

28th ANNUAL REPORT 2010-11

ह.स.कं.क.

HSCC

HSCC (India) Ltd.

(A Govt. of India Enterprise)

(A Mini Ratna Company)

HSCC
Annual Report
2010-11



SHRI GHULAM NABI AZAD
Hon'ble Union Minister
for
Health & Family Welfare

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SHRI SUDIP BANDYOPADHYAY
Hon'ble Minister of State
for
Health & Family Welfare



SHRI S. GANDHISELVAN
Hon'ble Minister of State
for
Health & Family Welfare

BOARD OF DIRECTORS



Shri V. C. Sharma
Chairman & Managing Director



Smt. Dharitri Panda
Chief Controllers of Accounts,
MOH & FW



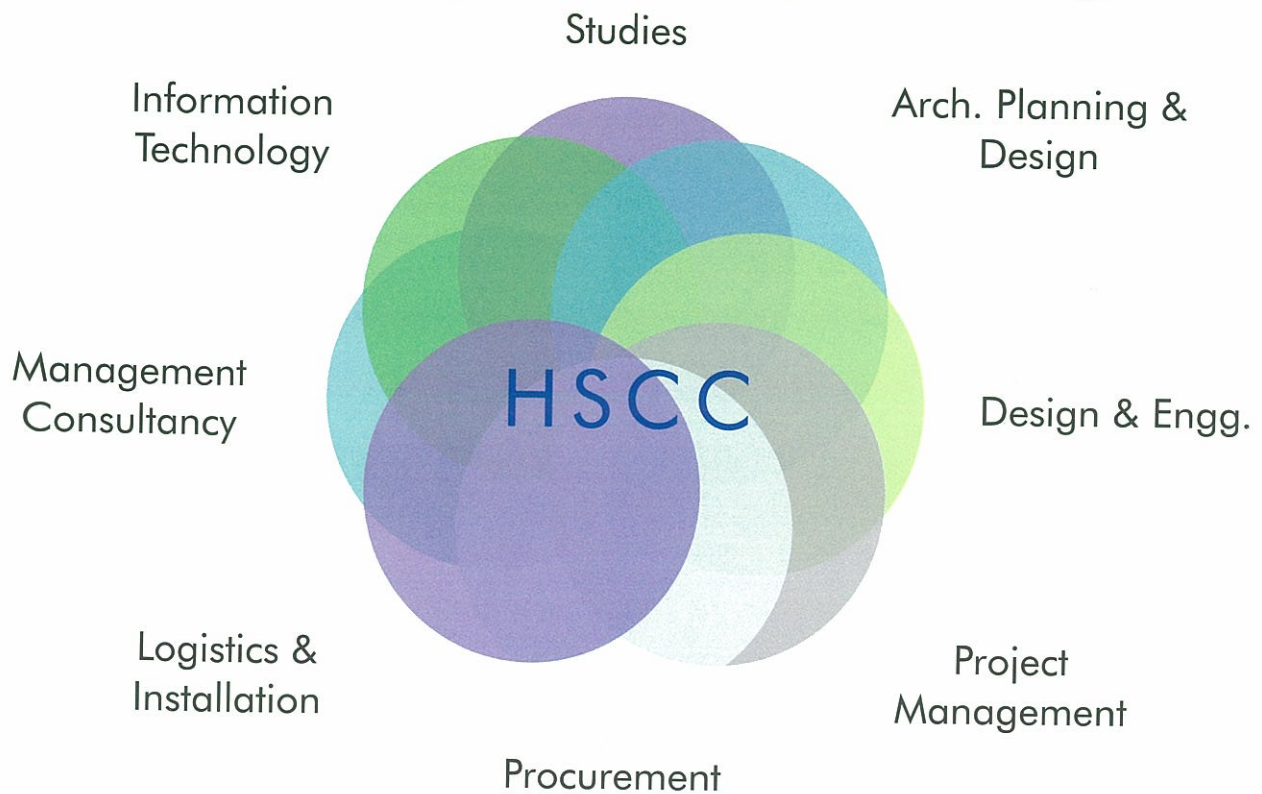
Shri B. K. Prasad
Joint Secretary, MOH & FW



Shri Gyanesh Pandey
Director (Engineering)

Spectrum of Services

Consultants, Engineers, Project Management



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HSCC's OFFICES

REGISTERED OFFICE :

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

CORPORATE OFFICE :

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

OTHER UNIT OFFICE :

Business Unit- Procurement
Business Unit – PG –III
KRIBHCO Building, 4th Floor
Sector – 1,
NOIDA – 201301 (U.P.)

MAJOR SITE OFFICES

1. District General Hospital at Dickoya, Sri Lanka
2. North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences, Shillong
3. National Institute of Unani Medicine, Bangalore
4. Lab & Animal House – Regional Medical Research Centre, Dibrugarh
5. Lala Ram Sarup Institute of Tuberculosis and Allied Diseases, New Delhi
6. BSL-4 Lab for Microbial Containment Complex, ICMR, Pune
7. Sanjay Gandhi Post Graduate Institute of Medical Sciences, Lucknow
8. Kolkatta Medical College, Kolkatta
9. NIZAM Institute of Medical Science, Hyderabad
10. Indian Institute of Chemical Biology, Kolkatta
11. Housing Complex for AIIMS type of Institution, Raipur
12. Housing Complex for AIIMS type of Institution, Bhubneshwar
13. National Institute of Malaria Research, New Delhi
14. All India Institute of Medical Sciences, New Delhi

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR

Shri V. C. Sharma

DIRECTORS

Shri Naved Masood (upto 04.08.2011)

Smt. Dharitri Panda (w.e.f. 04.08.2011)

Dr. R. S. Shukla (upto 19.01.2011)

Shri B. K. Prasad (w.e.f. 19.01.2011)

Dr. S. N. Pal, Director (Engg.) (upto 31.05.2011)

Shri Gyanesh Pandey, Director (Engg.) (w.e.f. 01.06.2011)

EXECUTIVE DIRECTOR (F&A) & CS

Shri A. K. Aggarwal

SENIOR EXECUTIVES

Shri A. K. Aggarwal - ED (F&A)

- CVO

Shri D. R. Nuna - CGM (HRM & Legal)

- PIO

Shri S. K. Mathur - CGM (Civil & Business Development)

Shri S. A. Usmani - CGM (Design Coordination)

Shri J. P. Behl - CGM (F&A and Procurement)

Shri R. S. Raina - GM (PG-I)

Shri Anil Kumar - GM (PG-III)

Shri V. V. Govinda Rao - GM (Civil)

Dr. Neeraja L. Sethi - GM (Arch.)

STATUTORY AUDITORS

M/s Jindal & Co.
Chartered Accountants
3803, David Street
Daryaganj
New Delhi – 110002

INTERNAL AUDITORS

M/s M. K. Aggarwal & Co.
Chartered Accountants,
30, Nishant Kunj,
Pitam Pura,
New Delhi – 110034.

SECRETARIAL AUDITORS

M/s Harbans Lal & Co.,
59/1, Janak Palace,
New Market,
(Near Liberty Cinema)
New Rohtak Road,
New Delhi – 110005.

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

From
Chairman and Managing Director

Distinguished Shareholders,

It is pleasure to extend warm welcome to you all, on behalf of the Board of Directors and on my behalf to this 28th Annual General Meeting of your Company. Congratulations, on yet another successful year of growth and achievements for your Company. Your presence motivates us to

raise our confidence level to further excel and meet your expectations with greater resolve. The Annual Report for the financial year ended 31st March 2011, along with the Directors' Report, Audited Annual Accounts and Auditor's Report of your Company have been circulated to you and with your kind permission I take them as read.



I am glad to report that your Company has posted satisfactory performance for the year ended on 31st March 2011. The Company attained the total income of Rs. 3346 Lakh as compared to Rs. 3315 Lakh in the previous year, recording highest ever consultancy fee of Rs.2311 lakh as compared to Rs. 2138 Lakh for previous year. Despite the increases, however, Company's profit before tax was lower at Rs.1321 lakh as compared to Rs.1346 Lakh in the previous year, largely attributed to prior period adjustments, fall in income from procurement business activities and reduced income from other sources. Nevertheless, Company's Reserves & Surplus and Net Worth touched an all time high of Rs. 7631 Lakh and Rs. 7872 Lakh respectively.

The Board of Directors has recommended a dividend of 72% of paid-up capital, amounting to Rs. 172.81 Lakh for the year 2010-11, same as that of last year. With this the cumulative dividend, since HSCC's inception, stands at Rs. 2290.14 Lakh. It has been continuously making profit for the last twenty six years and paying dividend. HSCC has earned the distinction of maintaining its Mini Ratna status from September 1999 onwards. Further, based on results, for the year 2010-11, the Company expects to get Excellent rating as per MOU evaluation.

The Company was awarded the work of providing consultancy services for Design & Engineering, Project and Procurement Management, etc. for various prestigious & challenging projects like Up-gradation/Setting up more than 40 Hospitals in the State of Punjab; Master Plan and Renovation of OPD, Car Parking, Facilitation Block and Associated Blocks at AIIMS, New Delhi; Detailed Project Report of Chittranjan National Cancer Institute, Kolkata; Comprehensive Re-development Plan for Lady Hardinge Medical College, New Delhi; Up-gradation of Lokpriya Gopinath Bordoloi Regional Institute of Mental

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Health, Tezpur; Veterinary Ayurveda Research Institute, Department of Ayush, Lucknow, etc.

Your Company has also been exploring business opportunities abroad through Ministry of External Affairs. The Company opened its site office in Sri Lanka for Project Management of District General Hospital at Dickoya, Sri Lanka. Further, a team of HSCC Officials visited Myanmar, as a part of technical assistance to the Government, to conduct Pre-feasibility Study for up gradation of two of their hospitals with a view to improving health services. The Company also completed a Detailed Project Report for the proposed Medical College at Thimpu, Bhutan, for Bhutan Institute of Medical Sciences (BIMS).

While the desire for growth and higher targets for future offers healthy challenge to the Management, but I must share with the distinguished shareholders that our major projects which are under implementation in North-East India have longer gestation period. This is affecting pace of realization of Consultancy fee. There is a slower off take of initial project development activities for many projects due to time consuming process involved in land related issues, longer statutory clearances and budget allocation issues at client end which could have adverse effect on the operational income, realization of outstanding and profitability of the Company in the coming times. However, all efforts shall be made to seek faster operational income and operations in the business in our spheres of activities. Due efforts are also being made to expand the areas of operations of the Company.

As a business diversification measure to shore up our operational income in the coming years, HSCC would now be offering Building Engineering Maintenance Services to its various clients where it has provided Comprehensive Project Management Services. These diversification efforts would be fine-tuned to meet the client and market needs.

As a responsible corporate entity, your Company continued to focus on good Corporate Governance Practices, emphasizing on its various facets i.e. observing, transparency, integrity, professionalism, accountability and proper disclosure. As per the DPE guidelines on Corporate Governance, the requisite reports are being regularly submitted to the Ministry.

During the year under report, as a Corporate Social Responsibility, the Company joined hands with an NGO- Indian Cancer Society (ICS) - for distribution of drugs and pharmaceuticals to the needy patients and released Rs.4.30 Lakhs for the same. The Company was able to achieve improved project completion milestones as against the target under MOU of 2010-11. The Company completed the Study for Design of Bio-Medical Waste Incinerator Facility as a Pilot Project, within the stipulated time frame. Further, under the MOU 2010-11, the Company developed Model Feasibility Reports for 100 bed Cancer Hospital, 100 bed Mother & Child Hospital, and a Medical College with 50 seats.

The support of Ministry of Health & Family Welfare, Directors on the Board and Shareholders has always been a source of strength. I thank all of them for the valuable guidance, cooperation and support provided to the Company at all times.

I thank the valuable Clients, Ministry of External Affairs, State Governments and Other Business

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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 would like to place 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.

I look forward to continued commitment and customer-focused approach so that the Company retains its edge to meet challenges ahead.

Thanking you,

(V. C. Sharma)
Chairman and Managing Director

New Delhi
15th September 2011



Inauguration of Sports Injury Centre, Safdarjung Hospital, New Delhi by Dr. Manmohan Singh, Hon'ble Prime Minister of India on 26.09.2010



Smt. Sonia Gandhi, UPA Chairperson, visited HSCC stall at Health Mela at Raebareilly on 4th & 5th Feb. 2011

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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 of 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
- **Engineering Studies**
 - Renovation/Rehabilitation
 - Modernization/Up-gradation
 - Expansion
 - Productivity/Efficiency Improvement
- **Facility Design**
 - Conceptual Designs
 - Basic Design
 - Architectural Design/Plans
 - Engineering Designs
 - Equipment Planning
 - Waste Management
 - Design Coordination
- **Project Management**
 - Project Planning including Selection of Contractors & award of work
 - Project Monitoring
 - Quality Control
 - Construction Supervision
 - Contract Administration
 - Financial Control
- **Procurement**
 - Drugs & Pharmaceuticals
 - Medical Equipment
 - Other Equipment
 - Communication Systems
 - Appliances
 - Furniture & Fixtures
- **Logistics & Installation**
 - Transportation
 - Clearing & Forwarding
 - Site Delivery
 - Installation
 - Testing & Commissioning
 - Training
- **Information Technology**
 - Health MIS
 - System Integration

Financial Summary

THE DECADES FINANCIAL RESULTS AT A GLANCE

(Figures in Rs. Lakhs)

Particulars	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
FINANCIAL PERFORMANCE										
Paid-up Capital	40.00	40.00	160.01	160.01	160.01	160.01	160.01	240.02	240.02	240.02
Reserve & Surplus	2175.97	2851.56	3521.68	3838.32	4553.54	5111.10	5694.58	6341.13	6998.85	7631.72
Net Worth	2215.97	2891.56	3681.69	3998.33	4713.55	5271.11	5854.59	6581.15	7238.87	7871.74
Net Fixed Assets	432.29	399.39	363.22	335.84	748.96	726.96	707.32	675.46	631.94	614.53
Working Capital	1783.68	2508.12	3320.63	3630.87	3901.10	4454.90	5105.34	5811.12	6439.72	7116.90
Capital Employed	2215.97	2907.51	3683.85	3998.33	4713.55	5271.11	5854.59	6581.15	7071.67	7731.44
OPERATING STATISTICS										
Consultancy Fee	1507.06	1724.33	2009.67	1078.48	1845.46	1677.53	1740.45	1936.39	2097.27	2311.40
Interest & Other Income	837.83	674.56	558.31	562.06	784.86	845.40	1355.89	1336.67	1217.90	1034.40
Total Income	2344.89	2398.89	2567.98	1640.54	2630.32	2522.93	3096.34	3273.06	3315.11	3345.80
Expenditure	711.06	872.36	868.06	925.01	1115.15	1223.59	1711.33	1696.36	2002.21	1992.74
Gross Margin	1633.83	1526.53	1699.92	715.53	1515.17	1299.34	1385.01	1576.70	1385.29	1356.55
Depreciation	59.14	59.76	50.17	39.98	41.63	45.03	45.37	43.69	39.25	35.94
Profit before Tax	1623.26	1467.81	1649.75	675.55	1473.54	1254.31	1339.64	1533.01	1346.04	1320.61
Profit after Tax	1044.26	936.49	1027.71	417.53	961.53	797.83	836.42	969.93	859.24	833.73
Dividend	210.01	210.01	210.01	88.01	216.02	208.02	208.02	208.02	172.81	172.81
MANPOWER										
Employees (in Nos)	120	121	120	125	133	130	132	139	135	132
(On Regular Pay Scales)										
RATIOS										
PBT/Total Income (%)	69.23	61.19	64.24	41.18	56.02	49.72	43.27	46.84	40.60	39.47
Net Profit/Total Income (%)	44.53	39.04	40.02	25.45	36.56	31.62	27.01	29.63	25.92	24.92
Net Profit/Net Worth (%)	47.12	32.39	27.91	10.44	20.40	15.14	14.29	14.74	11.87	10.59
Total Income Per Employee	19.54	19.83	21.40	13.12	19.78	19.41	23.46	23.55	24.56	25.35
Earning Per Share (EPS) (Rs.)	2611	2341	642	261	601	499	523	404	358	347
Book Value Per Share (Rs.)	5540	7229	2301	2499	2946	3294	3659	2742	3016	3280

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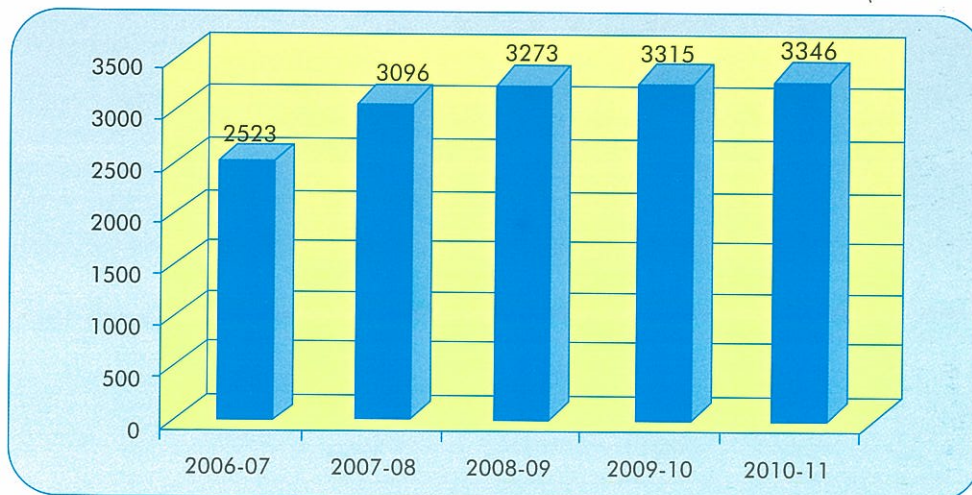
PERFORMANCE AT A GLANCE

(Rs. in Lakhs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Income	2523	3096	3273	3315	3346
Profit Before Tax	1254	1340	1533	1346	1321
Net Profit	798	836	970	859	834
Dividend	208	208	208	173	173
Total Order Book (Fee)	2568	1926	3425	3663	2195
Rating Against MOU	Very Good	Excellent	Excellent	Excellent	Excellent (Expected)

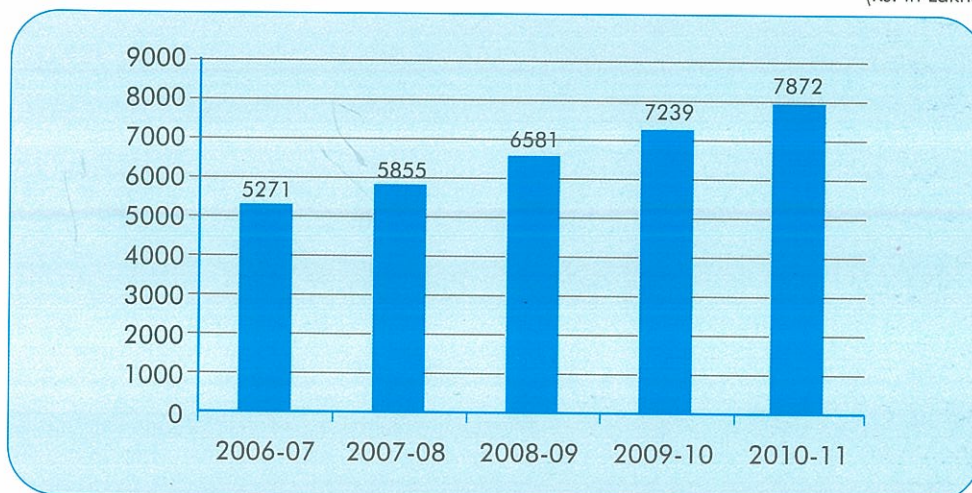
Total Income

(Rs. in Lakhs)



Net Worth

(Rs. in Lakhs)



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DIRECTORS' REPORT

To,

The Shareholders,
HSCC (India) Limited

The Directors of your Company have the pleasure in presenting the 28th Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2011.

FINANCIAL PERFORMANCE

The Financial Performance of the Company for the year 2010-11 along with the comparative figures for 2009-10 is indicated below:-

(Rs. in lakhs)

Particulars	2010-11	2009-10
Total Income	3345.80	3315.11
Total Expenditure	1956.80	1962.97
Prior Period Adjustments (Net): Profit/ (Loss)	(32.45)	33.14
Gross Margin	1356.55	1385.28
Depreciation	35.94	39.25
Profit Before Tax	1320.61	1346.03
Taxation (Net)	486.88	486.80
Profit After Tax	833.73	859.23
Dividend	172.81	172.81
Net Worth	7871.75	7238.87

Your Company has posted satisfactory performance for the year ended on 31st March, 2011. Despite decrease of interest earnings and income from the procurement business activities of the Company. There is a marginal increase in the total income of the Company. The decrease in profit before tax is mainly due to prior period adjustments towards consultancy fee, etc.

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

Directors have recommended Dividend @ 72% of the Paid-up Equity Share Capital of the Company amounting to Rs. 172.81 lakhs. This is subject to the approval of Members at the Annual General Meeting. This works out to 20.72 % of the Post Tax Profit, which is in line with the guidelines issued by Department of Expenditure, Ministry of Finance. This is the 26th consecutive year in which the Company has recommended dividend and with this the cumulative dividend till 2010-11 will stand at Rs. 2290.14 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, leaving a surplus of Rs. 5356.13 lakhs including Rs.4923.25 lakhs upto previous year. Cumulative Reserve & Surplus as on 31.3.2011 stands at Rs.7631.73 lakhs (Previous Year Rs.6998.85 lakhs).

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.



Shri V. C. Sharma, Chairman and Managing Director presenting a cheque of Rupees Seventeen Million Two Hundred Eighty One Thousand Three Hundred Only to Shri Ghulam Nabi Azad, Hon'ble Union Minister of Health & Family Welfare towards Dividend for the Financial Year 2009-10 in the presence of Board of Directors of HSCC on 04.11.2010

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Participation in exhibitions is of vital importance for the creation of awareness about the activities, operations and services being offered by the Company. With this end in view, during the year, the Company participated in exhibitions organized by various agencies as detailed below:

- 3rd Annual Conference on Medical Technology with a theme: Innovation in Medical Technology- Enabling India to Leapfrog to the next level organized by Confederation of Indian Industry on 9th July, 2010
- India International Trade Fair (Health Pavilion) organized by India Trade Promotion Organisation from 14th-27th November, 2010



Shri. Ghulam Nabi Azad, Hon'ble Union Minister of Health & Family Welfare, inaugurating HSCC stall at India International Trade Fair, 2010 (Health Pavilion) organized by India Trade Promotion Organization from 14th to 27th November, 2010

- 7th India Health Summit with a theme: Healthcare 3.0- Healing Body, Mind and Spirit organized by Confederation of Indian Industry from 2nd-3rd December, 2010

Shri. V. C. Sharma, Chairman and Managing Director, HSCC inaugurating HSCC stall at 7th India Health Summit with a theme: Healthcare 3.0- Healing Body, Mind and Spirit organized by Confederation of Indian Industry from 2nd to 3rd December, 2010



- International Conference on Healthcare Infrastructure and Medical Technology (HIMT 2011) organized by AIIMS. New Delhi held from 2nd-5th February, 2011



Dr. Farooq Abdullah, Hon'ble Minister of New and Renewable Energy inaugurated HSCC stall at International Conference on Healthcare Infrastructure & Medical Technology, 2011 at AIIMS, New Delhi on 3rd to 5th February, 2011

- Health Mela 2011 at Rae Bareli held from 5th-6th February, 2011
- Exhibition during First Founder's Day Celebrations of Post Graduate Institute of Medical Education & Research at Dr. Ram Manohar Lohia Hospital, New Delhi held on 25th February, 2011



Exhibition during 1st Founder's Day Celebrations of Post Graduate Institute of Medical Education & Research at Dr. Ram Manohar Lohia Hospital, New Delhi held on 25th February, 2011

During the year 2010-11 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. 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 2009-10 and expects to be rated "Excellent" based on the results for the year 2010-11.

Shri K. Chandramouli, Secretary, Health & Family Welfare, Shri V. C. Sharma, Chairman and Managing Director exchanging the MOU, fixing the performance parameters for the company for the year 2011-12 on 24th March, 2011



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DETAILS OF FOREIGN EXCHANGE

Expenditure

(Rs. in lakhs)

Particulars	2010-11	2009-10
Traveling	3.11	0.24
Import of Capital Goods on C.I.F. basis (On behalf of Clients)	125.03	67.60

Income

During the year, the foreign exchange earnings of the Company remained at Nil (Previous Year Nil).

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, 2011 was 132 on regular pay scales and 32 on fixed tenure basis including 39 SC/ST/OBC Category employees and 2 physically handicapped. 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 programmes for approximately more than one man-day per employee (totaling to 147 maydays) 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, organizing get together, picnics, annual day etc. for the employees and their families.



Members of HSCC Employees Family on the occasion of HSCC Employees' Family get together at Kingdom of Dreams, Gurgaon on 8th January, 2011



Celebrations of Independence Day by HSCC Employees at Corporate office, Noida on 15.08.2010

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 2010-11, the Company joined hands with an NGO, Indian Cancer Society (ICS) for distribution of drugs to the needy patients and released Rs.4.30 lakhs for the same.



A. K. Aggarwal, ED (F & A), HSCC Presenting a cheque to Shri O. P. Nayar, Hon'ble Secretary, Indian Cancer Society, an NGO towards distribution of drugs to needy patients under Corporate Social Responsibility of HSCC on 11th March, 2011

Further, during the current year 2011-12, the Company proposes to provide Ambulance(s) to facilitate Institutional delivery of pregnant women. The Company is also in the process of evolving a Long Term Plan of CSR.

Implementation and Promotion of Official Language

The Company continued to make efforts to fulfil 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 2010-11. 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 14.09.2010 to 29.09.2010; 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.



Celebration of Hindi Diwas at HSCC in the presence of Shri V. P. Singh, Jt. Director, Raj Bhasha, Shri D. R. Nuna, CGM (HRM & Legal) & other Employees on 29.09. 2010

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VIGILANCE

The Company being a small Consultancy Organisation, there is no separate Vigilance Unit in the Company. Executive Director (F&A) is acting as part-time Chief Vigilance Office (up to 16.07.2011). During the year, Vigilance Cell has functioned as an effective part of management. For effective control, surprise checks and regular inspections were conducted. Returns and Reports were submitted to the statutory agencies and 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 25.10.2010 to 01.11.2010. This started with pledge taking ceremony by the employees.



Vigilance Awareness Week is observed during 25th October to 1st November, 2010. The Pledge being administered by Shri V. C. Sharma, Chaiman and Managing Director. Also seen Dr. S. N. Pal, Director (Engineering), Shri V. D. Chaddha, Former Member Railway Board, Guest Speaker, Shri. A. K. Aggrawal, Chief Vigilance Officer on 25.10.2010

DIRECTIVES FROM THE PRESIDENT OF INDIA

Being a Government Company, the President of India is authorized to issue directives to the Company. During the year under review, no directive has been received from the President for compliance.

PARTICULARS OF EMPLOYEES

Particulars of Employees as required under Section 217 (2A) of Companies Act, 1956 read with Companies Particulars of Employees Rules, 1975 are as per Annexure-II

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. Though the guidelines issued by SEBI on Corporate Governance are not applicable to Company (the paid-up capital of the Company being less than Rs.500 lakhs), but efforts have been made to disclose the details to the extent possible and are placed at Annexure - III.

BOARD OF DIRECTORS

Directors nominated to hold office during the financial year:

Shri B. K. Prasad Part-time Director (Official)	From 19.01.2011 onwards	✓
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Directors nominated to hold office after the financial year:

Smt. Dharitri Panda Part-time Director (Official)	From 04.08.2011 onwards	
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Directors joined to hold office after the financial year:

Shri Gyanesh Pandey Director (Engineering)	From 01.06.2011 onwards	
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Directors who ceased to hold office during and after the financial year is as under:

Dr. R. S. Shukla Part-time Director (Official)	from 29.07.2008 to 19.01.2011	✗
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Shri Naved Masood Part-time Director (Official)	from 10.03.2008 to 04.08.2011	✓
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Dr. S. N. Pal Director (Engineering)	from 21.11.2005 to 31.05.2011	✓
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The Board places on record its appreciation for the valuable contribution made by Dr. R. S. Shukla, Shri Naved Masood and Dr. S. N. Pal during their tenure as a director on the Board of HSCC.

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The following Directors are holding offices as on the date of the Report.

Shri V. C. Sharma Chairman & Managing Director	From 01.11.2006 onwards
Shri B. K. Prasad Part-time Director (Official)	From 19.01.2011 onwards
Smt. Dharitri Panda Part-time Director (Official)	From 04.08.2011 onwards
Shri Gyanesh Pandey Director (Engineering)	From 01.06.2011 onwards

Statement pursuant to Section 217 (2AA) of the Companies Act, 1956

The Directors confirm that:-

- In preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- 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.
- 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.
- 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 Harbans Lal & Company, Company Secretary in whole time practice for the financial year ended on 31.03.2011 is enclosed at Annexure - IV as addendum to Directors' Report.

AUDITORS

Internal Auditors :

M/s M. K. Aggarwal & Company, Chartered Accountants have been appointed as Company's Concurrent-cum-Internal Auditors for the Financial Year 2010-11 this is their first year of appointment.

Statutory Auditors :

M/s Jindal & 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 2010-11. The remuneration fixed by the Company for them for the financial year 2010-11 is Rs. 2,50,000/- (Rupees Two lakh fifty thousand only) plus Service Tax as applicable. This is their second year of 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.

ACKNOWLEDGEMENT

We take this opportunity to 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 & Bankers of the Company. 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 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 Board 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 : 10.08.2011

(V. C. Sharma)
Chairman & Managing Director

SUMMARY OF MAJOR ON-GOING CONSULTANCY PROJECTS AS ON DATE

A. Architectural Planning, Design Engineering & Project Management Services

- Up gradation and development of Government Medical College and associate hospitals consisting of Bebe Nanki Mother & Child Health Care Centre, Diagnostic Block, Drug Dependence Centre, Nursing College and Service Block at Amritsar
- Design Engineering for the construction of Academic Block, Senate Campus and Guru Gobind Singh Medical College for Baba Farid University of Medical Sciences, Faridkot
- North Eastern Institute of Ayurveda & Homoeopathy (NEIAH), Shilong
- Upgradation of Lokpriya Gopinath Bardoloi Regional Institute of Mental Health, Tezpur
- Nurses Hostel and other works / services for North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences, Shillong, Meghalaya
- Comprehensive Redevelopment Plan for Lady Hardinge Medical College, New Delhi
- Upgradation of Health Care facilities in the state of Punjab
- Prime Minister's Swasthaya Suraksha Yojna (PMSSY) for :-
 - Nizam Institute of Medical Sciences (NIMS), Hyderabad – 300 Bed Super Specialty Block and 50 Bed Emergency & Trauma Block



A model of North Eastern Institute of Ayurveda and Homeopathy, Shillong



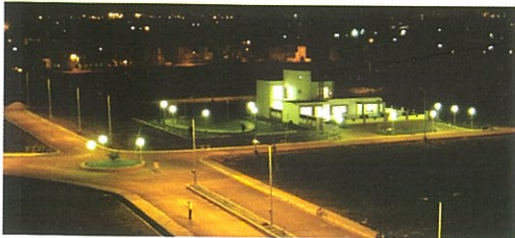
A view of NIZAM Institute of Medical Sciences (NIMS), Hyderabad



A view of PMSSY Block at Sanjay Gandhi Post Graduate Institute of Medical Sciences (SGPGI), Lucknow

- Sanjay Gandhi Post-Graduate Institute of Medical Sciences (SGPGI), Lucknow – 160 bed Super Speciality Block
- Kolkatta Medical College, Kolkatta – OPD & Academic Block and Super Specialty Block

- Residential Complex for AIIMS like institutes at :-
 - Raipur
 - Bhubaneshwar



A view of Residential Complex for AIIMS like Institute at Raipur

- Project Management Consultancy for All India Institute of Ayurveda, Department of Ayush, New Delhi
- Veterinary Ayurveda Research Institute, Deptt. of Ayush, Lucknow
- Regional Institute of Medical Sciences (RIMS), Imphal



An internal view of OPD at All India Institute of Medical Science (AIIMS), New Delhi



A view of Sport Injury Centre, Safdarjung Hospital, New Delhi

- Master Plan and Renovation & Repair of existing Laundry, OPD, Car Parking, Facilitation Block and associated blocks at AIIMS, New Delhi
- Sports Injury Centre at Safdarjung Hospital, New Delhi
- Chitranjan National Cancer Institution, Kolkata

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- Design & Engineering of New Hospital Building at Oil India Ltd. Hospital, Duliajan, Assam
- Bio Safety Laboratory – 4 for MCC, ICMR, Pune
- Lab & Animal House – Regional Medical Research Centre, Dibrugarh
- Indian Institute of Chemical Biology, Kolkatta



A view of Microbial Containment Complex (MCC), Pune

Front View of National Research Centre on Equines (NRCE) of Bio-Safety Level-3 Laboratory



- Bio Safety Laboratory -3 for NRCE, Ministry of Agriculture, Hissar
- National Aids Research Institute, ICMR, Pune



A view of Lala Ram Swaroop Institute of Tuberculosis (LRSI) Hostel, New Delhi

- Animal Bio Safety Laboratory -3 facility at ICPO, Noida
- Science Centre & National Institute of Medical Statistics (NIMS) under ICMR at ICPO Campus, Noida

ABROAD

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

B. Procurement Management Services

- Medical Equipment for NEIGRIHMS, Shillong



A view of 200 beded Emergency & Trauma Centre for Bir Hospital, Kathmandu, Nepal

- Drugs and Equipments for Central Government Health Scheme
- Medical Equipments for ONGC
- Medical Equipments for Ethiopia, MEA
- Medical Equipments Liberia, MEA
- Medical Equipments for Bir Hospital, Kathmandu, MEA
- Lab Equipments for CDSCO
- Medical Equipments for Sports Injury Centre, Safdarjung Hospital, New Delhi.

C. Studies and Training Services

- Detailed Project Report for the Proposed Medical College at Thimpu, Bhutan for Bhutan Institute of Medical Sciences (BIMS)

Shri V. C. Sharma, Chairman and Managing Director, HSCC, explaining the project, "Proposed Medical College and Hospital at Thimpu, Bhutan for Bhutan Institute of Medical Sciences", to the Hon'ble Minister of Health, Royal Govt. of Bhutan Lyonpo Zanley Dukpa, Secretary Health Dasho Dr. Gado Tshering and Shri Piyush Srivastava, First Secretary, Embassy of India and other officials of Royal Govt. of Bhutan during his visit to Bhutan on 11.09.2010



- Detailed Project Report for upgradation of National Institute of Communicable Diseases (NICD) to National Centre for Disease Control (NCDC), Delhi
- Feasibility Reports for the Super Speciality Hospitals at Sibasagar, Assam and Ankleshwar, Gujarat for ONGC

ANNEXURE - II

Particulars of employees in terms of section 217 (2A) of the Companies Act, 1956 read with the Companies Particulars of Employees Rules, 1975

A. Persons employed for the full year who were in receipt of remuneration of not less than Rs. 24,00,000/- per annum :-

Name	Shri V. C. Sharma	Dr. S. N. Pal
Designation	Chairman & Managing Director	Director (Engineering)
Date of Joining	1.11.2006	21.11.2005
Age (Years)	59	60
Gross Remuneration (Rs. in Lakhs)	40.09	30.45
Qualification	Bachelor of Electrical Engineering	B.Sc (H) B.Tech, M.Sc (Tech.), Diploma in Management, PHD
Total Experience (Years)	36	33
Designation- Last Employment	Group General Manager, RITES Ltd.	Director (Technical & Operations), HLL Life Care Ltd.

Further, the above excludes contribution to Gratuity Scheme, Group Insurance Scheme and provision for leave encashment.

B. Persons employed for part of the year who were in receipt of remuneration of not less than Rs. 2,00,000/- per month.

.....NIL.....

ANNEXURE - III

CORPORATE GOVERNANCE REPORT

A. 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.

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

The Company's Board of Directors as on 31.03.11 has two functional directors and two part-time official directors. The details are given below:-

Director	Whole-time/ Part-time	Member of Board of other PSUs
Shri V.C.Sharma	Whole-time, CMD	Nil
Dr. S.N. Pal*	Whole-time, Director (Engg.)	Nil
Shri Naved Masood**	Part-time, Official Director	2
Shri B. K. Prasad***	Part-time, Official Director	Nil

* Dr. S. N. Pal superannuated on 31.05.2011 and Shri Gyanesh Pandey joined as Director (Engineering) w.e.f.01.06.2011.

** Smt. Dharitri Panda nominated as Part-time, Official Director w.e.f .04.08.2011 in place of Shri Naved Massod (upto 04.08.2011)

*** Shri B. K. Prasad nominated as Part-time, Official Director, w.e.f. 19.01.2011 in place of Dr. R. S. Shukla (upto 19.01.2011).

C. BOARD MEETINGS

During April, 2010 to March, 2011, Five meetings (116th to 119th) of the Board of Directors were held with minimum one meeting in each quarter on 29.06.2010, (Adjourned) 14.07.2010, 25.08.2010, 24.12.2010 and 18.03.2011.

MEETINGS AND ATTENDANCE

Director (s)	No. of Board Meetings held during their respective Tenure	Attended	Attended last Annual General Meeting
Shri V. C. Sharma	5	5	Yes
Dr. S. N. Pal	5		Yes
Shri Naved Masood	5	5	Yes
Dr. R. S. Shukla (upto 19.01.2011)	4	4	Yes
Shri B. K. Prasad (w.e.f. 19.01.2011)	1	1	Yes as Shareholder

D. GENERAL BODY MEETING

Annual General Meeting

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

Financial Year	Date	Time	Location
2009-10	30.09.2010	03.00 P.M.	Office of Secretary (H & FW), Nirman Bhawan, New Delhi
2008-09	17.09.2009	12.30 P.M.	Office of Secretary (H & FW), Nirman Bhawan, New Delhi
2007-08	17.09.2008	12.00 Noon	Office of Secretary (H & FW), Nirman Bhawan, New Delhi

E. 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 are only paid sitting fee of Rs. 2,500/- per meeting attended by them in accordance with the approval of the Board of Directors. The Company therefore has not constituted any Remuneration Committee.

F. 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 (s)	No. of Shares of HSCC
Shri V. C. Sharma, CMD	6
Dr. S. N. Pal, Director (Engineering)	6
Shri Naved Masood, SSFA, MOH & FW	6
Dr. R. S. Shukla, JS, MOH & FW	NIL
Shri B. K. Prasad, JS, MOH & FW	6

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

G. 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.

H. AUDIT COMMITTEE

The guidelines issued by SEBI and the provisions of The Companies Act, 1956 with regard to constitution of Audit Committee are not applicable to Company. Further, during the year the Company do not have non- official Directors on the Board, as such the Company has not constituted an Audit Committee.

I. DISCLOSURES

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.

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.

ANNEXURE - IV

(Addendum to Director's Report)

Compliance Certificate FORM (SEE RULE 3)

To,

The Members,
HSCC (India) Limited
(Government of India Enterprise)

CIN : U74140DL1983GO1015459
Authorised Capital : Rs. 5,00,00,000/-
Paid up Capital : Rs. 2,40,01,800/-

We have examined the register, 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, 2011. 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.

1. 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.

Sr. 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 Director's Shareholdings	307	Upto Date
10.	Directors Attendance Register	193	Upto Date
11.	Fixed Assets Register	209	Upto Date
12.	Dividend Register	205	Upto Date

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2. 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, Company Law Board or Other authorities prescribed under the Act and the rules made there under during the financial year ended on 31st March 2011.

Forms / Return filed by the Company during the Financial year :

Sr. No.	Form No.	Authority with whom Forms & returns filed	Field u/s	Remarks
1.	Form 66	ROC	383A	Annual General Meeting : 30.09.2010 Filing Date : 29.10.2010 Receipt No. : P57906380
2.	Form 20B	ROC	159	Annual General Meeting : 30.09.2010 Filing Date : 09.11.2010 Receipt No. : P59207001
3.	Form 23AC & 23ACA	ROC	220	Financial Year : 31.03.2010 Filing Date : 30.10.2010 Receipt No. : P58316340
Form 32 for appointment of Shri B. K. Prasad as Director w.e.f. 19.01.2011 and cessation of Dr. R. S. Shukla as Director w.e.f. 19.01.2011				
4.	Form 32	ROC	303(2)	Date of Change : 19.01.2011 Filing Date : 28.01.2011 Receipt No. : B04066387

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, 2011 as per information & explanations provided to us was TEN. The detail of shareholders is given below :

Sr. No.	Particulars of Shareholders	No of Shares	Distinctive Nos,	Share Certificate No.	Ledger Folio
1.	The President of India	5994	1-5994	000003	2/1
	The President of India	10000	6001-16000	000010	2/1
	The President of India	24000	16001-40000	000011	2/1
	The President of India	17982	40004-57985	000015	2/1
	The President of India	30000	57986-87985	000016	2/1
	The President of India	72000	87986-159985	0000 17	2/1
	The President of India	79988	160013-240000	000027	2/1
2.	Shri Amarjeet Sinha, JS (P)	1	5995	000004	12/111
	Shri Amarjeet Sinha, JS (P)	3	159989-159991	000019	12/111
	Shri Amarjeet Sinha, JS (P)	2	240001-240002	000028	12/111
3.	Shri R. K. Srivaslava, DGHS	1	5996	000007	3/111
	Shri R. K. Srivaslava, DGHS	3	159992-159994	000020	3/111
	Shri R. K. Srivaslava, DGHS	2	240003-240004	000029	3/111

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4.	Shri Vineet Chawdhery (J. S.)	1	5997	000006	9/111
	Shri Vineet Chawdhery (J. S.)	3	159995-159997	000021	9/111
	Shri Vineet Chawdhery (J. S.)	2	240005-240006	000030	9/111
5.	Smt. Shakuntala D. Gamlin, JS (A)	1	5998	000009	13/111
	Smt. Shakuntala D. Gamlin, JS (A)	3	159998-160000	000022	13/111
	Smt. Shakuntala D. Gamlin, JS (A)	2	240007-240008	000031	13/111
6.	Shri Naved Masood (ASFA)	1	5999	000005	11/111
	Shri Naved Masood (ASFA)	3	160001-160003	000023	11/111
	Shri Naved Masood (ASFA)	2	240009-240010	000032	11/111
7.	Shri Debashish Panda (J. S.)	1	6000	000008	10/111
	Shri Debashish Panda (J. S.)	3	160004-160006	000024	10/111
	Shri Debashish Panda (J. S.)	2	240011-240012	000033	10/111
8.	Shri V. C. Sharma (CMD, HSCC)	1	40001	000012	5/111
	Shri V. C. Sharma (CMD, HSCC)	3	160007-160009	000025	5/111
	Shri V. C. Sharma (CMD, HSCC)	2	240013-240014	000034	5/111
9.	Shri B. K. Prasad (J. S.)	1	40003	000014	7/111
	Shri B. K. Prasad (J. S.)	3	160010-160012	000026	7/111
	Shri B. K. Prasad (J. S.)	2	240015-240016	000035	7/111
10.	Dr. S. N. Pal (Director, HSCC)	1	40002	000013	6/111
	Dr. S. N. Pal (Director, HSCC)	3	159986-159988	000018	6/111
	Dr. S. N. Pal (Director, HSCC)	2	240017-240018	000036	6/111

4. As per information & explanations provided to us the Board of Directors duly met FIVE 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
116 th	29.06.2010	Meeting held at Office of the then ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & Proceeding were properly recorded.
116 th (Adjourned)	14.07.2010	Meeting held at Office of the then ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & Proceedings were properly recorded.
117 th	25.08.2010	Meeting held at Office of the then ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & Proceeding were properly recorded.
118 th	24.12.2010	Meeting held at Office of the then ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & Proceeding were properly recorded.
119 th	18.03.2011	Meeting held at Office of the then ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & Proceeding were properly recorded.

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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 31.03.2010 was held on 30.09.2010 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. As per information & explanations provided to us No Extraordinary General Meeting was held during the financial year ended 31st March, 2011.
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 certificate during the financial year.
13. As per information & explanations provided to us.
 - (i) There was no transfer/ transmission of shares during the financial year.
 - (ii) The Company has declared and paid the following amount of dividend during the financial year.

Sr. No.	Particulars	Amount of Dividend Declared	Date of Declaration of Dividend	Date of Payment of Dividend
1.	Final Dividend	1,72,81,300/-	30.09.2010 (AGM)	04.11.2010

- (iii) 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.
- (iv) 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.
- (v) 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.

Detail of Board of Directors during 2010-11

Sr. No.	Name of the Director	DIN	Date of Appointment	Date of Cessation	Authority by whom appointed	U/Sec
1.	Dr. S. N. Pal*	00229585	21.11.2005	-	Government of India	617
2.	Sh. V. C. Sharma, CMD	00985986	01.11.2006	-	Government of India	617
3.	Sh. Naved Masood**	02126497	10.03.2008	-	Government of India	617
4.	Dr. R. S. Shukla	02347839	29.07.2008	19.01.2011	Government of India	617
5.	Sh. B. K. Prasad	01603310	19.01.2011	-	Government of India	617

*Dr. S. N. Pal superannuated on 31.05.2011 and Shri Gyanesh Pandey (DIN 03555957) joined as Director (Engineering) w.e.f. 01.06.2011.

** Smt. Dharitri Panda, CCA, MOH & FW has been nominated as Part-time Official Director in place of Shri Naved Masood w.e.f. 04.08.2011.

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 share and bonus share 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, 2011.
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 th purpose.

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26. The Company has not altered the provision of the Memorandum with respect to situation of the company's registered offices from one state to another during the year under scrutiny.
27. The Company has not altered the provision of the Memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered provision of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered provision for 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 employee's and employer's contribution with the prescribed authorities pursuant to Section 418 of the Companies Act, 1956.

Place : New Delhi
Date : 10.08.2011

Signature
Name of the Company Secretary : Harbans Lal
C. P. No. : 3944

For Harbans Lal & Company
Company Secretaries

ANNEXURE - V

(Addendum to Directors' Report)

Replies to Comments in Auditors' Report

A. Para 2 (f)

Observation

- (i) Note No. 2 : regarding acceptance by the company of joint moral responsibility with the client for reported lapses in one of the projects (CRI, Kasauli) and to bear half of the assessed cost (in fruituous 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. 2 of Schedule 15, which is self explanatory.

- (ii) Note No. 4 : regarding accounting of Rs.228.20 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. 4 of Schedule 15, which is self explanatory.

- (iii) Note No. 6 : regarding non confirmation of sundry debtors, creditors and loans and advances, deposits and various balances on behalf of the ministries/clients. The consequential impact thereof, if any, on the accounts can neither be determined, nor quantified.

Reply : Disclosed in Note No. 6 of Schedule 15, which is self explanatory.

- (iv) Note No.8 : regarding old credit balances of Rs.2447.44 lakhs lying unadjusted in the deposit accounts of the clients.

Reply : Disclosed in Note No. 8 of Schedule 15, which is self explanatory.

B. Para iv of Annexure

Observation

- In certain cases considerable delay takes place in submission of bills/certification of measurement sheets for works done by the contractors in respect of projects of the company on behalf of the clients.

Reply : Noted for compliance.

Observation

- Compared to the previous year, significant increases have taken place in some of the expenditure heads during the year. Though, the company has introduced a system of budget/budget allocation, the same requires further strengthening, especially with reference to budgetary control.

Reply: Budget for Revenue Expenditure is made under two broad heads i.e. (i) Employees Remuneration & Benefits (ii) Administrative & Other Expenses. Budgetary control is being exercised. It results in overall expenditure remains within the broad budget heads.

Further, some of the expenditures, during the year has increased as compared to previous year due to increase in business activities of the Company.

Observation

- Figures of sundry debtors, in terms of percentage of consultancy fees, have increased steeply during the year. There should be strengthening of book debt collection.

Reply: Sundry debtors are being vigorously pursued for recovery.

Observation

- Effective control should be exercised by the company by means of regular check on the bank account, bank reconciliation statement, bank fixed/flexi deposits etc., both in respect of Company's own accounts as well as corpus accounts, which are managed on behalf of clients.

Reply: Bank accounts including fixed/flexi deposit are monitored regularly. Bank reconciliation statements are made on monthly basis.

ANNEXURE - VI

(Addendum to Directors' Report)



गोपनीय

भारतीय लेखा तथा लेखापरीक्षा विभाग

कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा,

एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-1

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-1

दिनांक/ Dated 26/8/2011

सेवामें,

अध्यक्ष एवं प्रबन्ध निदेशक,

एच एस सी सी (इंडिया) लिमिटेड

नोएडा (उत्तर प्रदेश)

विषय :- कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च, 2011 को समाप्त वर्ष के लिए एच एस सी सी (इंडिया) लिमिटेड के लेखों पर भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ ।

महोदय,

इस पत्र के साथ एच एस सी सी (इंडिया) लिमिटेड के 31 मार्च 2011 को समाप्त हुए वर्ष के लेखों की कम्पनी अधिनियम 1956 की धारा 619 (4) के अंतर्गत समीक्षा नहीं किये जाने का प्रमाणपत्र संलग्न किया जाता है।

कृपया इस पत्र की पावती भेजें ।

भवदीया,

(इला सिंह)

प्रधान निदेशक

संलग्न: उपरोक्त

तृतीय तल, 'ए' स्कंध, इन्द्रप्रस्थ भवन, नई दिल्ली-110002

3rd FLOOR, 'A' WING, INDRAPRASTHA BHAVAN, NEW DELHI- 110002

TEL.: 011-23378473, 23370038, 23370044, 23370054, FAX: 011-23378432

e-mail: mabi@nda.vsnl.net.in

HSCC Annual Report 2010-11

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 31st March, 2011

The preparation of financial statements of HSCC (India) Limited for the year ended 31st March, 2011 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(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of Companies Act, 1956 based on independent audit in accordance with the auditing and assurance 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 10 August 2011.

I on behalf of the comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors' on the accounts of HSCC (India) Limited for the year ended 31st March, 2011 and as such have no comments to make under section 619(4) of the companies Act 1956.

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



(Ila Singh)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
New Delhi.

Place : New Delhi

Dated : 26th August, 2011

AUDITORS' REPORT

To,

The Member,
HSCC (India) Limited

We have audited the attached Balance Sheet of HSCC (INDIA) LIMITED as at 31st March, 2011 and also the annexed Profit and Loss Account of the company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor Report) Order, 2003 as amended by companies (Auditors' Report) (Amendment) Order 2004 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and on the basis of information and explanations given to us by the management during the course of our audit, we enclose in the Annexure a statement on the matters specified in the paragraphs (4) and (5) of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, 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 the law have been kept by the company, so far as appears from our examinations of the books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with in this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and the Profit & Loss Account comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 in so far as they apply to this company.

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- (e) In terms of Notification No. G.S.R. 829(E) dated 21.10.2003 issued by the Ministry of Finance, Department of Company Affairs, Government of India, clause (g) of subsection (1) of Section 274 of the Companies Act, 1956 is not applicable to the Government companies.
- (f) Attention is invited to the following Notes in Schedule 15 to the Accounts :-
- (i) **Note No. 2** : regarding acceptance by the company of joint moral responsibility with the client for reported lapses in one of the projects (CRI, Kasauli) and to bear half of the assessed cost (in fructuous 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. 4** : regarding accounting of Rs. 228.20 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.
 - (iii) **Note No. 6** : regarding non confirmation of sundry debtors, creditors and loans and advances, deposits and various balance on behalf of the ministries/ clients. The consequential impact thereof, if any on the accounts can neither be determined, nor quantified.
 - (iv) **Note No. 8** : regarding old credit balances of Rs. 2447.44 lakhs lying unadjusted in the deposit accounts of the clients.
- (g) Subject to the comments made by us in para (f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon in Schedule 14 and Schedule 15 respectively, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011.
- (ii) In case of the Profit and Loss Account, of the Profit of the company for the year ended on that date.

FOR JINDAL & COMPANY
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI
DATE : 10.08.2011

(Dr. B.S JINDAL)
M. No. 7331
PARTNER

ANNEXURE

[Referred to in Paragraph 1 of our report of even date of HSCC (India) Limited for the year ended 31.03.2011]

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanation 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 fixed assets. The company got physical verification of fixed assets for the year 2010-11 conducted by a firm of chartered accountants and made necessary adjustments for the minor difference arising out of such physical verification.
- (c) In our opinion and according to the information and explanation given to us, company has not disposed of substantial part of the 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 other parties covered in the register maintained under section 301 of the Act, therefore Para 4(iii)(a) to Para (4)(iii)(g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business. In our opinion, the procedure is also adequate for the purchase of fixed assets and sale of services and also in respect of the procurement of material / equipments on behalf of clients.

Following points have been observed.

- In certain case considerable delay takes place in submission of bills /certification of measurement sheets for works done by the contractors in respect of projects of the company on behalf of the clients.
- Compared to the previous year, significant increases have taken place in some of the expenditure heads during the year. Though, the company has introduced a system of budget / budget allocation, the same requires further strengthening, especially with reference to budgetary control.
- Figures of sundry debtors, in terms of percentage of consultancy fees, have increased steeply during the year. There should be strengthening of book debt collection.

- Effective control should be exercised by the company by means of regular check on the bank accounts, bank reconciliation statements, bank fixed/flexi deposits etc., both in respect of company's own accounts as well as corpus accounts, which are managed on behalf of clients.
- 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 explanation given to us, there are no transactions that need to be entered into a register in pursuance of sections 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 sections 58A and 58AA or any other relevant provision of the Companies Act apply.
- (vii) In our opinion the company has as internal audit system commensurate with its size and nature of its business.
- (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. It is observed that there is no costing policy in practice. As such, the system of project costing is not followed.
- (ix) (a) According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Cess and other statutory dues with the appropriate authorities and there is no amount outstanding as on 31st March, 2011 for a period more than six months from the date they became payable. We are informed by the management that there are no dues payable by the company towards Investor Education & Protection Fund and Cess, Employees State Insurance, Wealth-Tax, Sales Tax and Excise Duty.
- (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, an appeal is pending before the CIT (Appeals) against Income Tax demand of Rs. 6.28 Lakhs on the company for the assessment year 2008-09.
- (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 any debentures have 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, 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(xv) of the Order is not applicable to the Company.
- (xvi) As explained to us, the company has not obtained any term loans during the year. Hence para (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 from the public 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 and on behalf of
JINDAL & CO.
CHARTERED ACCOUNTANTS

(Dr. B. S. JINDAL)
PARTNER
M. No. 7331

Place : New Delhi
Date : 10.08.2011

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BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE No.	As at 31 st March, 2011 (Rupees)		As at 31 st March, 2010 (Rupees)
SOURCES OF FUNDS :				
SHAREHOLDERS FUNDS				
Share Capital	1	24001800		24001800
Reserves and Surplus	2	763172819		699884845
TOTAL		787174619		723886645
APPLICATION OF FUNDS :				
FIXED ASSET				
Gross Block	3	111315167	112090944	
Less: Depreciation		49861577	48896640	63194304
Net Block				
DEFERRED TAX ASSET (NET) (Refer Note No. 21)		14031041		16719916
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry Debtors	4	195572894	124659619	
Cash and Bank Balances	5	3392097730	3759630712	
Other Current Assets	6	198982745	257017989	
Loans and Advances	7	465029416	483343782	
		4251682785	4624652102	
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	8	3502780738	3927547989	
Provisions	9	37212059	53131688	
		3539992797	3980679677	
NET CURRENT ASSETS		711689988		643972425
Significant Accounting Policies	14			
Notes to Accounts	15			
TOTAL		787174619		723886645

Schedules referred to above form an integral part of the accounts

As per our Report of even date attached

For and on behalf of the Board of Directors

For Jindal & Co.
Chartered Accountants

(V. C. Sharma)
Chairman and Managing Director

(Gyanesh Pandey)
Director (Engg.)

(Dr. B. S. Jindal)
Partner
M. No. 7331
Place : New Delhi
Dated : 10.08.2011

(A. K. Aggarwal)
Executive Director (F & A) and CS

HSCC Annual Report 2010-11

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE No.	2010-11 (Rupees)	2009-10 (Rupees)
INCOME :			
Consultancy Fee-		231139955	209721631
(Gross of tax deducted at source Rs. 8900986/- ; Previous Year Rs 5923025 /-)			
Other Income	10	103440416	121789557
Total Income		334580371	331511188
EXPENDITURE :			
Employees remuneration and benefits	11	132924675	126261727
Contribution to Staff Trusts		3250000	3400000
Administrative and Other Expenses	12	59505328	66634990
Depreciation		3594340	3924607
Total Expenditure		199274343	200221324
Profit for the year		135306028	131289864
Prior Period Adjustments (Net) : Profit/(Loss)	13	(3244517)	3313720
Profit Before Tax		132061511	134603584
Less : Provision for Income Tax			
- Current year Tax	46000000		55500000
- Deferred Tax Liability (Asset)	2688876	48688876	(7263274)
		83372635	86366858
Add / (Less) : Income Tax / FBT Adjustment for Earlier years		539	(443417)
Profit After Tax		83373174	85923441
Balance Brought Forward From Previous Year		492325118	446553187
Profit available for Appropriations		575698292	532476628
APPROPRIATIONS :			
Dividend		17281300	17281300
Corporate Tax on Dividend		2803900	2870210
Transfer to General Reserve		20000000	20000000
Surplus Carried to Balance Sheet		535613092	492325118
		575698292	532476628
Earning Per Share (Basic / Diluted)		347	358
Significant Accounting Policies	14		
Notes to Accounts	15		

Schedules referred to above form an integral part of the accounts

As per our Report of even date attached

For and on behalf of the Board of Directors

For Jindal & Co.
Chartered Accountants

(Dr. B. S. Jindal)
Partner
M. No. 7331
Place : New Delhi
Dated : 10.08.2011

(V. C. Sharma)
Chairman and Managing Director

(Gyanesh Pandey)
Director (Engg.)

(A. K. Aggarwal)
Executive Director (F & A) and CS

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SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2011

SCHEDULE - 1

SHARE CAPITAL

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
AUTHORISED		
500000 Equity Shares (Previous year 500000) of Rs.100/- each	50000000	50000000
ISSUED, SUBSCRIBED AND PAID UP		
240018 Equity Shares (Previous year 240018) of Rs.100/-each fully paid up (Out of above shares 120009 shares and 80006 shares of Rs. 100/- each fully paid up have been issued by way of Bonus Shares by capitalisation of General Reserve in theyear 2003-04 and 2008-09 respectively)	24001800	24001800
	24001800	24001800

SCHEDULE - 2

RESERVES AND SURPLUS

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
GENERAL RESERVE		
As per Last Account	207559727	187559727
Add : Transfer from Profit & Loss Account	20000000	20000000
Balance in Profit and Loss Account	535613092	492325118
	763172819	699884845

SCHEDULE - 3

FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK				
	As at 01.04.10	Addition during the year	Sales/Adjustment during the year	As at 31.03.11	upto 31.03.2010	For the Year	Adjustment during the year	Upto 31.03.2011	As at 31.03.11	As at 31.03.10
Land - Lease Hold *	44,665,262	-	-	44,665,262	2,835,834	504,033	-	3,339,867	41,325,395	41,829,428
Building - on Lease Hold Land	19,269,374	-	-	19,269,374	8,094,250	558,756	-	8,653,006	10,616,368	11,175,124
Office Flats - Lease Hold	2,947,502	-	-	2,947,502	1,480,112	73,369	-	1,553,481	1,394,021	1,467,390
Furniture & Fixtures	9,481,167	102,896	58,786	9,525,277	8,033,974	276,497	56,603	8,253,868	1,271,409	1,447,193
Electrical Appliances	11,992,120	229,585	90,162	12,131,543	9,096,700	582,444	75,643	9,603,501	2,528,042	2,895,420
Air Conditioners / Coolers	2,831,978	98,320	231,888	2,698,410	1,927,694	144,404	190,524	1,881,574	816,836	904,284
Office Equipments	2,657,770	94,719	190,626	2,561,863	1,801,494	125,160	182,081	1,744,573	817,290	856,276
Vehicles	1,253,984	-	-	1,253,984	1,122,973	33,919	-	1,156,892	97,092	131,011
Computers	16,991,787	1,465,320	2,195,155	16,261,952	14,503,609	1,295,758	2,124,552	13,674,815	2,587,137	2,488,178
Current Year's Total	112,090,944	1,990,840	2,766,617	111,315,167	48,896,640	3,594,340	2,629,403	49,861,577	61,453,590	63,194,304
Previous Year's Total	112,606,798	345,117	860,971	112,090,944	45,060,756	3,924,607	88,723	48,896,640	63,194,304	

Note :

* Lease hold land is amortised proportionately over 90 years from the date of Lease deed from 1996 valuing Rs. 5,749,075/- and from 2006 valuing Rs. 41,464,508/- (Refer Note No. 3)

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SCHEDULE - 4

SUNDRY DEBTORS (UNSECURED)

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
Debts Outstanding for a Period exceeding six months :		
- Considered Good	63472046	59575812
- Considered Doubtful	11621251	20221376
	<u>75093297</u>	<u>79797188</u>
Other Debts - Considered Good	132100848	65083807
	207194145	144880995
Less : Provision for Doubtful Debts	11621251	20221376
	<u>195572894</u>	<u>124659619</u>

SCHEDULE - 5

CASH AND BANK BALANCES

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
Cash - in - Hand including Imprest	83048	119884
Cheque - in - Hand	-	6002500
With Scheduled Banks :		
- On Current Accounts	13109341	8101838
- On Deposit Accounts	826297587	1084860584
Less : Book Overdraft	-	1084860584
(Out of the above Bank has a standing lien to the extent of outstanding Bank Guarantees Rs. 141.89 lakhs; Previous Year Rs. 143.09 lakhs)		
Balance held on behalf of Ministries / Clients (Refer Note No. 4)		
- On Saving Accounts	139708013	112378165
- On Deposit Accounts	2443826445	2564141689
Less : Book Overdraft	30926704	2548167741
(Out of above Bank has a standing lien to the extent of outstanding Letter of Credits Rs. 260.39 Lakhs; Previous Year Rs. 160.58 Lakhs)		
	<u>3392097730</u>	<u>3759630712</u>

SCHEDULE - 6

OTHER CURRENT ASSETS

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
Interest accrued but not due		
- On Deposits with banks	63319313	90476624
- On behalf of Ministries / Clients - on Deposits with Banks (Refer Note No. 4)	128934116	160144034
- On staff Loans and advances	939544	1081050
Consultancy Fee accrued but not due	5789772	5316281
	198982745	257017989

SCHEDULE - 7

LOAN AND ADVANCES

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
LOANS : To Employees		
- Secured - Considered Good	1887702	2915192
- Unsecured - Considered Good	-	100
Advances recoverable in cash or in kind or for value to be received (unsecured, considered good except specified otherwise) :		
a) Employees	737879	590235
b) Suppliers / Contractors on behalf of Clients		
- Considered Good	298671705	326719188
- Considered Doubtful	1301053	1095823
	299972758	327815011
Less : Provision for Doubtful Debts	1301053	1095823
	298671705	326719188
c) Others		
- Considered Good	10310873	8928310
- Considered Doubtful	2548321	2548321
	12859194	11476631
Less : Provision for Doubtful Debts	2548321	2548321
	10310873	8928310
d) Suppliers / Contractors on behalf of Ministries / Clients (Refer Note No. 4)	146893336	137855757
e) Income Tax Deposit under protest	6527921	6335000
	465029416	483343782

Notes :

- Amount Due from Directors / Departmental Heads
- Maximum Amount due at any time during the year

77530
527535

152555
764102

HSCC

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SCHEDULE - 8

CURRENT LIABILITIES

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
Sundry Creditors	11414284	25010941
Deposits / Advances from Clients	206331338	329656686
Earnest Money Deposits	22593236	30190259
Other Liabilities	28790576	20792278
On behalf of Clients		
- Sundry Creditors	324704914	460901661
- Retention Money	80511184	102450467
On behalf of Ministries / Clients (Refer Note No. 4 & 5)		
- Sundry Creditors	905885309	701843513
- Deposits / Advances	1922549897	2256702184
	3502780738	3927547989

SCHEDULE - 9

PROVISIONS

	As at 31 st March, 2011 (Rupees)	As at 31 st March, 2010 (Rupees)
Provision for Income Tax	251900000	205900000
Less : Advance Income Tax / TDS	267887154	(15987154)
Provision for Fringe Benefit Tax	1496440	4086445
Less : Advance Fringe Benefit Tax paid	1500000	(3560)
Proposed Dividend	17281300	17281300
Corporate Dividend Tax	2803900	2870210
Provision for Leave Encashment	33117573	30577927
	37212059	53131688

SCHEDULE - 10

OTHER INCOME

	2010 - 11 (Rupees)	2009 - 10 (Rupees)
Interest on deposits with banks (Gross of tax deducted at source Rs. 11174266/- ; Previous Year Rs. 13299180/-)	91457391	116337001
Interest on Staff Loans	245839	254250
Liabilities / Provisions no longer required, written back	9769066	2444399
Sale of Tender Documents	1951022	1306000
Miscellaneous Income	17098	1447907
	103440416	121789557

SCHEDULE - 11

EMPLOYEES REMUNERATION AND BENEFITS

	2010 - 11 (Rupees)	2009 - 10 (Rupees)
Salaries, Wages, Ex-gratia / PRP and allowances	99157204	92407442
Contribution to provident fund and other funds	11093224	11751620
Lease Rent for staff accomodations (Net of recoveries)	17278114	15818683
Staff Welfare (including Medical and Leave Travel Concession)	5396133	6283982
	132924675	126261727

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SCHEDULE - 12

ADMINISTRATIVE AND OTHER EXPENSES

	2010 - 11 (Rupees)		2009 - 10 (Rupees)	
Rent		2159344		2221955
Travelling and Conveyance -				
- Directors (including Foreign Travel Rs. Nil ; Previous Year Rs. 38842/-)	358399		491956	
- Others (including Foreign Travel Rs. 367408/- ; Previous Year Rs. 114989/-)	6061247	6419646	6320087	6812043
Insurance		179273		219640
Power and Fuel		2852333		2811682
Printing and Stationery		6777750		7363057
Postage and Telegrams		322625		246000
Telephone and Telex		1438290		1808211
Vehicle Running & Maint. Expenses (Net of Recoveries)		597401		458540
Vehicle / Taxi hire charges		4298926		2659963
Advertisement and Publicity		336259		87029
Professional Charges and Fees for Services rendered		16269187		13635544
Repair and maintenance (Net of Recoveries) -				
- Building	1632429		1220858	
- Office Equipment	1152688	2785117	732086	1952944
Auditors' Remuneration		339600		300000
Business Promotion		3970295		1924812
Corporate Social Responsibility		430000		-
Subscription & Membership Fees		78102		234130
Legal Expenses		316513		74950
Information & Technology Expenses		715351		835456
Recruitment and Training Expenses		458674		568454
Watch and Ward Expenses		1615349		1367188
Miscellaneous Expenses		466385		535197
Provision for Doubtful Debts / Advances / Fees		205230		15499686
Bad Debt Written Off		6457556		5017462
Loss / (Profit) on Write off / Sale of Assets (Net)		16122		1047
		59505328		66634990

SCHEDULE - 13

PRIOR PERIOD ADJUSTMENTS

	2010 - 11 (Rupees)	2009 - 10 (Rupees)
INCOME		
Consultancy Fee	(3750458)	4065374
Foreign Exchange Fluctuations	45453	-
Sub Total of Income	(3705005)	4065374
EXPENDITURE		
Employees Remuneration and Benefits		
Ex-Gratia	(64856)	-
LTC	(239746)	-
Lease Rent	70320	-
Administrative and Other Expences		
Travelling & Conveyance	5110	619696
Power & Fuel	-	39433
Printing & Stationary	(147591)	62076
Vehicle Hire Charges	(27585)	-
Professional Charges and Fee for Services Rendered	(94948)	-
Conveyance Allowance	-	-
Repair & Maintainance	21091	-
Legal Expences	-	10000
Information & Technology Expences	17717	20449
Sub Total of Expenses	(460488)	751654
Net Prior Period Adjustment Profit / (Loss)	(3244517)	33137208

SCHEDULE - 14

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING ASSUMPTIONS

The financial statements have been prepared on going concern basis under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.

2. REVENUE RECOGNITION

A. 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 work / stages 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.

B. GENERAL

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

3. FIXED ASSETS

- (a) Fixed Assets are stated at cost of acquisition inclusive of inward freight, duty, taxes and incidentals related to acquisition less depreciation.
- (b) Retired Assets held for disposal are stated at net realizable value.

4. DEPRECIATION

- (a) Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed under Schedule - XIV, as amended to date, of the Companies Act, 1956, except –
 - (i) Written down value of Software is depreciated fully in the 3rd year of purchase, considering maximum useful life of the Software.
 - (ii) 100% depreciation in respect of assets costing not more than Rs.5,000/- per item in the year of purchase.
- (b) Leasehold land is amortised proportionately over the duration of lease.
- (c) Stationery items and library books are completely charged off to revenue in the year of purchase.

5. 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.

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. RETIREMENT BENEFITS

(i) Provident Fund

The Company makes regular contribution to Employee's Provident Fund Trust and the same is charged to Profit & Loss Account.

(ii) Gratuity

The Company set up a Gratuity Trust Fund which is administered by Life Insurance Corporation of India. The annual gratuity liability is determined based on actuarial valuation as a percentage of annual wage bill specified by the Life Insurance Corporation of India under the Group Gratuity Scheme.

(iii) Leave Encashment

Leave encashment liability is provided based on actuarial valuation as at the end of the year.

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

Income Tax expense comprises of current tax provision and the net change on the deferred tax account.

Current tax is computed as per the provision of the Income Tax Act, 1961.

Deferred tax is the tax effect of timing difference between taxable income and book income and is accounted for using the tax rates enacted or subsequently enacted as on Balance Sheet date subject to the consideration of prudence.

11. DIVIDEND

Provision for Dividend for the year is made as proposed by the Board of Directors subject to approval of the members of the company at the Annual General Meeting.

12. 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.

13. CONTINGENT LIABILITIES

No provision is made for liabilities which are contingent in nature, but if material the same are disclosed by way of note.

SCHEDULE 15

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH, 2011

1. Contingent Liabilities not provided for :
 - (i) Claims against the Company not acknowledged as debts - Rs. 1.83 lakhs (Previous Year Rs.1.83 lakhs).
 - (ii) Unsettled disputed staff dues – Rs 34.61 Lakhs (Previous Year Rs. 34.61 lakhs).
 - (iii) Guarantees issued by Banks on behalf of Company outstanding as on 31.03.2011 - Rs.141.89 lakhs (Previous Year Rs. 143.09 lakhs).
 - (iv) Cases aggregating to Rs 4001 lakhs (Net of Payments) (Previous Year Rs.3,604 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.
 - (v) (a) Income Tax demands pending disposal of appeals are for Rs. 6.28 lakhs (Previous Year Rs. 29.03 lakhs).
 - (b) Against Income Tax demand of Rs. 388.86 lakhs by the 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). ITAT has ordered DCIT on 29.03.10 to seek Committee on Dispute approval within six month before the case is heard. The appeal filed by DCIT has been dismissed by ITAT vide order dated 28.01.2011 with the liberty to approach the Tribunal again for revival of the appeal as and when and to the extent the COD approval is accorded. No further information in this regard has been received.
2. 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.

3. Land cost included Rs.414.65 lakhs towards plot area of 2683.07 sq.mts. allotted by NOIDA Authority for office building to the Company. On joint physical measurement of such land a shortfall of 164.94 sq.mts. was noticed for which the Company has initiated legal proceedings against the NOIDA Authority for refund of the proportionate amount of Rs.18.51 lakhs of short area along with interest and other charges and for necessary amendment in the lease deed. In view of shortfall of land in possession of the Company, the proportionate amount of Rs.18.51 lakhs had been de-capitalised during the year 2008-09 and Rs. 6.97 lakhs, towards cost of lease charges and stamp duty, during the year 2009-10, from the aforesaid value of land. Further adjustment, if any, shall be made in the year of final settlement with Noida Authority.
4. 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. 6143.70 lakhs (Previous Year Rs. 12,706 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 2010-11 being Rs. 228.20.lakhs (Previous Year Rs. 267.82 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 31.03.2011 - Rs. 260.39 lakhs (Previous Year Rs. 160.58 lakhs).

5. As identified from the available information, a sum of Rs. 252.22 lakhs towards principal is due to the units on behalf of client as on 31.03.2011 (Previous Year Rs. 252.22 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.

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6. Balances appearing in most of the parties' accounts under the head Sundry Debtors, Loans & Advances, Sundry Creditors, Deposits and various balances on behalf of Ministries / Clients are subject to confirmation.
7. 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.
8. Unadjusted credit balances lying in the deposit account of clients (MOH&FW, MEA, State Govts., Govt. Autonomous Bodies, PSU's etc.) for more than 4 years are Rs. 2447.44 lakhs (Previous Year Rs. 3159.16 lakhs) inclusive of Corpus Account Rs. 1910.53 lakhs (Previous Year Rs. 2,372.64 lakhs) and will be paid in the year in which accounts are settled with them.
9. The Company during the year has contributed Rs.19.50 lakhs and Rs.13.00 lakhs (Previous Year Rs. 20.40 lakhs and Rs.13.60 lakhs) to approved Employees' Medical and Welfare Fund Trusts respectively for the welfare of its employees.
10. Employees remuneration and benefits include the provision of Rs. 45.00 lakhs (Previous Year Rs. 42.50 lakhs) towards Performance Related Pay (PRP) for the year.
11. Managerial Remunerations to Whole Time Directors, i.e., Chairman & Managing Director and Director (Engineering) are as under :

(Rs. in lakhs)

Particulars (Paid / Payable)	2010-11	2009-10
Salaries & Allowances	53.33	55.18*
Contribution to Provident Fund	3.08	2.66
House Rent (Net)	10.88	9.01
Medical, LTC, Perquisites and Tax on perquisites	3.25	3.42
Total	70.54	70.27

*(including pay revision arrears w.e.f. 01.01.2007)

The above includes amount of arrears of pay revision of Rs. NIL lakhs (Previous Year Rs. 15.41 Lakhs).

Further, the above excludes contribution to Gratuity Scheme, Group Insurance Scheme and provision for leave encashment.

Company's Cars have been provided to Chairman & Managing Director and Director (Engineering) for private use upto 1,000 Kms. per month against recovery of Rs. 520/- per month.

12. Payment to Auditors

(Rs. in lakhs)

Particulars	2010 - 11	2009 - 10
Audit Fee	2.50	2.50
Tax Audit Fee	0.50	0.50
Reimbursement of out of pocket expenses	0.40	-
Total	3.40	3.00

In the opinion of the Board of Directors, the Current Assets and Loans & Advances as on 31.03.2011 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.

14. The system of project costing or allocation of manpower to respective jobs is not in practice. However, it has no material impact on profitability.
15. **Additional information** pursuant to the provision of Paragraphs (3) to (4D) of Part - II of Schedule - VI of the Companies Act, 1956 has been shown to the extent applicable (as the Company is primarily engaged in providing consultancy services) as under :

Information regarding foreign exchange (excluding exchange rate variation) :

(Rs. in lakhs)

Particulars	2010 - 11	2009 - 10
Expenditure in Foreign Currency on :		
- Traveling	3.11	0.24
- Value of imports on C.I.F. basis : Capital Goods (on behalf of clients)	125.03	67.60

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16. Disclosure in terms of AS-7 on "Construction Contracts" issued by ICAI is given as under, so far as related to Civil Construction Projects in which the Company has acted as Consultant on behalf of Clients :

(Rs. in lakhs)

	Particulars	2010 - 11	2009 - 10
(a)	Aggregate amount of cost incurred on behalf of the clients during the year	9483.40	15,245.70
(b)	Consultancy fee of such contracts recognized during the year	1916.07	1,700.96
(c)	Outstanding deposits / advances from Ministries / Clients in respect of such contracts	13215.18	15,512.42
(d)	Outstanding retention money in respect of such contracts	2221.11	2,114.55

17. Disclosure in terms of AS-15 (Revised in 2005) on 'Employees' Benefit' as issued by the ICAI are as under :

I. Defined Contribution Plan

(A) Provident Fund

Company pays fixed contribution to Provident Fund at pre-determined rates to a separate Trust namely "HSCC Employees' Provident Fund Trust" which invests the funds in permitted securities. The contribution to the Fund for the year is recognized as expense and is charged to Profit & Loss Account. The Provident Fund Trust is required to pay a minimum rate of interest on contributions to the members as specified by Government of India. Deficit to the Trust, if any, on account of payment of such minimum rate of interest is borne by the Company and is recognized in Profit & Loss Account as an expense. During the year the Company had recognized Rs. 65.63 lakhs as employer's contribution towards Provident Fund (Previous Year Rs. 56.69 lakhs) and provisional deficit on account of interest for the year 2010-11 amounting to Rs. 2.00 lakhs (Previous Year NIL) in the Profit & Loss Account.

II. Defined Benefit Plan

(B) Gratuity

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 fund is administered by 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 project unit credit method on annual basis. Accordingly, Rs. 30.98 lakhs (Previous Year Rs. 45.74 lakhs) has been provided in the Profit & Loss Account for the year towards Company's contribution to such Gratuity Fund.

The following is the summary of components

Particulars	31.03.2011	31.03.2010
(a) MEMBERSHIP DATA		
Number of Members	133	136
Average Age (Yrs.)	40.24	40.39
Average Monthly Salary (Rs)	37054.88	33680.58
Average Past Service (Yrs.)	9.04	8.57
(b) ACTUARIAL ASSUMPTIONS		
Mortality Rate	LIC (1994-96) ultimate	
Withdrawal Rate	1% to 3% depending on age	
Discount Rate	8% p.a.	
Salary Escalation	6%	
(c) RESULTS OF VALUATION		
	(Rs. in lacs)	(Rs. in lacs)
(i) PV of Past Service Benefit	203.61	183.99
(ii) Current Service Cost	17.41	16.53
(iii) Total Service Gratuity	684.18	627.03
(iv) Accrued Gratuity	266.41	233.76
(v) LCSA	417.77	361.41
(vi) Fund value as on Renewal Date	191.66	170.69

(C) 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. During the year the Company had contributed Rs.19.50 lakhs towards the said Trust (Previous Year Rs. 20.40 lakhs) in the Profit & Loss Account which includes hospitalization of existing & retired employees.

(D) 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. During the year the Company had recognized Rs.1.40 lakhs towards LTC (Previous Year Rs. 6.55 lakhs) in the Profit & Loss Account.

(E) 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 project unit credit method on annual basis. The amount received from previous organization is being credited to Profit & Loss Account.

The following is the summary of components

(i) Change in present value of obligation :

(Rs. in lakhs)

	Particulars	31.03.2011	31.03.2010
(a)	Present value of obligation as at the beginning of the period	305.78	259.58
(b)	Interest Cost	24.46	19.47
(c)	Current Service Cost	44.94	49.11
(d)	Benefits Paid	(56.05)	(23.01)
(e)	Actuarial (Gain) / Loss on obligation	12.04	0.62
(f)	Present value of obligation as at the end of period	331.17	305.78

(ii) Expenses recognized in Profit & Loss Account

(Rs. in lakhs)

	Particulars	31.03.2011	31.03.2010
(a)	Current Service Cost	44.94	49.11
(b)	Interest Cost	24.46	19.47
(c)	Net actuarial (Gain) / Loss recognized in the period	12.04	0.62
(d)	Expenses recognized in the statement of Profit & Loss	81.44	69.21

(iii) Movement in the liability recognized in Balance Sheet

(Rs. in lakhs)

	Particulars	31.03.2011	31.03.2010
(a)	Opening Net Liability	305.78	259.58
(b)	Expenses as above	81.44	69.21
(c)	Benefits Paid	(56.05)	(23.01)
(d)	Closing Net Liability	331.17	305.78

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

	Particulars	31.03.2011	31.03.2010
(a)	Discounting Rate (%)	8.00	7.5
(b)	Future Salary Increase (%)	5.50	5.00
(c)	Retirement Age (Years)	60	60

18. Segment Reporting in terms of AS-17 :

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.

19. Related Party Disclosures in terms of AS-18 :

Details pertaining to Related Party Transactions are as follows :

(a) List of Related Parties

	Name	Nature of Relationship
(i)	Shri V. C. Sharma Chairman & Managing Director	Key Management Personnel
(ii)	Dr. S. N. Pal Director (Engineering)	Key Management Personnel

(b) Related Party Transaction :

Remuneration to the Chairman & Managing Director and Director (Engineering) during the year is Rs. 70.54 lakhs (Previous Year Rs. 70.27 lakhs) as detailed in above para excluding reimbursement of expenses. It includes amount of arrears of pay revision of NIL. (Previous Year Rs. 15.41 Lakhs).

20. Earning per Share (Basic & Diluted) in terms of AS-20 :

	Calculation of E. P. S.	2010 - 11	2009 - 10
A.	Net Profit for the year attributable to Equity Shareholders (Rs. in lakhs)	833.73	859.23
B.	Number of Equity Shares outstanding during the year	240018	240018
C.	Earning per Share (A) / (B) (Rs.)	347	358
D.	Nominal value per Share (Rs.)	100	100

21. In line with Accounting Standard (AS-22), "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India, the deferred tax Liability (net) of Rs. 26.89 lakhs (Previous year deferred tax asset-net Rs.72.64 lakhs) for the current year has been recognized in the Profit & Loss Account.

Elements of net deferred tax liability and assets created for tax effect of timing differences are as under:

(Rs. in lakhs)

Particulars of Deferred Tax Assets / (Liabilities)	As on 01.04.2010	For the year 2010 - 11	As on 31.03.2011
Deferred Tax Assets			
- Provision for Leave Encashment (claimable on payment basis)	103.93	6.07	110.00
- Provision for Doubtful Debts / Advances / Fees (not allowed under Income Tax Laws)	84.72	(33.33)	51.39
Total Deferred Tax Assets	<u>188.65</u>	<u>(27.26)</u>	<u>161.39</u>
Deferred Tax Liabilities			
Depreciation	(21.45)	0.37	(21.08)
Total Deferred Tax Liabilities	<u>(21.45)</u>	<u>0.37</u>	<u>(21.08)</u>
Net Deferred Tax Assets / (Liability)	<u>167.20</u>	<u>(26.89)</u>	<u>140.31</u>

22. During the year the Company has decided to conduct yearly Physical Verification of Fixed Assets. Accordingly, Physical Verification of Fixed Assets has been conducted for the year 2010-11 by a firm of independent Chartered Accountants. Necessary adjustments have been made during the year.
23. Previous year's figures have been re-arranged and re-grouped wherever found necessary so as to make them comparable with those of the current year. Figures have been rounded off to the nearest rupee except otherwise as stated.
24. Balance Sheet Abstract and Company's General Business Profile – Pursuant to Schedule - VI to the Companies Act, 1956.

HSCC

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Registration Details

Registration No.	15459
State Code	55
Balance Sheet Date	31.03.2011

Capital raised during the year (Amount in thousands of Rs.)

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

Position of mobilisations and deployment of funds (Amount in thousands of Rs.)

Total Liabilities	4327167
Total Assets	4327167

Sources of Funds (Amount in thousands of Rs.)

Paid-up Capital	24002
Reserves & Surplus	763173
Secured Loans	Nil
Unsecured Loans	Nil

Application of Funds (Amount in thousands of Rs.)

Net Fixed Assets	61454
Deferred Tax Assets	14031
Net Current Assets	711690
Investment	Nil
Misc. Expenditure	Nil
Accumulated losses	Nil

Performance of Company (Amount in thousands of Rs.)

Turnover and other income	334580
Total expenditure	199274
Profit Before Tax	135306
Profit After Tax	83373
Earning per share (in Rs.)	347
Dividend rate (%)	72

Generic names of three principal products of Company (as per monetary terms)

Item Code No. (ITC Code)	Service Description	Service Description
Not specified in Indian Trade Classification	Design & Engineering	Design & Engineering
-do-	Project Management	Project Management
-do-	Procurement Management	Procurement Management

Signatures to Schedules 1 to 15

As per our Report of even date attached

For and on behalf of the Board of Directors

for Jindal & Co.
Chartered Accountants

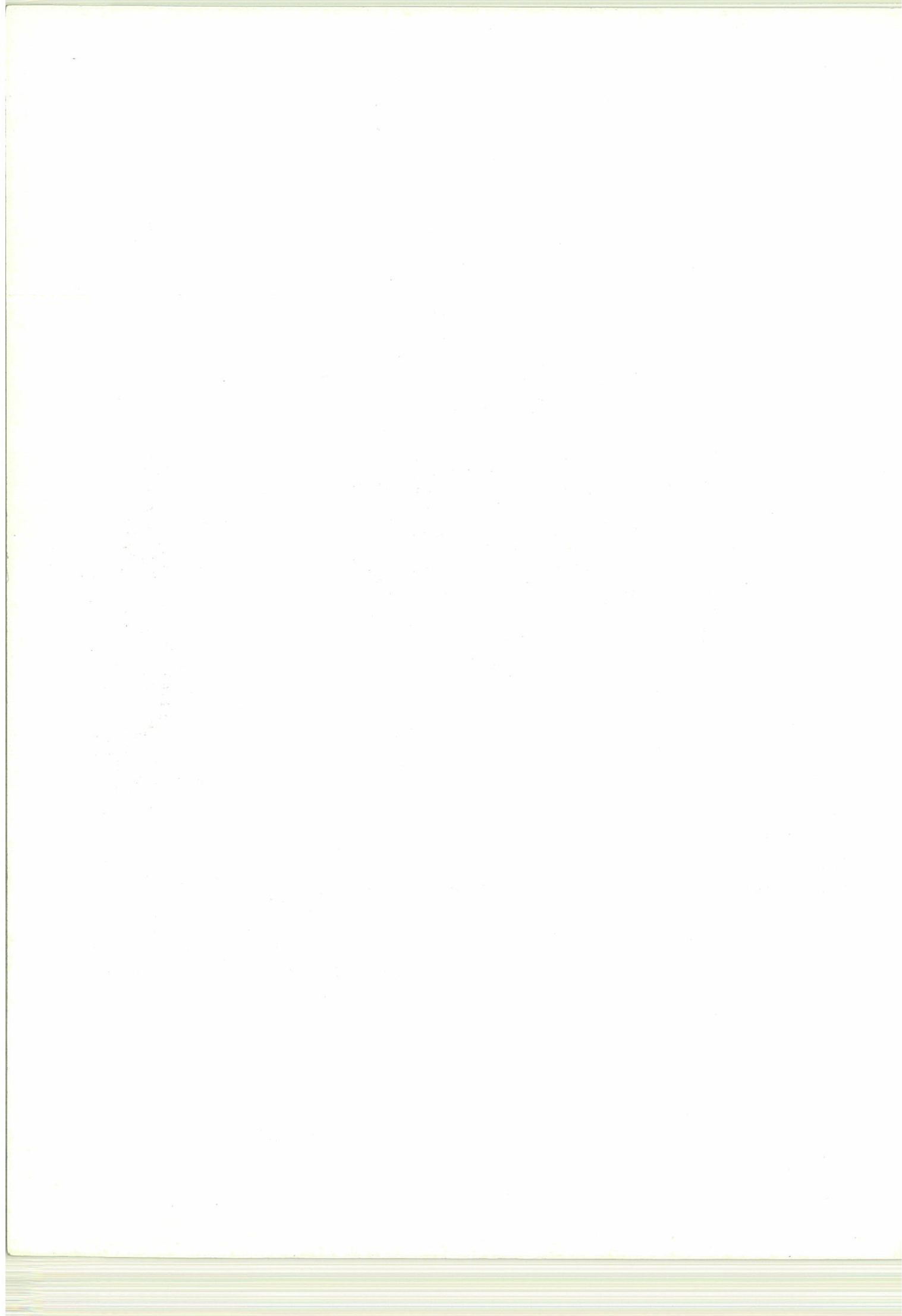
(V. C. Sharma)
Chairman & Managing Director

(Gyanesh Pandey)
Director (Engineering)

(Dr. B. S. Jindal)
Partner
M.No. 7331

(A.K. Aggarwal)
Executive Director (F&A) & CS

Place : New Delhi
Dated : 10.08.11



HSCC Corporate Office, Noida



HSCC (India) Ltd.

(A Govt. of India Enterprise)

(A Mini Ratna Company)

Corporate Office:

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

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Fax: 0120-2542447, 2533001

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