ACCOUNTING POLICIES

I. Company Information:

HSCC (India) Limited, a Mini Ratna (Category I Company), is a Government of India Enterprises engaged in rendering comprehensive range of professional services as consulting and executing agency for construction activities in healthcare & other social sectors in India and abroad that includes Conceptual Studies, Management consultancy, Project Management, Logistics & Installation, Procurements, Information Technology, design & engineering and Healthcare facility design.

II. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provision of Companies Act, 2013. 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 except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period, such estimates include accounting for contract cost expected to be incurred to complete the projects, provision for doubtful debts and advances, obligations under employee retirement benefit plans, taxes on income and determination of useful life of fixed assets. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates and assumptions and such differences are recognised in the period in which the results are known / materialised.

IV. REVENUE RECOGNITION

The policies for recognition of Revenue in respect of various activities are as under:

a) ON CONSTRUCTION CONTRACTS

- i.** Value of work done is recognized on percentage completion method. The value is determined based on the milestone achieved as stipulated in the contracts and on the basis of measureable work actually executed plus proportionate margin percentage thereon up to the reporting date where the contracts do not stipulate milestones.

- ii. Value of work done/Consultancy fees is determined based on the milestone achieved/proportionate achieved as stipulated in the contracts.
- iii. At the year end, works executed but not measured are accounted for based on certification by Engineer in charge on the basis of technical assessment of work done.
- iv. In case of projects foreclosed/terminated, revenue is recognized only to the extent of that part of contract, the recovery of which is probable based on past experience consented by the engineer in charge of the project.
- v. In case of deposit and/or cost plus contracts, the revenue is recognized based on cost incurred on the work done by the contractor plus proportionate percentage of margin stipulated thereon.
- vi. The value of claim for extra/substituted items is recognized on the item rate basis and other claims considered realizable by Engineer in charge of the project based on past experience.

b) ON PROCUREMENT

- i. The Revenue (fees) is recognized as income on the basis of bills raised in respect of fee receivable for work/stages completed as scheduled in the agreement with the client.
- ii. In the cases where stages of Consultancy Fees have not been expressly stipulated in the agreement with clients, the same is recognized as income in the following manner:

On placement of supply order – 70% of total fee receivable.

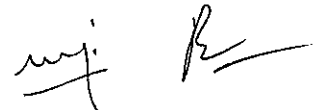
On receipt of supplies/installation of equipments – balance 30% of total fees.

c) ON DESIGN ENGINEERING / STUDIES/ DPR/ MOU/ TRAINING/ INFORMATION TECHNOLOGY / LOGISTIC & INSTALLATION & CONSULTANCY.

Revenue is recognized as income on the basis of bills raised in respect of fees due as per terms of agreement with clients and certified by the concerned Engineer in Charge.

d) GENERAL

- i. Where there is a revision in the cost of the project, the revenue impact (fees) is reflected in the year of revision in the cost.



- ii. If mobilization advance is received against consultancy fees, the same is adjusted proportionately against 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 completion of next stage as defined in the agreement.

e) **Interest**

Interest earned on funds received from clients is accounted as interest income. Interest paid / credited to the clients as per the terms of the agreement is treated as expenditure.

V. TANGIBLE & INTANGIBLE ASSETS

A. Fixed Assets

i. Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition of fixed assets are capitalized. 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.

ii. Retired/Unusable Assets

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 realizable value and are shown separately as "Assets Held for Disposal".

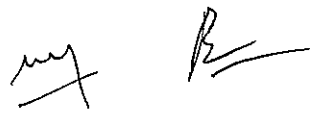
iii. Intangible Assets

Intangible assets are stated at cost of acquisition, net of accumulated amortization and accumulated impairment losses, if any. The cost includes purchase cost (net of rebate and discounts) and any directly attributable cost on making the asset ready for its intended use.

B. Depreciation

a. Tangible Assets:

- I. Depreciation is provided on written down value method at the rates and in the manner prescribed under Schedule II, of the Companies Act, 2013. Assets costing up to Rs. 5,000/- each are fully depreciated in the year of purchase.



- II. Leasehold land is amortized proportionately over the duration of lease period.

b. Intangible Assets:

- I. The costs of intangible assets are amortized on written down value method over useful life of 3 years.
- II. Software costing less than Rs. 5000/- is charged-off in the year of purchase.

VI. PRIOR PERIOD ITEMS

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

VII. PREPAID EXPENSES

Expenses in each case up to 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.

VIII. EMPLOYEE BENEFITS (Retirement / Post retirement)

a. Short term benefits:

Short term employee benefits like salary, allowances and performance related pay are recognised as expenses in the year in which the related services are rendered.

I. Leave Travel Concession (LTC) for Home Town

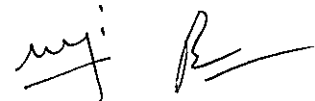
The Company has a Scheme of providing Leave Travel Concession for visit to home town to employees and their dependents. The Scheme is unfunded and is recognized in Profit & Loss Account on the basis of actual payment.

b. Long term Plan (Defined Contribution):

Defined contribution plans are those plans where the companies pays fixed percentage of contribution to provident fund, pension fund etc.

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. Pension Plan

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 made out of employer's share of Provident Fund. Contributions to the above schemes are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees.

III. 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.

c. Long term plans: (Defined Benefit)

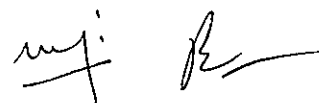
I. Gratuity

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. All 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 ($15 / 26 \times$ 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.

II. 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 the obligation is recognized in Profit & Loss Account on the basis



of independent actuarial valuation using projected unit credit method on annual basis. The amount received from previous organization of a newly joined employee is credited to Profit & Loss Account in the year of receipt.

IX. PERFORMANCE RELATED PAY

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

X. 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, are recognized in the Profit & Loss Account. Where such transactions are on behalf of clients, the gain / loss is transferred to respective clients' Accounts.

XI. RESEARCH & DEVELOPMENT

Revenue expenditure on Research & Development is charged as expense in the year in which it is incurred. In cases where Fixed Assets are purchased carrying out research, the same is capitalized and amortized on written down value basis over the useful life of the assets.

XII. 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 assets are recognized 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 realized.

XIII. LIABILITIES / PROVISIONS NO LONGER REQUIRED

Liabilities / Provisions outstanding for last four years or more which are no longer required as on the date of Balance Sheet are written back. Claims arising, if any, after that date is charged off in the year of claim.

XIV. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

A provision for contingent liability is recognized when Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to

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settle the obligation, in respect of which a reliable estimate can be made. 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. Contingent liabilities are disclosed and not recognized. Contingent assets are neither recognized nor disclosed.

XV. PROVISION FOR DOUBTFUL DEBTS

The outstanding debts which are not collected up to 3 years of their ageing will be reviewed and the provision shall be made in the books of accounts for doubtful debts based on the report of the management. The outstanding which are not recoverable after all efforts are made for its recovery are written off after approval of Board of Directors. For other debts, provision is made when there is an uncertainty of realization. Any future recoveries in these accounts are considered as income of the company in the year of receipt.

XVI. 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.

XVII. CLAIMS

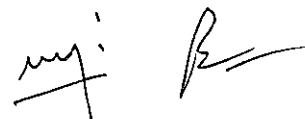
- a. Claims against the company are accounted once the same are accepted by the management.
- b. Claims by the company on clients/contractors shall be recognised on the basis of acceptance by the party on whom the claim is raised.

XVIII. LIQUIDATED DAMAGES ON CONTRACTS

The liquidated damages & other liabilities on contracts which are in progress and are completed is accounted for as and when the liability is communicated / determined by the client and accepted by the company.

XIX. IMPAIRMENT

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired,



when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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3 RESERVE AND SURPLUS		(Amount in Rupees)	
Particulars	As at 31st March, 2016	As at 31st March, 2015	
(a) General Reserves			
At the beginning of the Year	27,95,53,727	25,95,53,727	
Add:-Transfer from Surplus in Statement of Profit & Loss	2,00,00,000	2,00,00,000	
	29,95,53,727	27,95,53,727	
	29,95,53,727	27,95,53,727	Total(A)
(b) Surplus-Balance in Statement of Profit and Loss			
At the beginning of the Year	1,08,97,18,676	92,45,13,391	
Less: Transitional effects on revision of depreciation on useful life of the assets in accordance with Schedule II	-	9,20,951	
Add:- Profit for the year	54,61,54,750	24,54,04,235	
Appropriations:			
Less:(a) Transferred to General Reserves	2,00,00,000	2,00,00,000	
(b) Proposed Dividend (30% of Net Profit)	16,38,46,425	4,92,03,690	
(c) Tax on Proposed Dividend	3,33,55,277	1,00,74,308	
	1,41,86,71,724	1,08,97,18,676	Total(B)
	1,71,82,25,451	1,36,92,72,403	Total(A+B)

4 SPECIFIC RESERVE

Particulars	As at 31st March, 2016	As at 31st March, 2015
Corporate Social Responsibility Fund*	1,06,92,423	1,22,86,482
Research & Development Fund	16,77,200	16,77,200
Sustained Development Fund	12,90,900	12,90,900
	1,36,60,523	1,52,54,582
Total		

* Note-Details of expenditure explained in notes to accounts Notes No:20.(II)

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Particulars	As at 31st March, 2016		As at 31st March, 2015	
5 - Other Long Term Liabilities				
Others (Retention Money)		5,45,30,451		5,89,30,802
Total		5,45,30,451		5,89,30,802
6 - Long Term Provisions				
Provision for Employee Benefits (Leave Encashment)		5,98,93,737		5,12,24,388
Total		5,98,93,737		5,12,24,388
7- Current Liabilities :				
Trade Payable		37,84,904		45,02,318
Total		37,84,904		45,02,318
8 - Other Current Liabilities :				
Sundry Creditors	3,70,65,653		3,97,95,009	
Deposit & Advances	<u>36,16,84,533</u>	39,87,50,186	<u>41,64,71,257</u>	45,62,66,266
Advance Fee from Clients		2,04,89,059		2,18,77,667
Other Payables (Taxes)		6,92,09,707		5,62,01,899
Earnest Money Deposit		5,14,59,622		2,90,20,115
Employee Related Liabilities		15,64,348		18,16,886
Other Payables		6,74,13,151		2,19,01,932
Total		60,88,86,073		58,70,84,765
On behalf of Ministry /Clients				
Sundry Creditors		88,56,66,727		1,95,76,88,911
Retention Money		68,67,84,003		53,57,36,101
Deposit from clients:-				
Deposit Balance	9,81,35,08,660		6,99,93,24,521	
Interest on deposits	<u>2,25,00,62,029</u>	12,06,35,70,689	<u>1,95,88,91,045</u>	8,95,82,15,566
Liability for Contract Expenses		2,57,23,01,446		
Book Overdraft*		59,82,39,052		34,19,50,059
Total		16,80,65,61,917		11,79,35,90,637
* Book overdraft due to issuance of cheques which will be cleared against term deposits.				
9- Short Term Provisions				
Provision for Employee Benefits (Gratuity)		6,07,707		36,97,718
Provision for Employee Benefits (Leave Encashment)		27,52,723		38,46,677
Others:				
Provision for Taxation	75,00,56,255		50,18,69,150	
Less:Advance Income Tax / TDS	<u>77,73,21,845</u>	(2,72,65,590)	<u>50,08,79,516</u>	9,89,634
Provision for Dividend	16,38,46,425		4,92,03,690	
Provision for Dividend Distribution Tax	<u>3,33,55,277</u>	19,72,01,702	<u>1,00,74,308</u>	5,92,77,998
Total		17,32,96,542		6,78,12,027

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Note No :10

HSCC (India) Ltd											
Depreciation for the financial year 2015-16											
(In Rupees)											
FIXED ASSETS	GROSS BLOCK						DEPRECIATION			NET BLOCK	
	As At 1-Apr-15	Additions during the year	Sales/Adjustments during the year	As At 31-Mar-16	As At 1-Apr-15	For the Year 2015-16	Adjustments during the year	Upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15	
Tangible Assets: As per Co.Act-2013											
Buildings (NESD)	3,11,58,405	-	-	3,11,58,405	1,56,42,194	8,85,576	-	1,65,27,770	1,46,30,635	1,55,16,210	
Furniture and Fittings (NESD)	1,35,47,405	1,34,834	1,02,636	1,35,79,603	1,02,10,190	9,32,696	1,00,298	1,10,42,588	25,37,015	33,37,215	
Office Equipments (NESD)	1,73,40,010	17,01,796	3,31,889	1,87,09,917	1,38,16,449	11,97,475	2,98,704	1,47,15,220	39,94,697	35,23,562	
Motor Vehicles (NESD)	11,24,225	5,29,427	5,05,175	11,48,477	10,86,151	1,89,976	4,98,095	7,78,032	3,70,445	38,074	
Computers and Data processing units (NESD)	1,59,74,483	17,13,540	8,47,792	1,68,40,231	1,29,25,096	24,65,437	8,00,931	1,45,89,602	22,50,629	30,49,387	
Sub Total -A	7,91,44,528	40,79,597	17,87,492	8,14,36,633	5,36,80,080	56,71,160	16,98,028	5,76,53,212	2,37,83,421	2,54,64,448	
Tangible Assets:											
Land - Lease Hold *	4,46,65,262	-	-	4,46,65,262	53,24,991	4,96,281	-	58,21,272	3,88,43,990	3,93,40,271	
Intangible Assets:											
Software	12,08,945	8,84,436	-	20,93,381	10,97,853	1,63,522	-	12,61,375	8,32,006	1,11,092	
Sub Total -B	4,58,74,207	8,84,436	-	4,67,58,643	64,22,844	6,59,803	-	70,82,647	3,96,75,996	3,94,51,363	
Current Year Grand Total	12,50,18,735	49,64,033	17,87,492	12,81,95,276	6,01,02,924	63,30,963	16,98,028	6,47,35,859	6,34,59,417	6,49,15,811	

Previous Year's Total

12,65,27,377

40,76,503

41,89,981

12,50,18,735

5,72,07,000

69,42,182

40,46,258

6,01,02,924

6,49,15,811

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. 3,89,16,187/-
 ** 63,30,963 /- includes 35,791 /- relating to F/Y -2014-15 debited in prior period expenses. Depreciation for the year 2015-16 Rs. 62,95,172/-

Deduction/adjustments from gross block and depreciation for the year includes:

Particulars	Amount in Rs.	
	Gross Block	Depreciation Reserve
Assets held for disposal	4004368	2868051
	31.03.2016	31.03.2015
	2971343	3838927
	31.03.2015	31.03.2016
	31.03.2015	31.03.2015

According to the Management, there is no impairment in value of fixed assets which is appearing in the books of accounts as on 31.03.2016.

Signature

Particulars	As at 31st March, 2016	As at 31st March, 2015
11. Deferred Tax Assets (Net)		
<u>Deferred Tax Assets</u>		
On Leave Encashment	2,16,80,687	1,87,18,655
On Provision for Doubtful Debts	2,55,45,747	1,08,38,868
Less : Deferred Tax Liabilities		
On Difference of Fixed Assets Block Between Income Tax and Companies Act	8,50,550	11,65,196
Total	4,63,75,884	2,83,92,327
12. Long Term Loans & Advances		
Secured - Considered Good:		
- Employee Advance:		
- Vehicle Advance - (Secured by charge over the Vehicle)	11,59,590	12,02,018
- House Building Advance (Secured by conveyance deed held by the company)	7,69,718	9,98,500
Amount Recoverable from Income Tax Deptt:		
A/Y-2005-06	58,35,000	58,35,000
A/Y-2006-07	3,30,850	3,30,850
Fringe Benefits Tax Receivable	4,96,481	4,96,481
Total	85,91,639	88,62,849
13. Trade Receivables		
Debts Outstanding for a Period exceeding six months:		
-Considered Good		
	17,58,89,691	16,12,10,303
-Considered Doubtful		
	7,25,13,519	3,05,87,350
Less : Provision for Doubtful Debts	<u>7,25,13,519</u>	<u>3,05,87,350</u>
Other Debts - Considered Good	24,86,34,959	14,96,96,669
Total	42,45,24,650	31,09,06,972

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(Amount in Rupees)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
14. CASH AND CASH EQUIVALENT				
(a) Cash -in-Hand including Imprest		4,35,974		2,16,920
(b) Balance With Banks				
- On Current Accounts		29,17,34,211		26,75,40,115
- On Deposit Accounts(< 1Yrs) *	1,12,89,82,246		1,03,47,32,145	
- On Deposit Accounts(> 1Yrs)	13,79,91,655	1,26,69,73,901	3,46,18,532	1,06,93,50,677
Total		1,55,91,44,086		1,33,71,07,712
* Details of FDR under lien mark as on 31.03.2016 for Issue of Bank Gurantees.				
S.No.	Bank Name	FDR No.	FDR Amount in Rs.	
1	Indian Overseas Bank	511300925	19,50,000	
2	Punjab National Bank	DP18772	25,55,000	
3	Punjab National Bank	GR-569	1,16,26,000	
4	Punjab National Bank	GR-1814	10,00,00,000	
Total			11,61,31,000	
Bank Balance held on behalf of Ministries / Clients				
- On Saving Accounts		90,97,98,779		39,44,51,266
- On Deposit Accounts(< 1Yrs)	10,91,77,36,577		9,15,69,98,229	
- On Deposit Accounts(> 1Yrs)	64,54,02,193	11,56,31,38,770	57,35,44,994	9,73,05,43,223
Total		12,47,29,37,549		10,12,49,94,489
15. Short Term Loans & Advances				
<u>Unsecured considered good unless otherwise stated-</u>				
* Employees Advance:				
- Tour Advance		3,11,960		54,387
- Other Recoverable Advance		11,32,437		12,41,278
Progressive Contractors advance (adjustable against running bills)		-	44,12,085	
- Recoverable from Clients (Secured by the deposit in the client account to the extent of Rs. 21,00,29,527/-)	24,29,80,661	24,29,80,661	14,81,32,163	15,25,44,248
Receivable from Clients				
- Recoverable from Clients(Considered Doubtful)	13,01,053		13,01,053	
Less : Provisions	13,01,053		13,01,053	
Others				
- Considered Good		3,74,91,153		1,97,51,716
Total		28,19,16,211		17,35,91,629
On Behalf of Ministry / Clients				
Contractors Advance:				
Mobilisation advance to contractor-Secured by Bank Gurantee	12,59,48,862		39,79,96,074	
Progressive Contractors advance (adjustable against running bills)	1,26,65,26,411	1,39,24,75,273	27,58,19,795	67,38,15,869
Advances/Deposits				
NAMP Receivables-Deposit with Court		17,00,00,000		79,46,34,399
Total		1,56,24,75,273		1,46,84,50,268
* Amount Due from Directors/ Departmental Heads		3,05,444		3,94,600

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Particulars	As at 31st March, 2016	As at 31st March, 2015
16. Other Current Assets		
Interest accrued but not due		
- On Deposits with banks	8,41,58,895	7,54,49,248
- On staff Loans and advances	7,20,357	7,24,749
Interest Receivable	13,91,10,056	14,42,25,898
Value of work done (Suspense Consultancy)	4,80,54,640	3,37,84,113
Assets held for Disposal	1,65,441	1,03,292
Deposit against Service tax appeal	39,720	-
EX-Employee Recoverables	18,485	18,485
Value of work done (Suspense)	2,57,23,01,446	-
- On behalf of Ministries/ Clients		
Total	2,84,45,69,040	25,43,05,785
- On behalf of Ministries/ Clients - on Deposits with Banks		
Interest accrued but not due	19,88,47,649	20,01,45,880
Total	19,88,47,649	20,01,45,880

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Particulars	2015-2016		2014-2015	
17. Other Income				
Interest on deposits (HSCC Fund)	11,39,84,813		10,32,09,206	
Interest on deposits (Govt. Fund)	<u>72,94,66,001</u>	84,34,50,814	<u>75,13,49,996</u>	85,45,59,202
Interest on Staff Loans		1,79,860		1,90,897
Unclaimed balances written back		56,068		23,602
Provisions no longer required written back		9,83,394		-
Sale of Tender Documents		64,96,177		24,61,798
Profit on sale of Fixed Assets		11,383		-
Miscellaneous Income		5,86,467		3,583
Total		<u>85,17,64,163</u>		<u>85,72,39,082</u>

18. Employee Benefits Expenses

Salaries, Wages, Ex-gratia / PRP and allowances		17,78,26,115		13,95,48,489
Contribution to Provident Fund and Pension Fund		1,29,88,571		1,24,96,335
Contribution to Gratuity Fund		6,07,707		36,97,718
Contribution for Group Insurance		67,972		44,916
Lease Rent for staff accommodations (Net of recoveries)		1,76,04,285		1,68,58,017
Staff welfare (Including Medical and Leave Travel Concession)		82,96,114		80,94,276
Contribution to Medical Fund Trust		26,85,000		24,90,000
Contribution to Welfare Fund Trust		16,20,000		15,20,000
Total		<u>22,16,95,764</u>		<u>18,47,49,751</u>

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Particulars	2015-2016	2014-2015
19. Administrative & Other Expenses		
Rent	25,51,176	25,07,059
Travelling and Conveyance:		
Directors (including Foreign Travel - Rs.3.39/-Lakh ; Previous Year 5.83/-Lakh)	15,77,468	5,83,428
Others (including Foreign Travel - Rs 6.48/-Lakh , Previous Year Rs 10.13 Lakh)	1,03,02,049	1,23,27,655
Insurance	1,77,335	1,11,737
Power and Fuel	35,96,235	40,96,380
Printing and Stationery	51,40,438	40,18,814
Postage	5,50,012	7,70,622
Telephone	16,85,420	14,60,874
Vehicle Running & Maint. Expenses	87,733	1,56,376
Vehicle / Taxi hire charges(Net of Recoveries)	45,07,668	35,97,019
Advertisement and Publicity	12,57,170	4,82,406
Professional Charges and Fees for Services rendered	1,09,33,724	98,87,514
Repair and Maintenance:		
- Building	55,76,454	30,67,770
- Office Equip.	4,45,674	3,31,010
Auditors' Remuneration - Refer Note no. 20 (XI)	5,20,000	6,54,350
Business Promotion	46,96,839	27,39,114
Directors Sitting Fees	1,70,000	1,30,000
Subscription & Membership Fees	1,39,790	23,422
Legal Expenses	23,020	11,08,968
Information & Technology Expenses	11,67,546	9,35,140
CSR Expenses	74,05,941	
CSR Expenses (Previous year)	24,24,000	40,20,000
Recruitment and Training Expenses	7,75,035	7,22,746
Watch and Ward Expenses	26,51,254	16,94,211
Bank Charges	6,24,235	-
Miscellaneous Expenses	4,77,516	6,29,689
Provision for Bad & Doubtful Debts	4,19,26,169	1,41,15,987
Loss on sale of fixed assets	-	70,292
Loss on Exchange Diff in Foreign Currency	-	2,23,947
Prior Period Items :		
Prior Period Income (for details see note below)	(5,24,895)	(25,96,835)
Prior Period Expenses (for details see note below)	1,64,57,135	57,184
Total	12,73,22,141	6,73,43,452

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(Amount in Rupees)

Particulars	2015-2016	2014-2015
Prior Period Items :		
Prior Period Items Details		
Income:		
Consultancy Fee	-	25,96,835
Prior Period Income- Interest on FDR	5,24,895	-
	5,24,895	25,96,835
Expenses:		
Travelling Expenses	27,344	57,994
Interest Paid	1,63,94,000	65,121
Prior Period Depreciation	35,791	-
Others	-	(65,931)
	1,64,57,135	57,184
	1,59,32,240	(25,39,651)
Total (b-a)		

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20. Notes forming part of the financial statements

I. Contingent Liabilities not provided for :

- (a) Claims against the Company not acknowledged as debt amounting to Rs.1.83 lakhs (Previous Year Rs. 1.83 lakhs) pertaining to the demand w.e.f 01.01.1997 raised in 2004 by Employees State Insurance Corporation, Kanpur.
 - (b) Unsettled disputed staff dues Rs 34.61 Lakhs (Previous Year Rs 34.61 lakhs).
 - (c) Guarantees issued by Banks on behalf of Company for performance guarantees to the clients in respect of Construction projects outstanding as on 31.03.2016 is Rs.555.03 lakhs (Previous Year Rs.261.34 lakhs).
 - (d) Foreign Letter of Credits open by HSCC on behalf of ministries/clients outstanding as on 31.03.2016 converted at the exchange rate as on reporting date is Rs. 1067.96 lakhs.(Previous Year Rs. 2031.30 lakhs).However, the management holds no responsibility for any liability in these cases.
- (e) **Income Tax**
- Against Income Tax demand for Assessment year 2012-2013 of Rs. 1452 lakhs by the Assessing officer under section 143 (3), the company preferred appeals with CIT(Appeals) on 13.03.2015 against the said order. The CIT(Appeals) vide its order dated 30.10.2015 allowed the appeal and directed the Assessing officer to get the verification of TDS done at his end and allow credit of due TDS to the assessee.

Service Tax

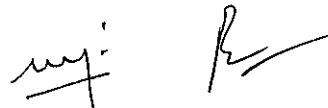
- The Office of the Principal Commissioner of Service Tax, Noida vide order dated 20.01.2016 raised demand of Rs 5,29,473/- for the period Oct.2009 to Sept.2010 on account of disallowance of Cenvat Credit along with additional demand of Rs 5,29,473/- as penalty with interest. The Company has preferred the appeal before Commissioner of Central Excise (Appeals) on 28/03/2016. However the company has deposited amount of Rs. 39720/- under protest.
- The Office of the Principal Commissioner of Service Tax, Noida raised demand of Rs. 10,05,498/- for the period April 2010 to March 2012 on account of disallowance of Cenvat Credit.The company has deposited Rs.3,18,466/- on 30.11.2012. Additional demand of Rs 10,05,498/- together with interest thereon has been raised by the Service Tax Department for which an appeal has been preferred before Commissioner of Central Excise (Appeals) on 25.07.2016.



Provident Fund

- The Regional Provident Fund Commissioner has assessed the PF liability of Rs.6,86,222/- in respect of contractual employees engaged by the company through contractor for Civil works for the year 2004-05 to 2008-09. The company has not accepted the liability and gone for appeal before the Regional Provident Fund Commissioner and the matter is sub-judice. The company on the advice of the legal consultant deposited Rs. 5,14,667/- equivalent to 75 % of the liability assessed(Rs. 3,14,909/- deposited in HSCC owned PF Trust and balance Rs. 1,99,758/- with RPFC).
- (f) Claims aggregating to Rs. 2881.61 lakhs towards supply of material (Previous Year Rs. 2826.00 lakhs) approximately 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.
- (g) Due to certain lapses in one of the Projects (CRI, Kasauli) regarding Consultancy Services, 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 on this decision was not confirmed by the Board of Directors. Further, the Board decided that the Company can accept the joint moral responsibility with the client for reported lapses in the Project . The Ministry of Health & Family Welfare (MOH&FW), Government of India engaged an agency to appraise and quantify the extent of expenditure on building construction works for which the Company provided consultancy services till 2004. As and when the building is offered for taking over by CRI, the Company may have to pay and bear half of such assessed costs, if there is 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 giving reference to the order passed by the Hon'ble Supreme Court of India in the matter of SLP No 12397/2013 arising out of Judgment & Order dt. 21/12/2012 in FAO No. 623/2012 passed by Hon'ble High Court of Delhi and asked the company to deposit the payment towards the decretal amount in the Hon'ble High Court of Delhi in respect of M/s ISSA Industries case for Bed nets.

The HSCC deposited Rs 1700 lakhs on 15/05/2013 out of the deposits of MOH&FW held with HSCC from various other projects of MOH&FW as the funds are not available for this project as approved by the Board in it's 128th meeting held on 10/05/2013 and in 2nd Extra ordinary General Meeting held on 13/05/2013. This amount is shown under Short Term Loans & Advances as receivable from NAMP (National Anti Malaria Programme) in Note No. 15 and balance Rs. 4.77 lakhs has been deposited from NAMP funds. As decided in EOGM, MOH&FW has been requested to set up an inquiry to ascertain the person(s) / Organization(s) responsible for the lapses in the matter and also apportion the amount of liability ascertained by



Arbitration / Courts to the extent of their lapses / omissions / commissions to bring the justice in the matter. 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.

- II. During the F.Y. 2015-16 the company has spent Rs. 114.24 lakhs (Previous Year Rs. 40.20 lakhs) on Corporate Social Responsibility. For the year 2015-16, Rs. 74.06 Lakhs being 2% of average profit before tax of last 3 financial years has been spent in full. Besides this Rs. 40.18 lakhs have also been spent (out of Rs. 122.86 lakhs of earlier years outstanding as reserve in CSR Fund A/c). At the year end there is a balance of Rs.1,06,92,423/- for which the company is exploring avenues to spend the same in subsequent years.
- III. Funds received from 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. 89700.34 lakhs (Previous Year Rs. 74130.84 lakhs) were received during the year for execution of various civil projects.
- IV. All India Institute of Medical Sciences(AIIMS), New Delhi claimed interest on their deposits with the Company from the date of funds deposited by the client. In agreement with the client, the Company has provided a sum of Rs. Nil (Previous Year i.e 2014-15 Rs. Nil). In the year 2013-14 interest amount of Rs. 352.24 lakhs was credited to the client's account and prior to the year 2013-14, amount of interest was credited to the client's account amounting to Rs. 280.06 lakhs. In the current year neither any request has been made by AIIMS,New Delhi nor any interest on deposits from AIIMS has been credited to the client's account (AIIMS, New Delhi).
- V. As identified from information provided by the company, no amount is outstanding/payable to parties covered under Micro, Small and Medium Enterprises Development Act, 2006 on behalf of clients as at the closing of the reporting period.(Previous Year Rs. Nil)
- VI. The company has sent confirmation letters to the trade receivables but only few replies have been received till date. Balances appearing in most of the parties' accounts under the head Trade Payables, Lease Deposits, EMD and Security Deposit given by HSCC and various balances on behalf of Ministries/Clients are subject to confirmation.
- VII. Unclaimed balances of Trade Payables on account of client works are transferred to respective client account in the year in which the accounts are settled .
- VIII. 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. 1387.81 lakhs (Previous year Rs. 939.55 lakhs) inclusive of Corpus Account

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Rs.865.68lakhs (Previous year Rs.518.48 lakhs) will be paid in the year in which accounts are settled with them.

IX. The Company during the year has contributed Rs.26.85 lakhs and Rs 16.20 lakhs (Previous Year Rs. 24.90 lakhs and Rs. 15.20 lakhs) to approved Employees' Medical and Welfare Fund Trusts respectively for the welfare of its employees. However, the exact liability of the company as per actuarial valuation has not been ascertained on the reporting date.

X. Outstanding Expenses include Performance Related Pay (PRP) for the year 2015-16 Rs 318.14 lakhs. (Previous Year Rs. 53.65 lakhs)

XI. Payment to Auditors*:

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
Audit Fee	4.50	4.50
Tax Audit Fee	0.70	0.70
Reimbursement of out of pocket expenses	0.00	1.34
Total	5.20	6.54

* Exclusive of service tax.

XII. In the opinion of the Board of Directors, the Current Assets and Loans & Advances as on 31.03.2016 have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the Balance Sheet.

XIII. Physical Verification of Fixed Assets of the company for the year 2015-16 has been conducted by a firm of independent Chartered Accountants. Unusable assets found in verification have been dealt with according to significant accounting policy of the company. Amount of Rs. 62149/- has been set aside during the year (Previous year Rs. 103292/-) as "Assets held for Disposal" shown under the head Other Current Assets.

XIV. Information regarding foreign exchange (excluding exchange rate variation):

Particulars	(Rs. in lakhs)	
	2015-16	2014-15
Expenditure in Foreign Currency on :		
- Travelling	9.88	5.83
- Value of imports on C.I.F. basis :		
Capital Goods (on behalf of clients)	2740.22	913.17

XV. Disclosure as per Accounting Standard -15 on "Employee Benefits"

Disclosures in terms of 'Employees' Benefit' are as under:

(a) Defined Contribution Plan:

i. Provident Fund

The company pays fixed contribution to Provident Fund at predetermined rates to a separate Trust namely "HSCC Employees' Provident Fund Trust". The contribution to the fund for the year is recognized as expense and is charged to Profit & Loss Account. During the year the Company had recognized Rs. 95.85 Lakhs as employer's contribution towards Provident Fund (Previous Year Rs. 100.08 Lakhs).

ii. Medical Facility

During the year the Company contributed Rs. 26.85 lakhs towards the said Trust (Previous Year Rs. 24.90 lakhs) in the Profit & Loss Account which includes hospitalization of existing & retired employees.

(b) Long Term Plans

i. Gratuity

As per Actuarial Valuation as on 31st March, 2016 and recognized in the financial statements is as under:

S.No.	Particulars	31.03.2016	31.03.2015
1	Membership Data		
	Number of Members	163	152
	Average Age(Yrs)	40.17	39.74
	Average Monthly Salary(Rs)	50204.39	47242.22
	Average Past service(Yrs)	9.67	10.13
2	Actuarial Assumptions		
	Mortality Rate	LIC(2006-08) ultimate	LIC(1994-96) ultimate
	Withdrawal Rate	1% -3% depending on age	1% -3% depending on age
	Discount Rate	8% p.a	8% p.a
	Salary Escalation	7% p.a	7% p.a
3	Results of Valuation		
	PV of Past Service Benefit	385.39	359.95
	Current Service Cost	23.60	20.50
	Total Service Gratuity	1101.01	1007.55
	Accrued Gratuity	499.04	465.34
	LCSA	601.97	542.21

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Fund Value	404.81	345.09
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During the year the Company has made provision of Rs 6.08 lakhs towards contribution to gratuity as per policy with Life Insurance Corporation of India.

ii. Leave Encashment

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

I. Change in present value of obligation.

(Rs. in Lakhs)

	Particulars	31.03.2016	31.03.2015
(a)	Present value of obligation as at the beginning of the period	550.71	486.37
(b)	Interest cost	42.68	41.34
(c)	Current service cost	71.21	63.01
(d)	Benefits paid	(55.92)	(56.31)
(e)	Actuarial (gain) / loss on obligation	17.78	16.28
(f)	Present value of obligation as at the end of period	626.46	550.71

II. Expenses recognized in Profit & Loss Account.

(Rs. in Lakhs)

	Particulars	31.03.2016	31.03.2015
(a)	Current service cost	71.21	63.01
(b)	Interest cost	42.68	41.34
(c)	Net actuarial (gain) / loss recognized in the period	17.79	16.28
(d)	Expenses recognized in the statement of Profit & Loss	131.68	120.63

III. Movement in the liability recognized in Balance Sheet.

(Rs. in Lakhs)

	Particulars	31.03.2016	31.03.2015
(a)	Opening net liability	550.71	486.37
(b)	Expenses as above	131.67	120.63
(c)	Benefits paid	(55.92)	(56.31)
(d)	Closing net liability	626.46	550.71

IV. The principal assumptions used in actuarial valuation are shown below:

	Particulars	31.03.2016	31.03.2015
(a)	Discounting Rate (%)	8	7.75
(b)	Future salary increase (%)	5.50	5.25

(c)	Retirement Age (Years)	60	60
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XVI. Segment Reporting

a) Business segments

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" the company's business segments include construction activity, consultancy, supply of equipment, medicine etc. Hence, all its operations are inter related and fall under single segment within the meaning of Accounting Standard AS-17 "Segment Reporting".

b) Geographical segments

Since the Company's activities are primarily within the country and considering the nature of product/services it deals in, operating risks and returns are same and as such there is only one geographical segment.

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

XVIII. Operating Profit

Operating Profit Rs. 62,24,88,968/- is calculated by considering operating income minus operating expenses of the company as under:-

	<u>Amount (Rs.)</u>
Profit before exceptional and extra ordinary items	87,98,05,609.00
Add:-Interest credited/paid to Govt. Clients	59,44,47,522.00
Less:Other Income(Incl. interest income Rs.8434.50lakhs)	<u>(85,17,64,163.00)</u>
Operating Profit	<u>62,24,88,968.00</u>

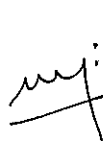
XIX. No Provision of Tax demand raised by the assessing officer under section 143(3) of Income Tax Act, 1961 for Assessment year 2013-14 of Rs. 4287870/- has been made as the liability is not outstanding for more than six months as on reporting date .

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

Details pertaining to Related Party Transactions are as follows:

- (a) List of Related Parties – Nil
- (b) Key Management Personnel

	Name	Nature of Relationship
(i)	Sri Gyanesh Pandey Chairman & Managing Director	Key Management Personnel




(ii)	Sri.S.K.Jain -Director (Engg)	Key Management Personnel
(iii)	Sri R. K. Pathak -DGM(F&A) & Co. Secy	Key Management Personnel

(c) Related Party Transaction : Nil

(d) Remuneration to Key Management Personnel

Remuneration to the Chairman & Managing Director, Director (Engineering) and DGM (F&A) & Company Secretary during the year is Rs.78.90 lakhs (Previous Year Rs. 78.24 Lakhs) as detailed below excluding reimbursement of expenses:-

Particulars (Paid / Payable)	2015-16 (Rs. In lakhs)				2014-15 (Rs. In lakhs)			
	CMD	Dir(Engg)	DGM(F&A) & Co Secretary	Total	CMD	Dir(Engg)	DGM(F&A) & Co Secy	Total
Salaries & Allowances	23.01	23.88	11.43	58.32	25.72	22.87	10.58	59.17
Contribution to Provident Fund	2.09	2.16	1.10	5.35	1.91	2.04	1.01	4.96
House Rent (Net)	5.46	4.82	2.34	12.62	5.48	2.92	2.35	10.75
Medical, LTC, perquisites and Tax on perquisites	1.15	1.93	0.53	3.61	1.47	1.76	0.13	3.36
Total	31.71	32.79	15.40	79.90	34.58	29.59	14.07	78.24

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

XXI. Disclosure as per Accounting Standard -20 on "Earning per Share"

	<u>Calculation of E.P.S.</u>	<u>2015-16</u>	<u>2014-15</u>
A.	Net Profit for the year attributable to Equity Shareholders	546154750	245404235
B.	Number of Equity Shares outstanding during the year	240018	240018
C.	Basic Earnings per Share	2275.47	1022.44
D.	Diluted Earnings per Share	2275.47	1022.44
E.	Nominal value per Share (Rs.)	100	100

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XXII. Pension

As per directives of the Department of Public Enterprises office memorandum No 2(70)/08-DPE(WC)-GL-VIII/09 dated 02.04.2009 to all CPSE's regarding defined contribution scheme for superannuation benefit, no provision towards pension fund have been made in the absence of approval from administrative ministry. The Board approval has been submitted to administrative Ministry for approval vide letter dated 03/10/2013. The same will be provided in the books of accounts based on specific calculation in the year in which the scheme of pension funds approved by the administrative Ministry.

XXIII. Accounting Policy in respect of revenue recognition - Civil Project

The Company has changed its accounting policy of operating revenue recognition of value of work done for all civil projects. This has been approved by the Board of Directors. The Change in accounting policy has no impact on the Profit or Loss of the company as the amount of expenditure on value of work done (Civil) is taken as contract expense in the Profit and Loss Account of the company. Previous year figures have been regrouped and rearranged so as to make it comparable.

XXIV. Accounting Policy in respect of revenue recognition – Interest on Corpus Funds

The company has changed its accounting for recognition of interest earned on FDRs relating to clients funds (corpus). This has been approved by the Board of Directors. The change in accounting policy has no impact on profit & loss of the company. The company has recognized the total interest earned on Deposit Funds given by the clients as interest income which is shown under the head "Other Income". Due to the reciprocal clause in the agreement with the clients such interest income of Rs. 5944.48 lakhs is credited/paid to the government clients (Previous Years Rs. 6415.18 lakhs). Where the agreements do not specify for reciprocal interest payment, the interest income is accounted for as income of the company which is Rs. 1038.88 lakhs in the current year (Previous Year Rs. 1098.32 lakhs).

XXV. In terms of the Office Memorandum F.No.3 (3)-B(S)/2015 dated 05/01/2016 from the Ministry of Finance Department of Economic Affairs, the Board of Directors of the company has decided to pay an annual dividend of 30% on profit after tax(PAT) to the equity shareholders for the year 2015-16 differs from the payment of dividend @ 20.05% as profit after tax in the previous year. The dividend amount declared in the financial year 2015-16 is Rs. 16,38,46,425/- (Previous Year Rs. 4,92,03,690/-).

XXVI. No liability is provided for in the books of Accounts on account of liquidated damages, if any. Liability arising on pending settlement and reconciliation of Accounts with the client in respect of the projects which have been completed or the projects which are in progress as on 31/03/2016 which will be provided in the year of settlement.

XXVII. The details of disputed dues as of 31st March 2016 in respect of Income Tax as mentioned in Para I(e) amounting to Rs. 1452 Lakhs for Assessment year 2012-13 and Service Tax not deposited by the company are as follows:-

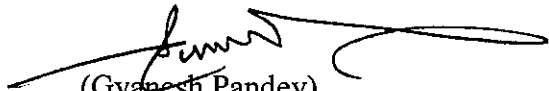
S No	Name of statute	Nature of Dues	Amount involved (Rs.)	Period to which amount relates	Forum where dispute is pending	Amount paid under protest (Rs.)
1.	Service Tax Act	Service Tax	529473/- plus equivalent amount of penalty and interest	Oct.2009-Sept.10	Commissioner of Central Excise (Appeals)	Rs. 39720/-
2.	Service Tax Act	Service Tax (Cenvat Credit)	1005498/- plus interest	April 2010 -March 12	Commissioner of Central Excise (Appeals)	Rs. 318466/- (Demand Accepted)


Signatures to Schedules 1 to 20

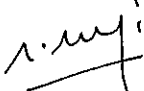
As per our report of even Date


For and on behalf of Board of Directors

For: L.C. Kailash & Associates
Chartered Accountants
Firm Regn No.01811N
NEW DELHI
Partner
MNo:005122


(Gyanesh Pandey)
Chairman & Managing Director
DIN-03555957


(S.K. Jain)
Director (Engg.)
DIN-06573103


Saurabh Srivastava
CGM (F&A)


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

Place: Noida
Date: 19.09.2016