

# 37<sup>th</sup> ANNUAL REPORT 2019-20



A Miniratna Co.

**HSCC (INDIA) LIMITED**

(A wholly owned subsidiary of NBCC (India) Limited)

[www.hsccltd.co.in](http://www.hsccltd.co.in)





## **HSCC (India) Limited**

E-6(A), Sector-1, Noida - UP - 201301

Tel. - 91-120-2542436-40,

Fax - 91-120-2542447

Email - [hsccltd@hsccltd.co.in](mailto:hsccltd@hsccltd.co.in)

CIN No: U74140DL1983GOI015459

Website: [www.hsccltd.co.in](http://www.hsccltd.co.in)



# Vision, Mission, Corporate Value & Corporate Quality Policy

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



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

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



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

**REFERENCE  
INFORMATION****REGISTERED OFFICE**

HSCC (India) Limited  
205 (2nd Floor), East End Plaza,  
Plot No. 4, LSC, Centre - II,  
Vasundhara Enclave,  
New Delhi-110096  
E-mail : hsccltd@hsccltd.co.in  
CIN No: U74140DL1983GOI015459  
Website: www.hsccltd.co.in

**CORPORATE OFFICE**

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CIN No: U74140DL1983GOI015459  
Website: www.hsccltd.co.in

**STATUTORY AUDITORS**

M/s Datta Singla & Co.  
Chartered Accountants  
409, 4th Floor, Sethi Bhawan  
Rajender Place, New Delhi-110008

**INTERNAL AUDITORS**

M/s Harmeet Singh & Co.  
Chartered Accountants  
Shop No. 154, First Floor,  
DDA Market, J Block Centre  
Rajouri Garden, New Delhi-110027

**SECRETARIAL AUDITORS**

M/s P.C. Jain & Company  
Company Secretaries  
2382, Sector-16, 1st Floor  
Faridabad-121002

**BANKERS**

Indian Overseas Bank  
Canara Bank  
Punjab National Bank  
Bank of Baroda  
State Bank of India  
Syndicate Bank  
UCO Bank  
Corporation Bank  
HDFC Bank Ltd.  
Oriental Bank  
Axis Bank  
Union Bank of India

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## DIRECTORS' PROFILE



**Sh. Pawan Kumar Gupta**  
Chairman

Shri Pawan Kumar Gupta has taken over position as the Chairman in HSCC (India) Limited.

He is the Chairman & Managing Director (CMD) of NBCC (India) Limited, which is also holding company of HSCC (India) Limited. Before taking over the charge of CMD, NBCC, Shri Gupta was executive Director (Regional Projects) in Rites Limited, also CPSE under the Ministry of Railways, Shri Gupta holds a Bachelor's degree in Civil Engineering from NIIT, Kurukshetra and Masters from IIT Delhi. He joined Indian Railway Service of Engineers in 1986 and has more than 34 years of experience in engineering projects and business operations.

Shri Gyanesh Pandey holds Bachelor Degree in Civil Engineering and has been working with HSCC since June 01, 1995. He has around 37 years of experience in the field of project planning and management. He has been member of the Board of HSCC since June 1, 2011 and is incharge of overall management of company's operations



**Sh. Gyanesh Pandey**  
Managing Director



**Ms. D. Thara**  
Government Nominee Director

Ms. D. Thara is a 1995 batch IAS officer. She has joined the Board of HSCC as Government Nominee Director in the Company w.e.f. 01/01/2020.

She also has experience as a Collector in Land Revenue Management & District Administration Departments in the cities of Kheda for a period of 1 year and Ahmedabad for a period of 3 years. Ms. Thara has also worked as the Deputy Municipal Commissioner of Ahmedabad Municipal Corporation for approximately 2 years.

She was working as Vice Chairman & Managing Director, Gujarat Industrial Development Corporation, Gandhinagar since 24/06/2016. After that she had joined Ministry of Housing and Urban Affairs as Joint Secretary on 29/07/2019.





**Dr. (Smt.) Jyoti Kiran Shukla**  
Independent Director

Dr. (Smt.) Jyoti Kiran Shukla, has been appointed as Non official Independent Director (NoD) by Ministry of Housing & Urban Affairs, on the Board of HSCC w.e.f. 27/04/2020. She has M.A. (Economics), Ph.D (Management & Economics) from University of Rajasthan.

She holds a Master Degree in Economics and has completed her Ph.D in Management and Econometrics from University of Rajasthan. She has outstanding academican and a professional of repute, having vast experience in teaching, research and management, she has taught at premier institute like National Institute of Technology, Nagpur and has acted as Director in Management and Engineering institutes and has extensive expertise in rural finance and rural development.

Dr. (Smt.) Vinod Panthi has been appointed as Non-Official Independent Director (NoD) by Ministry of Housing and Urban Affairs on the Board of HSCC (India) Limited w.e.f. August 1, 2019. She has completed her MBBS from J.L.N Medical College. Dr. (Smt.) Vinod Panthi holds more than 23 years of experience in the fields of Obstetrics & gynaecology and medicine. She is currently a Private Practioner.



**Dr. (Smt.) Vinod Panthi**  
Independent Director



**Sh. Suresh Chandra Garg**  
Director (Engineering)

Shri Suresh Chandra Garg has assumed the charge of Director (Engineering) in HSCC w.e.f.15.01.2020. Shri Suresh Chandra Garg holds a bachelor's degree in Civil Engineering and master degree in Geotechnical engineering. Sh. Suresh Chandra Garg has been working with HSCC since 23.07.1990. He has around 30 years of experience in project planning and management.

## Performance At A Glance

The Company has yet again posted excellent results for the year ending March 31, 2020 with highest turnover of ₹ 2,12,509 lakh and profit after tax of ₹ 3,763 lakh.

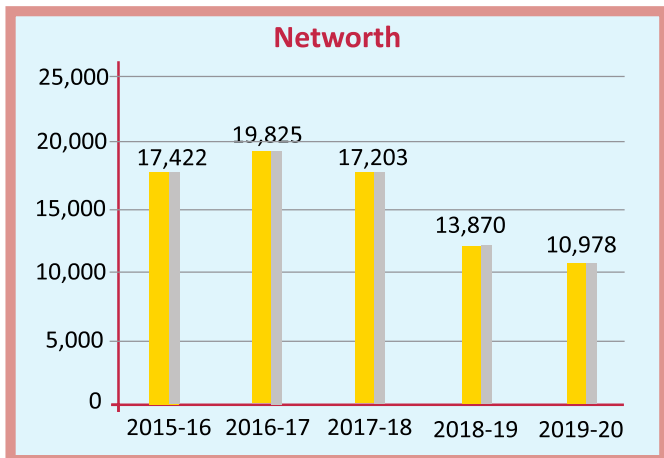
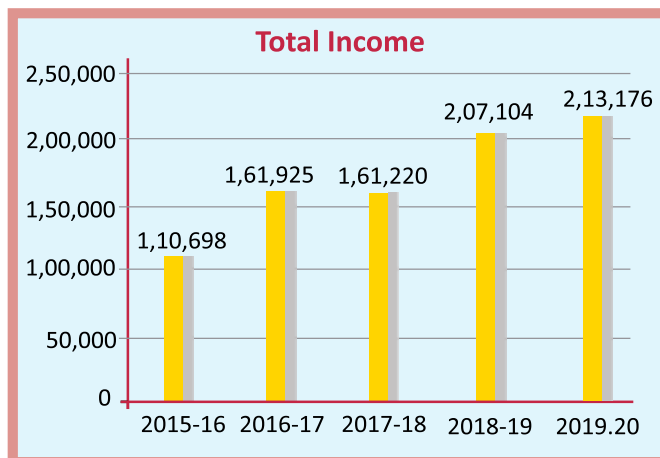
The Company was incorporated in 1983 with the paid up capital of ₹ 40 lakh and later on issued bonus shares of ₹ 200 lakh resulting in increase of paid up share capital to ₹ 240 lakh. In F.Y. 2017-18, Company processed the Buyback of 25% fully paid up equity share capital resulting in decrease of paid up share capital to ₹ 180 lakh. During the F.Y. 2018-19, as per Office Memorandum of Department of Investment & Public Asset Management (DIPAM), 100% strategic disinvestment of the Company was made and thus NBCC (India) Limited acquired existing 100% paid-up equity share capital of the Company alongwith transfer of management control.

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

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

(₹ lakh)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Income	11,06,98	1,61,925	1,61,220	2,07,104	2,13,176
Profit Before Tax	8,687	5,616	5,822	7,949	6,424
Net Profit	5,462	3,761	3,747	4,981	3,763
Net Worth	17,422	19,825	17,203	13,870	10,978
Dividend	1,638	1,128	1,124	2,989	2,500
Rating Against MOU	Excellent	Very Good	Good	Very Good	Very Good (Expected)



**THE DECADE FINANCIAL RESULTS AT A GLANCE**

(Figures ₹ in lakh)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Financial Performance</b>										
Paid-up Capital	240	240	240	240	240	240	240	180	180	180
Reserve & Surplus	7,632	8,708	10,347	11,841	13,693	17,182	19,585	17,023	13,690	1,10,798
Net Worth	7,872	8,948	10,587	12,081	13,933	17,422	19,825	17,203	13,870	10,978
Net Fixed Assets	615	600	685	693	649	635	707	706	7,496	7,366
Working Capital *	7,117	8,568	10,200	12,053	14,165	17,519	24,083	17,188	3,339	(-) 3,779
Capital employed	7,731	9,168	10,885	12,746	14,814	18,154	24,790	17,895	13,870	10,978
<b>OPERATING STATISTICS</b>										
Consultancy Fee **	2,311	2,929	3,380	3,919	49,004	1,02,180	1,51,116	1,51,311	2,04,946	2,12,509
Interest & Other Income	1,034	1,529	2,455	2,126	8,572	8,518	10,809	9,910	2,158	667
Total Income	3,346	4,458	5,835	6,045	57,576	1,10,698	1,61,925	1,61,220	2,07,104	2,13,176
Expenditure	1,993	2,048	2,203	2,287	53,782	1,01,948	1,56,236	1,55,320	1,99,111	2,06,590
Gross Margin	1,353	2,409	3,632	3,758	3,794	8,750	5,689	5,900	7,993	6,586
Depreciation	36	58	32	44	69	63	73	78	44	162
Profit before Tax	1,317	2,352	3,600	3,714	3,725	8,687	5,616	5,822	7,949	6,424
Provision for taxation	487	880	1,343	1,316	1,341	3,225	1,855	2,075	2,968	2,661
Profit after Tax	830	1,472	2,257	2,398	2,384	5,462	3,761	3,747	4,981	3,763
Dividend	173	300	468	492	492	1,638	1,128	1,124	2,989	2,500
<b>MANPOWER</b>										
Employees (in Nos)	132	124	123	143	153	162	176	184	177	187
(On regular Pay Scales)										
<b>RATIOS</b>										
PBT/Total Income (%)	39%	53%	62%	61%	6%	8%	3%	4%	4%	3%
Net Profit/Total Income (%)	25%	33%	39%	40%	4%	5%	2%	2%	2%	2%
Net Profit/Net Worth (%)	11%	16%	21%	20%	17%	31%	19%	22%	36%	34%
Total Income Per Employee	25	36	47	42	376	683	920	876	1,248	1,140
Earning Per Share (EPS) (₹)	346	613	940	999	993	2,276	1,567	2,081	2,767	2,090
Book Value Per Share (₹)	3,280	3,728	4,411	5,034	5,805	7,259	8,260	9,555	7,705	6,099

\*Financial Statement of FY 2019-20 is prepared in accordance of Indian Accounting Standard. The variation in the value on account of re-measurement, reclassification and re-grouping of necessary figures

\*\*Consultancy fee for 2019-20 include Value of workdone of ₹ 2,00,972.73 lakhs and consultancy fee of ₹ 11,563.46 lakhs.

## Service Spectrum

### Conceptual Studies & Management

#### Consultancy

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

#### Procurement

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

#### Project Management

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

### Information Technology

- Health MIS
- System Integration

#### Facility Design

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

#### Engineering Studies

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

#### Logistics & Installation

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

### New Area (Diversification)

- Engineering & Maintenance of Facilities
- Animal Vaccine Manufacturing Facilities
- Pharmaceutical Manufacturing Facilities
- Training of Overseas Medical Professionals
- Development of Bio-Technology R&D Institutes
- Projects in New Development International Markets

## Chairman's Speech



**Pawan Kumar Gupta**

Chairman

### Dear Shareholders

I warmly welcome you all to the 37th Annual General Meeting of HSCC (India) Limited. It is a pleasure to update you on the performance of the Company and share an outline of plans, for the near and midterm.

### Background

HSCC (India) Limited, erstwhile Hospital Services Consultancy Corporation was set-up in the year 1983 under the aegis of the Ministry of Health and Family Welfare (MoHFW), with a mission to provide consulting services, from concept to commissioning for the Healthcare Sector in India. HSCC has steadily progressed and grown during its journey of over 37 years. We achieved the status of Mini Ratna–Category-I in 2015.

It is also a matter of great pride that since its inception, HSCC has managed its business growth and expansion with no borrowing—either from the Government or from any other sources. The Company has always been debt-free and profit-making, which is indeed outstanding achievement and a strong validation of the Company's capabilities and strengths.

Over the years, HSCC has created a special niche in Healthcare Consulting. Its comprehensive expertise includes Hospital Planning, Design, detailed Engineering, Project Management, Quality Control as well as Procurement, Supply, Installing, and Commissioning of Medical Equipment. HSCC is capable of providing end-to-end multi-disciplinary support in Healthcare: from feasibility study and tender documentation to procurement and project management encompassing civil, electrical, IT, and auxiliary areas.

NBCC (India) Limited, acquired HSCC as a Wholly Owned Subsidiary on December 24, 2018, under the Ministry of Housing and Urban Affairs (MoHUA) with a multi-disciplinary portfolio that renders comprehensive consultancy services in the field of Hospital Planning, design detail, engineering, quality control, project management, and monitoring as well as procurement, supply, installation, and commissioning of medical equipment. NBCC's taking over HSCC has provided synergy benefits, and having a specialized team of professionals with vast experience in the healthcare sector would add value to the organization.

## Key Projects

HSCC has executed Healthcare projects like National Cancer Institute (NCI) at AIIMS, Jhajjar, OPD block, Burns & Plastic Hospitals at AIIMS, New Delhi, Super Speciality Block at Government Medical College(s), Latur, Rewa Jabalpur, Gwalior, Jhansi, Kota, Bikaner and Patiala, etc.; Safdarjung Hospital at New Delhi, National Institute of Animal Biotechnology (NIAB) at Hyderabad; CNCI at Kolkatta, Superspeciality Hospital at IIT Kharagpur etc., Overseas projects like a 150-bed hospital at Dickoya, Sri Lanka; Trauma Centre for BIR Hospital at Kathmandu, Bhutan Institute for Medical Science, Modernization of General Hospital Sittwe and Children Hospital at Yangon, ENT Hospitals at Mauritius etc. Projects under execution includes works of AIIMS, New Delhi, Nagpur, Kalyani, Guntur, Raebareli, Medical College and Hospital at Chanderpur, 100-bedded hospital for ESIC at Siliguri, Advanced Neuroscience Centre at Chandigarh, Cancer Hospital for the Ministry of Health & Quality of Life in Republic of Mauritius, etc.

## Performance

As far as the performance of the Company during the year 2019-20 is concerned, the Company maintained its momentum despite a challenging operating environment. The total earnings for the year were Rs. 2,131.76 crores compared to Rs. 2,071.04 crores in the previous year. PAT for the year was Rs. 37.63 crores.

## Challenges & Opportunities

The healthcare space is increasingly becoming competitive with new entrants in the form of private and public sector players. This is creating a downward pricing pressure and affecting margins. Another interesting development is the rising numbers of projects shifting to North-East that tends to have a longer gestation and completion period.

However, emerging opportunities in healthcare are far bigger. India is lagging in terms of number of hospitals, beds, doctors, and other medical facilities and talent. The Government is determined to bridge this gap with a massive push to improve the entire healthcare sector. This includes new projects as well as re-development and up-gradation of existing hospitals across the country. The demand from private sector in healthcare is also witnessing a renewed surge as more domestic and international players enter the fray. Another unfolding opportunity is in overseas countries in the SAARC region, which are also looking at a huge push in healthcare.

## Conclusion and Gratitude

Altogether, I believe we have the right building blocks in right place for a phase of sustained growth and expansion in the years to come. We are on track to achieve our goal of developing into a world-class consultancy organization with a proven niche in healthcare. I am confident with your support and faith; we will be successful.

As I conclude, I would like to take this opportunity to express my sincere gratitude to our Administrative Ministry i.e. Ministry of Housing and Urban Affairs (MoHUA), the members on the Board, and officials of various state and central ministries for their continued support. My sincere thanks to all our supplier and vendor partners, without whose help, the Company would not have been able to deliver a stellar performance in the execution of projects and most importantly to each and every employee of HSCC for the commitment and unflinching effort –a big thank you!

I would also like to thank all our shareholders, stakeholders, and our bankers for their sustained faith and trust in HSCC, and assure you that we will leave no stone unturned to continue delivering value.

Yours sincerely,

**Sd/-**  
**(Pawan Kumar Gupta)**  
Chairman

# Letter from Managing Director



**Gyanesh Pandey**

Managing Director

## To Esteemed Shareholders

On behalf of the Board of Directors of HSCC, it gives me immense pleasure to welcome all of you at this 37th Annual General Meeting of your Company. I take this opportunity to extend sincere thanks to you for joining us today and your unstinted support, provided to the Company during the year. The Directors' Report and the Annual Audited Accounts for the year 2019-20 are already with you, and with your permission I take them as read.

## Review of Performance

As you would have seen in the Annual Report, during FY 2019-20. This performance is particularly remarkable when viewed against the backdrop of the extremely challenging business context. I am glad to report that your Company has posted impressive performance for the year ended on March 31, 2020. I am pleased to place before the shareholders that during Financial Year 2019-20, the Total Income has achieved at Rs. 2,131.76 crore as compared to Rs. 2,071.04 crore in the previous year. The Company earned Consultancy Fees of Rs. 115.36 crore as compared to 106.28 crore for previous year resulting 8.54% growth. The Company posted pre-tax profit of Rs. 64.24 crore as against Rs. 79.49 crore during previous year. The Company earned Net Profit of Rs. 37.63 crore as compared to 49.81 crore earned in previous year. With your support, our Company has outperformed excellently.

I am pleased to inform you that Company has recommended 1,389% dividend on paid up capital amounting to Rs. 25.00 crore out of Current year's profit for the year 2019-20. This is the 35th consecutive year the company declared the dividend.

## Mini Ratna Status

HSCC has achieved the status of Mini Ratna Category I Public Sector Undertaking with effect from December 31, 2015 from Mini Ratna category II PSU rated in September, 2002.

## MoU

Top Management is striving to achieve sustained growth in turnover as well as in pre-tax profits continually through strategic interventions like cost-control, optimum utilization of resources and system improvements. The Company has achieved "Very Good" Rating under the Memorandum of Understanding (MoU) for

the year 2018-19 signed with the Ministry of Health & Family Welfare as per guidelines of Department of Public Enterprises (DPE), Government of India. Further, based on results, for the year 2019-20, the Company expects to get Very Good rating as per MoU evaluation.

### Corporate Social Responsibility

The Company being in the field of Health Care, all its activities and operations are indirectly dedicated towards the social responsibility. During the year 2019-20, HSCC contributed total of Rs. 129.25 lacs on account of Corporate Social Responsibility. Company towards contribution in Prime Minister CARES Fund for COVID-19.

### Global Business

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

### Growth Vision

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

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

### Corporate Governance

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

### Acknowledgement

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

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

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

I place on record the appreciation to the hard work, commitment and unstinting efforts put in by your Company's employees at all levels. In return to your cooperation and support extended to me, I promise to take your company to new and commanding heights.

Thanking you,

**Sd/-**  
**(Gyanesh Pandey)**  
**Managing Director**



## NOTICE

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the members of HSCC (India) Limited will be held on Tuesday, December 08, 2020 at 03:00 P.M through video conferencing (V'C)/other Audio Visual Means ('OVAM') to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Annual Financial Statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To authorise Board of Directors to fix the remuneration of Statutory Auditor(s) of the Company for the financial year 2020-21.

### SPECIAL BUSINESS

3. **To regularize the appointment of Shri Pawan Kumar Gupta (DIN 07698337), as Chairman (Director) of the Company and to consider and if thought fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149,152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Pawan Kumar Gupta (DIN 07698337), who has assumed the charge of Chairman on the Board of HSCC (India) Limited, w.e.f October 07, 2019 (A/N), pursuant to the Ministry of Housing and Urban Affairs office Memorandum No. O-17034/97/2018-PS dated February 1, 2019, be and is hereby appointed as a Chairman (Director) of the Company on such terms and conditions as may be determined by the President of India from time to time."

4. **To regularize the appointment of Ms. D Thara (DIN 01911714), as Government Nominee Director on the Board of the Company and to consider and if thought fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149,152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. D. Thara (DIN 01911714), who was appointed as Government Nominee Director, by the President of India vide Ministry of Housing and Urban Affairs office Memorandum No. O-17034/37/2019-PS dated January 01, 2020 be and is hereby appointed as Government Nominee Director on the Board of HSCC (India) Limited on such terms and conditions as may be determined by the President of India from time to time."

5. **To regularize the appointment of Sh. Suresh Chandra Garg (DIN 08684289) as Director (Engineering) of the Company and to consider and if thought fit, to pass with or without modifications(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder, Sh. Suresh Chandra Garg who was appointed as Director (Engineering), pursuant to the Ministry of Housing and Urban Affairs Office Order No. O-17034/03/2019-PS dated January 15, 2020, be and is hereby appointed as Director (Engineering) on the Board of the Company on such terms and conditions as may be determined by the President of India from time to time."

- 6. To regularize the appointment of Dr. (Smt.) Jyoti Kiran Shukla (DIN: 03492315) as Non Official Independent Director on the Board of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149,150,152 read with schedule IV and other applicable provisions of the Companies Act, 2013 (“the act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. (Smt.) Jyoti Kiran Shukla (DIN: 03492315), who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act, and has assumed the charge of Non Official Independent Director on the Board of HSCC w.e.f April 27, 2020, pursuant to the Ministry of Housing and Urban Affairs office Memorandum No. O-17034/39/2014-PS dated April 27, 2020, be and is hereby appointed as Non Official Independent Director of the Company on the terms and conditions as may be determined by the President of India from time to time.”

**By order of the Board of Directors**  
For **HSCC (India) Limited**

**Sd/-**  
**Company Secretary**  
**Sonia Singh**  
**HSCC**

**Place: Noida**

**Date: 13/11/2020**

## NOTE

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. Accordingly, 37th Annual General Meeting of the company will be held through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013. Read with above circulars, the deemed venue for the AGM shall be corporate office of the company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of section 112 and section 113 of the Act, representatives of the members may be appointed for the purpose of voting or for participation and voting in the meeting held through VC or OAVM.
3. In line with the MCA Circulars, the Notice of the 37th AGM will be available on the website of the Company at <http://www.hsccltd.co.in/>
4. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
5. Attendance of the Members participating in the 37th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. When the Poll is required to be taken during the meeting for any resolution, the members can convey their vote by sending email from their registered mail id at [cs\\_hsccltd@hsccltd.co.in](mailto:cs_hsccltd@hsccltd.co.in)
7. Where less than 50 members are present in a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with section 109 of the Act.
8. In compliance with the aforesaid MCA Circulars Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.
9. The Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India and their remuneration is to be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. It is proposed that the Members may authorize the Board of Directors to fix the remuneration in addition to applicable taxes and reimbursement of actual travelling and out of pocket expenses of the Statutory Auditors duly appointed by the Comptroller and Auditors General of India.
10. The members intending to seek any information on annual accounts at the meeting are requested to kindly inform the Company at least 7 days before the date of the AGM by sending request at [cs\\_hsccltd@hsccltd.co.in](mailto:cs_hsccltd@hsccltd.co.in)

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC/OVAM at the link below:-

<https://teams.microsoft.com/l/meetup-join/19%3a582ec4fece214b988d6ae722223e40e9%40thread.tacv2/1606995912383?context=%7b%22Tid%22%3a%22e5b04c44-bc23-415f-8591-633eb11e4253%22%2c%22Oid%22%3a%22d77c61c9-07fa-4098-bb67-e80e6380010a%22%7d>

The above link of the meeting will also be sent to the members at their registered email ID separately and on registered mobile number at least 48 hours before the schedule of AGM.

2. The facility for joining the meeting will be kept open for 30 minutes before the scheduled time to start the meeting and will be closed on expiry of 15 minutes after such scheduled time.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, PAN and mobile number at [cs\\_hsccltd.co.in](mailto:cs_hsccltd.co.in) from December 01, 2020 (9:30 a.m. IST) to December 02 2020 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**By order of the Board of Directors  
For HSCC (India) Limited**

Sd/-  
Company Secretary  
HSCC

Date: 13.11.2020

Place: Noida

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 3

#### Appointment of Shri Pawan Kumar Gupta (DIN-07698337) as Chairman on the Board of HSCC (India) Limited

Pursuant to Office Memorandum of Ministry of Housing and Urban Affairs (MoHUA) vide Office Order No. O-17034/97/2018-PS dated October 7, 2019, Shri Pawan Kumar Gupta (DIN: 07698337) appointed as Chairman on the Board of HSCC (India) Limited with effect from October 7, 2019.

Shri Pawan Kumar Gupta has taken over position as the Chairman in HSCC (India) Limited.

He is the Chairman & Managing Director (CMD) of NBCC (India) Limited, which is also holding company of HSCC (India) Limited. Before taking over the charge of CMD, NBCC, Shri Gupta was executive Director (Regional Projects) in Rites Limited, also CPSE under the Ministry of Railways, Shri Gupta holds a Bachelor's degree in Civil Engineering from NIIT, Kurukshetra and Masters from IIT Delhi. He joined Indian Railway Service of Engineers in 1986 and has more than 34 years of experience in engineering projects and business operations.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except Sh. Pawan Kumar Gupta. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the members.

### Item No. 4

#### Appointment of Ms. D Thara (DIN-01911714) as Government Nominee Director on the Board of HSCC (India) Limited.

Ms. D. Thara has been working as an IAS Officer since 1995. She has been working in the State of Gujarat since 1997 and has a versatile experience in various cities of Gujarat such as Ahmedabad, Kheda, Rajkot, Vadodara and Surendranagar in various Departments. She has worked as a District Development Officer in the cities of Vadodara and Surendranagar for a period of 2 years in Land Revenue Management and District Administration and Development Administration. She also has experience as a Collector in Land Revenue Management & District Administration Departments in the cities of Kheda for a period of 1 year and Ahmedabad for a period of 3 years.

Ms. D. Thara has also worked as the Deputy Municipal Commissioner of Ahmedabad Municipal Corporation for approximately 2 years. During this period, she has worked on a number of JNNURM Projects. She has been one of the pioneers of the BRTS Project which was a very essential project of the city. She has also initiated the Second Revised Draft Development Plan 2021 as Chief Executive Authority, Ahmedabad Urban Development Authority (AUDA) in 2008. During her tenure as Chief Executive Authority, AUDA, the Second Revised Draft Development Plan 2021, Ahmedabad was completed and also the First Revised Draft Development Plan of Gandhinagar as the CEA, GUDA was completed. With her focused vision and great leadership qualities, a number of new concepts and ideas were incorporated in the Second Revised Draft Development Plan 2021. Few of them included the Central Business District, Transit Oriented Zone and Residential Affordable Housing Zone and also the preparation of Local Area Plans for such projects. She has been the Chief Executive Authority of AUDA and Municipal Commissioner, Ahmedabad. During her tenure, Ahmedabad was made and executed as a Smart City. She was working as Vice Chairman & Managing Director, Gujarat Industrial Development Corporation, Gandhinagar since 24/06/2016. After

that she had joined Ministry of Housing and Urban Affairs as Joint Secretary on 29/07/2019. Details of Ms. D. Thara are provided in the "Annexure-A" to the notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except Ms. D. Thara. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members

#### Item No. 5

#### Appointment of Sh. Suresh Chandra Garg as Director (Engineering) on the Board of HSCC (India) Limited.

Shri Suresh Chandra Garg has assumed the charge of Directors (Engineering), HSCC w.e.f.15.01.2020. Shri Garg holds a bachelor's degree in Civil Engineering and master degree in Geotechnical engineering. Sh. Garg has been working with HSCC since 23.07.1990. He has around 30 years of experience in project planning and management. Details of Sh. Suresh Chandra Garg are provided in the "Annexure-A" to the notice

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except Sh. Suresh Chandra Garg. The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the members.

#### Item No. 6

#### Appointment of Dr. (Smt.) Jyoti Kiran Shukla as Independent Director on the Board of HSCC (India) Limited.

Pursuant to Ministry of Housing and Urban Affairs Office Order No. O-17034/39/2014-PS dated April 27, 2020, Dr. (Smt.) Jyoti Kiran Shukla (DIN: 03492315) appointed as Independent Director on the Board of the Company with effect from April 27, 2020. She holds a Master Degree in Economics and has completed her Ph.D in Management and Econometrics from University of Rajasthan. Dr. Jyoti is currently holding the position of an Independent Director at NBCC (India) Limited and Petronet LNG Ltd. An outstanding academician and a professional of repute, having vast experience in teaching, research and management, she has taught at premier institute like National Institute of Technology, Nagpur and has acted as Director in Management and Engineering institutes. Dr. Jyoti has also served as the Chairperson of State Finance Commission, Govt. of Rajasthan from 2015-2018 and has extensive expertise in rural finance and rural development. She also has wide experience in the area of Public Administration, Academics and Management. Her association would be of immense benefit to the Company. Details of Dr. Jyoti Kiran Shukla are provided in the "Annexure-A" to the notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution except Dr. (Smt.) Jyoti Kiran Shukla. The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the members.

**BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/  
RE-APPOINTMENT AT 37<sup>TH</sup> ANNUAL GENERAL MEETING**

Name	<b>Sh. Pawan Kumar Gupta (DIN 07698337)</b>	<b>Dr. (Smt.) Jyoti Kiran Shukla (DIN 03492315)</b>	<b>Sh. Suresh Chandra Garg (DIN 08684289)</b>	<b>Smt. D. Thara (DIN 01911714)</b>
<b>Date of Birth</b>	12/09/1963	31/07/1962	01/03/1963	03/07/1971
<b>Qualifications</b>	Bachelor's degree in Civil Engineering from NIT, Kurukshetra and M. Tech from IIT Delhi.	M.A. (Economics), Ph.D (Management & Economics) from University of Rajasthan.	Bachelor's degree in Civil Engineering and master degree in Geotechnical engineering.	A 1995 batch Gujarat cadre IAS officer.
<b>Date of Appointment</b>	07/10/2019	27/04/2020	15/01/2020	01/01/2020
<b>Experience</b>	33 Years (Approx.)	33 Years (Approx.)	30 Years (Approx.)	30 Years (Approx.)
<b>Terms and Conditions of Appointment</b>	As per the terms and conditions determined by the President of India from time to time.	As per the terms and conditions determined by the President of India from time to time.	As per the terms and conditions determined by the President of India from time to time.	As per the terms and conditions determined by the President of India from time to time.
<b>Date of first appointment at the Board</b>	07/10/2019	27/04/2020	15/01/2020	01/01/2020
<b>No. of shares held in HSCC</b>	NIL	NIL	NIL	NIL
<b>Relationship with Other Directors and KMP</b>	No inter se related to any Director of the Company.	No inter se related to any Director of the Company.	No inter se related to any Director of the Company.	No inter se related to any Director of the Company.
<b>Number of meetings of the Board attended during the year.</b>	The details of meeting attended during the year are provided in the Corporate Governance section of the Annual Report.	Not applicable as she was appointed on the Board of the Company w.e.f. April 27, 2020.	The details of meeting attended during the year are provided in the Corporate Governance section of the Annual Report	The details of meeting attended during the year are provided in the Corporate Governance section of the Annual Report
<b>Expertise in Specific functional area</b>	Shri Pawan Kumar Gupta, takes over the charge of Chairmanship in HSCC (India) Ltd., a Mini Ratna – Category-I CPSE and wholly owned subsidiary of NBCC (India) Limited under the Ministry of Housing & Urban Affairs, on February 1, 2019, before taking over the charge of Chairmanship in HSCC, he was Executive Director (Regional Projects) in RITES Limited,	She holds a Master Degree in Economics and has completed her Ph.D in Management and Econometrics from University of Rajasthan. Dr. Jyoti is currently holding the position of an Independent Director at Petronet LNG Ltd.	Shri Suresh Chandra Garg assumed the charge of Directors (Engineering), HSCC w.e.f. 15.01.2020. Shri Garg holds a bachelor's degree in Civil Engineering and master degree in Geotechnical engineering.	Ms. D Thara, a 1995 batch Gujarat cadre IAS officer and managing director of Gujarat Industrial Development Corporation (GIDC), has been appointed as joint secretary in the Union ministry of housing and urban affairs.

	<p>a CPSE under the Ministry of Railways. Shri Pawan Kumar Gupta is currently hold the position as Chairman and Managing Director in NBCC (India) Limited and as Director in Hindustan Steelworks Construction Limited.</p> <p>Shri Pawan Kumar Gupta holds a Bachelor's degree in Civil Engineering from NIT, Kurukshetra and M. Tech from IIT Delhi. He joined Indian Railway Service of Engineers in 1986 and now has 33 years of Civil Engineering works experience, serving in Railways and its constituents in various capacities.</p>	<p>An outstanding academician and a professional of repute, having vast experience in teaching, research and management, she has taught at premier institute like National Institute of Technology, Nagpur and has acted as Director in Management and Engineering institutes. Dr. Jyoti has also served as the Chairperson of State Finance Commission, Govt. of Rajasthan from 2015-2018 and has extensive expertise in rural finance and rural development.</p>	<p>Sh. Garg has been working with HSCC since 23.07.1990. He has around 30 years of experience in project planning and management.</p>	<p>During her tenure in Gujarat, Thara has had a long stint in cities of Gujarat. She served as municipal commissioner and deputy municipal commissioner in the Ahmedabad Municipal Corporation earlier. hara was also posted in the Gujarat urban development depart.</p>
<b>Directorship held in other companies*</b>	<ul style="list-style-type: none"> <li>HINDUSTAN STEELWORKS CONSTRUCTION LTD.</li> <li>NBCC (INDIA) LIMITED</li> </ul>	<ul style="list-style-type: none"> <li>NBCC (INDIA) LIMITED</li> <li>PETRONET LNG LIMITED</li> </ul>	NIL	<ul style="list-style-type: none"> <li>HEMISPHERE PROPERTIES INDIA LIMITED</li> <li>THE DELHI GOLF CLUB</li> <li>PATNA METRO RAIL CORPORATION LIMITED</li> </ul>
<b>Memberships/ Chairmanship of Committees of other Companies *</b>	NIL	THREE	NIL	Nil

\*Membership of the Audit Committee and Stakeholder's Relationship Committee of other listed/unlisted entities have only been taken into consideration.



## DIRECTORS' REPORT

### DEAR SHAREHOLDERS

The Directors of your Company are pleased to present the 37th Annual Report on the business and operations of HSCC (India) Limited and its Audited Financial Statement for the financial year ended March 31, 2020 with Auditor's report and comments on the accounts by the Comptroller and Auditor General of India as follows:

### FINANCIAL HIGHLIGHTS

The Financial Highlights of the Company for the financial year 2019-20 alongwith comparative figures for 2018-19 as per Ind AS are indicated below: (Rs. In crore)

Particulars	2019-20	2018-19
Total Income	2,131.76	2,071.04
Total Expenditure	2,067.52	1,991.55
Profit before Exceptional & Extraordinary items	64.24	79.49
Exceptional & Extraordinary items	-	-
Profit Before Tax	64.24	79.49
Tax Expenses (net)	26.61	29.68
Profit After Tax	37.63	49.81
Dividend (excluding DDT)	25.00	29.89
Net Worth	109.78	138.70
Earnings per Share (In Rs.)	2,090.39	2,767.21

### CAPITAL STRUCTURE

The Authorized Share Capital of the Company is Rs.5.00 crore. The Paid up Share Capital of the Company throughout the year was Rs.1.80 crore.

### DIVIDEND

During the year, under review, Your Company has paid dividend amount of Rs. 25 crore excluding dividend distribution tax (Rs. 1,389/- per paid up equity share of Rs. 100/- each). The interim dividend of Rs. 1,389 on the paid up share capital has been declared in 162nd Board meeting dated August 27, 2019.

### FUND ON BEHALF OF MINISTRY /CLIENT

The funds on behalf of Ministry/Clients are as under:-

On behalf of Ministry/Clients	As on March 31, 2020	As on March 31, 2019
Particulars	Rs. In crore	Rs. In Crore
Cash & Cash Equivalents	72.23	165.32
Other Bank Balance (Fixed & Flexi Deposit)	2,550.23	2,340.16

## RESERVES

The company did not transfer any amount to its general reserves during the financial year ended March 31, 2020.

## PERFORMANCE HIGHLIGHTS

Your Company continued to maintain streak of expanding in the area of operations geographically and financially. All out efforts are made to expand, innovate and excel in the areas of operations. Services of Experts and Consultants are being utilized to achieve higher degree of technical expertise and excellence in performing various activities of the Company. During the year 2019-20, your Company was awarded the work of rendering Consultancy Services for Design & Engineering, Project Management and Procurement of Medical Equipment, etc. for various prestigious & challenging projects.

During the year 2019-20, your Company has achieved Total Turnover of Rs. 2,131.76 crore and Net-Worth of Rs. 109.78 crore as on March 31, 2020.

A list of major on-going projects is placed at Annexure A.

## MEMORANDUM OF UNDERSTANDING

Your Company has been rated 'Very Good' by DPE for the year 2018-19 and expects to be rated 'Very Good' based on the results for the year 2019-20.

## INDIAN ACCOUNTING STANDARDS

The Company has followed the prescribed Indian Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs for preparation of its financial statements and adoption of significant accounting policies for the financial year ended March 31, 2020.

## ISO CERTIFICATION

Your Company is a certified ISO 9001:2015 in construction, procurement and management of Civil Construction Project.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Your Company is conscious about the need for conservation of energy and this aspect is taken care of in consultation with its clients by advocating the maximum use of natural light, solar light and LED installations. Your Company has not imported any technology and the details of foreign exchange earnings or outgo during the financial year under review are as follows: (Rs. In Crore)

Particulars	2019-20	2018-19
<b>A. Expenditure</b>		
Travelling	0.26	0.25
Import of Capital Goods on C.I.F. +basis (on behalf of Clients)	38.63	42.57
<b>B. Income</b>	NIL	NIL

## HUMAN RESOURCES

HSCC being the knowledge based Company, its real strength lies in its manpower. The Company is committed to build a team of competent professionals and therefore focuses on development of its human resources. Ample opportunities are provided to employees at all levels to enhance their knowledge and skills. During the year, employees were deputed to various training programs to ensure that the knowledge and skills of the employees are continuously upgraded. As on March 31, 2020, the Company had manpower strength of 187 employees on regular pay scales and 96 on fixed tenure basis, including 68 SC/ ST/ OBC category employees and 3 employees belonging to PwD category. The employee management relationship continued to be excellent throughout the year. As on March 31, 2020, 21 employees of NBCC from different disciplines were working in HSCC on Secondment basis.

The Company appreciates the role of its human capital in propelling the company to new heights. The position of recruitment of SC/ST employees category-wise for the year 2019-20 is as under:-

S. No.	Group	General	OBC	SC/ST				total
				SC	%(SC)	ST	%(ST)	
1.	Group "A"	02	0	0	0	0	0	02
2.	Group "B"	16	7	1	3.85	2	7.69	26
3.	Group "C"	0	0	0	0	0	0	0
<b>Total</b>		<b>18</b>	<b>7</b>	<b>1</b>	<b>3.85</b>	<b>2</b>	<b>7.69</b>	<b>28</b>

Directive issued by the govt. of India from time to time for filling up of vacancies for SC/ST/OBC/Ex-Servicemen have been observed in the company in true spirit.

### No. of employees/NMR/PRW/WE Employees at the close of the year:

Employees on Pay Scales	187 (Below Board Level)
No. of Fixed Tenure employee	96

Working status of women employees in the Company-Category wise and SC/ST/VH/PH group wise.

(i) Working status of women employees category- wise:

S. No.	Category of posts (Group)	No. of women employees
1.	Group "A"	4
2.	Group "B"	11
3.	Group "C"	1
4.	Group "D"	0
	<b>Total</b>	<b>16</b>

(ii) Total Numbers. Group wise SC/ST/VH/PH:

S. No.	Category of Posts (Group)	No. of employees						
		Total Employees	SCs	STs	OBC	VH	HH	PH(OPH)
1.	Group "A"	69	9	0	8	0	0	0
2.	Group "B"	107	15	4	25	0	0	1
3.	Group "C"	71	6	0	1	0	0	2
	<b>Total</b>	<b>187</b>	<b>30</b>	<b>4</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>3</b>

### Manpower status as on March 31, 2020

Category	Engineers (C-E.M.IT)	Engineers (BME-Pharma- Arc-D'man)	Finance (F&A- Eco-CS)	HRM (Legal)	Others	Total
A	47	7	11	4	0	69
B	81	10	7	3	6	107
C	0	0	0	0	11	11
<b>Total</b>	<b>128</b>	<b>17</b>	<b>18</b>	<b>7</b>	<b>17</b>	<b>187</b>

### WELFARE ACTIVITIES

Your Company continues to organize functions, celebrate various occasions, picnics and extends social benefits to motivate the employees and their families.

### IMPLEMENTATION AND PROMOTION OF OFFICIAL LANGUAGE

The Company continued to make efforts to fulfill the targets prescribed by Govt. of India in the Official Language Act and Rules framed therein with regard to promotion of use of Hindi Rajbhasha in office during the year 2019-20. 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 Hindi Pakhwada from September 16, 2019 to September 30, 2019 during which 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 also represented at various competitions, meeting, seminars etc.

### VIGILANCE

The Company being a Consultancy Organization in group C category of PSU there is no full time Vigilance Officer (VO) in the company. Shri Ravi Ranjan, GM (Projects) is the vigilance Officer (VO) Part Time w.e.f. 25.10.2019. During the year, Vigilance Cell has functioned as an effective part of management. Private Foreign Visits, CTE reply were submitted to the respective agencies on time. CVC guidelines, received from time to time, were followed and adhered to as precautionary and preventive measure and inquiries are properly and promptly attended. Existing systems and procedures were reviewed for further improvements and all efforts were made to ensure transparency in the working of the Company. The Central Vigilance Commission observed Vigilance Awareness Week from 08.10.2019 to 02.11.2019 and to maintain high moral standard of employees your Company also observed Vigilance Awareness Week. The Pledge was administered to all employees of the Company.

### DEPOSITS

During the year under review, Company has not accepted any deposit and no principal or interest was outstanding as on March 31, 2020.

### LOAN, GUARANTEES AND INVESTMENTS

The Company has not provided any Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any subsidiary, associates or joint venture companies as per the Companies Act, 2013. However, now the Company has become the subsidiary company of NBCC (India) Limited on acquiring 100% shares of the Company by NBCC (India) Limited.

## **PARTICULARS OF EMPLOYEES**

Particulars of Employees are required to be disclosed under Section 134 of Companies Act, 2013 read with Companies Particulars of Employees Rules, 1975, as amended from time to time. None of the employees of the Company was in receipt of remuneration of more than Rs. 1.02 crore per annum or Rs. 8.50 lakh per month.

## **RISK MANAGEMENT**

Your Company has its own Risk Management Policy to manage and monitor the principal risks and uncertainties that may affect the functioning of the Company.

## **INTERNAL FINANCIAL CONTROL**

Your Company's Internal Financial Control Systems are commensurate with the nature of its business and the size and complexity of operations. The Company has in place adequate internal financial controls with reference to financial statements.

## **AUDIT COMMITTEE**

Your Company has constituted Audit Committee with Board Members.

## **NOMINATION & REMUNERATION COMMITTEE**

The Company has constituted Nomination & Remuneration Committee with Board members.

## **INDUSTRIAL RELATIONS**

Harmonious industrial relations were maintained during the year resulting in no loss of man days on account of strike or labour unrest.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT (MDA) AND CORPORATE GOVERNANCE**

Corporate Governance practices in your Company focuses on transparency, integrity, professionalism and accountability. The quarterly reports are in the formats prescribed by the Department of Public Enterprises (DPE), as per the guidelines on Corporate Governance, informing the status about Corporate. Corporate Governance are being submitted to Ministry of Housing & Urban Affairs. As per Guidelines on Corporate Governance issued by Department of Public Enterprises, a "Management Discussion and Analysis Report" and "Corporate Governance Report" are placed at Annexure I and II respectively.

### **Right to Information**

Right to information (RTI) Act, 2005 has empowered the Indian Citizen to access information from Public Authorities, resulting in transparency and accountability to the working of the authorities. Company has appropriate mechanism to provide information to citizen under provisions of Right to Information Act (RTI) Act, 2005. A total of 48 applications under RTI Act were received during the year 2019-20 the same have been dealt in terms of the RTI Act.

### Training of employees during the F.Y. 2019-20

Sl. No.	Training of Program	Type of Training	Level of Officers Nominated	Month	No. of Days	No. of Participants	Total Man Days
1.	Executive Development Program	Technical	AM to Exe Level	Jan-Feb	6	4	24
2.	Interactive Session & Site orientation	Technical	GM to AE	February	3	45	135
<b>Total</b>							<b>159</b>

### Contracts and Arrangements with related parties

All contracts/arrangements/transactions/entered by the Company during the financial year 2019-20 with related parties were in its ordinary course of business and on arm's length basis. The remuneration paid to Key Managerial Personnel is disclosed in the MGT-9 annexed to Annual Report. The related party contracts referred in section 188 of the Companies Act, 2013 is in Form AOC-2 and enclosed as Annexure-III.

### Corporate Social Responsibility

During the year, the Company has spent Rs. 129.25 Lacs (previous year 134.16 Lacs) against the required amount to be spent on Corporate Social Responsibility (CSR) i.e. 2% average profit of last three financial years as per section 135 of the Companies Act, 2013. The Company has no reserve in the CSR Fund Account.

The Company has in place a CSR policy in line with Schedule VII of the Companies Act, 2013, which can be accessed on the Company's website at the link [www.hsccltd.co.in](http://www.hsccltd.co.in) and forms part of this Report at Annexure-IV.

### Compliance of department of public enterprises (DPE) guidelines and policies

The guidelines and policies issued by DPE from time to time are duly complied by the Company.

### IT Division

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

### MSME Implementation

It always has been endeavour of HSCC to support Micro and Small Enterprises (MSEs) and local suppliers. HSCC has taken a number of steps including the necessary steps to implement the Public Procurement Policy of the Government of India to procure the items specified from MSMEs, including SC/STs. Necessary provisions is made in all the tenders stating the eligibility of MSMEs (Issued by Ministry of MSME – Govt. of India). The procurement is in line with Public Procurement Policy for MSME's notified by MSME, Govt. of India.

## NUMBER OF MEETING OF BOARD OF DIRECTORS

The Board met five (5) times during the financial year 2019-20 and the Company has complied conducting of Board meeting within the prescribed time limit of the Companies Act, 2013.

## BOARD COMMITTEES UNDER COMPANIES ACT, 2013

### A. Audit Committee

During the period under review, the Company has the Audit Committee at the Board level Functioning with the powers and role that are in accordance with Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and DPE Guidelines on Corporate Governance. As on March 31, 2020, the Audit committee comprise Smt. (Dr.) Vinod Panthi, as Chairman and Ms. D. Thara, and Sh. Suresh Chandra Garg, as members of the committee.

### B. Nomination and Remuneration Committee

As on March 31, 2020, the Nomination & Remuneration Committee comprise Dr. (Smt.) Vinod Panthi, as Chairman, Ms. D. Thara and Sh. Suresh Chandra Garg as members of the committee. The recommendations made by Nomination & Remuneration committee are accepted by the Board.

### C. Corporate Social Responsibility (CSR)

During the period under review, the Company has constituted the CSR committee in compliance with provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As on March 31, 2020, CSR Committee comprise of Ms. D. Thara as Chairperson and DR. (Smt.) Vinod Panthi & Sh. Suresh Chandra Garg as members of the committee.

## BOARD OF DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)

Policy on Directors appointment etc.: HSCC being a Government Company, the provisions of section 134 (3) (e) of the Companies Act, 2013 do not apply in view of the Gazette notification dated June 5, 2015 issued by Government of India, Ministry of Corporate Affairs.

Performance Evaluation: HSCC being a Government Company, the provisions of section 134 (3) (p) of the Companies Act, 2013, do not apply in view of the Gazette notification dated June 5, 2015 issued by Government of India, Ministry of Corporate Affairs.

Appointment/Cessation etc.

During the period under review following appointment/Cessation took place.

S. No.	Name of the Director(s)	Designation	Particular	Date
1.	Sh. Shiv Das Meena	Ex-Chairman	Appointment	05/04/2019
			Cessation	07/10/2019
2.	Sh. Pawan Kumar Gupta	Chairman	Appointment	07/10/2019
			Cessation	-
3.	Shri Suresh Chandra Garg	Director (Engineering)	Appointment	15/01/2020
			Cessation	-
4.	Smt. D. Thara	Government Nominee (Director)	Appointment	01/01/2020
			Cessation	-
5.	Dr. (Smt.) Vinod Panthi	Independent Director	Appointment	01/08/2019
			Cessation	-

6.	Smt. Nandita Gupta	Government Nominee (Director)	Appointment	01/02/2019
			Cessation	01/01/2020
7.	Sh. M.C. Bansal	CFO	Appointment	07/08/2019
			Cessation	-
8.	Ms. Sonia Singh	Company Secretary	Appointment	18/11/2019
			Cessation	-

Since the Company is a Public Sector Undertaking all the appointment of Directors are made by the President of India through Administrative Ministry.

## DECLARATION BY INDEPENDENT DIRECTOR

The Independent Directors of the company had made declaration of Independence as required under section 149(6) of the Companies Act, 2013 and the rules made there under as and when required.

## DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 of the Companies Act 2013, your Directors hereby reports as under: -

- In the preparation of annual accounts for the financial year ended March 31, 2020, the applicable Indian Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departure from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the period ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal to financial controls be followed by the Company and such internal controls are adequate and are operating effectively and
- The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## TRAINING OF DIRECTORS

Being a subsidiary of NBCC (India) Limited, the policy on training of Directors adopted in NBCC (Holding company) is applicable to HSCC, till it adopts its own policy on training of Directors.

## PROGRESSIVE USE OF HINDI

Your Company continued to encourage the employees to use Hindi in their day to day working. The Company has been implementing the official Language Policy and programme of the Department of Official Language, Government of India, and Ministry of Home Affairs.



## INTERNAL AUDITORS

M/s Harmeet Singh & Co., Chartered Accountants, have been appointed as Internal Auditor for the financial year 2019-20 at a fee of Rs. 1.28 lakh plus taxes as applicable including conveyance. This is their first year of appointment.

## AUDITORS AND AUDITOR'S REPORT

### Statutory Auditors

M/s Datta Singla & Co., Chartered Accountants, New Delhi, was appointed as Statutory Auditors for the FY 2019-20 by the Comptroller and Auditor General of India.

### Secretarial Audit

The Company has appointed M/s P.C Jain & Co., Company Secretary in practice to conduct Secretarial Audit of Company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020, is placed at Annexure V.

### Cost Audit

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are not applicable to your company.

## COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013

The Comptroller & Auditor General of India has given "NIL" Comment on Financial Statements of the Company for the year ended March 31, 2020, after conducting supplementary Audit under Section 143(6) (b) read with Section 129 (4) of the Companies Act, 2013. The Company's annual accounts for the fiscal will be given as addendum to this Report.

## PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is proposed to place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 in the Board Meeting for approval.

However, no complaint of sexual harassment was received during the year 2019-20.

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return in form No MGT-9 as provided under Section 92 of the Companies Act 2013, forms part of the Annual Report as Annexure-VII.

## GENERAL

Directors hereby state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. No material change and commitment affected the financial position of the company occurred after the end of the financial year to which this financial statement relate and upto the date of this report.
2. There was no issue of shares under ESOS to the employees.
3. Company has not accepted any deposits under the Companies Act, 2013.
4. Provisions of Section 197 of the companies Act, 2013 are not applicable to HSCC being a Government Company pursuant to Ministry of Corporate Affairs notification dated June 5, 2015.
5. The Company is compliant of the Secretarial Standards issued by the ICSI from time to time.

## ACKNOWLEDGEMENT

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

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

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

The Directors also 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.

**By order of the Board**

For **HSCC (India) Limited**

**Sd/-**

**GYANESH PANDEY**

**Managing Director**

**DIN: 03555957**

**PLACE: New Delhi**

**DATE: 6th November, 2020**

## SUMMARY OF ONGOING CONSULTANCY PROJECTS AS ON DATE

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



*AIIMS, Nagpur*

- Cancer Hospital for Ministry of Health & Quality Life, Republic of Mauritius.
- Government Medical College, Chandrapur – Maharashtra.
- Advanced Neuro Science Centre at PGI Chandigarh.
- New AIIMS at Nagpur (Maharashtra), Kalyani (W.B.), Guntur (A.P.), Raebareli (U.P.)
- Psychiatric Specialty Block & common Laboratory complex for NIMHANS at Bangalore
- 100 bedded Hospital for ESIC at Siliguri.



*AIIMS Kalyani*



*AIIMS Raebareli - Hospital Block*

- AIIMS - New Delhi.
  - Geriatric Block.
  - New Paid Ward.
  - Mother & Child Block.
  - New OPD Block.



**CNCI - Kolkata**



**PGI Satellite Center Sangrur**

- Hostel Block for Resident Doctors for PGIMER, Dr. RML Hospital, New Delhi.
- Satellite Unit of PGI – Chandigarh at Sangrur (OPD & Main Work).
- Implementation for increase of UG seats from 100 to 150 Intake PA for RIMS, Imphal.
- PMSSY Upgradation Ph-III Projects at
  - Burla                      - Dibrugarh                      - Shimla                      - Panaji (Goa)                      - Darjeeling
  - Mizoram Institute of Medical Education and Research Falkawn, Mizoram.
  - New Redevelopment of Lady Harding Medical College & Associated Hospitals, New Delhi.

## SUMMARY OF ONGOING CONSULTANCY PROJECTS AS ON DATE

### B. Procurement Management Services

- Medical Equipment for Super Specialty and Emergency Block, Safdarjung Hospital, New Delhi.
- Medical Equipment for Kalpana Chawla Government Medical College, Karnal, Haryana.
- Medical Equipment for Medical College for AIIMS, Rae Bareli, U.P.
- Medical Equipment for ENT and Cancer Hospitals, Republic of Mauritius.
- Medical Equipment for CNCI – Kolkata.
- Medical Equipment for Lady Hardinge Medical College, New Delhi.
- Medical Equipment for Govt. Medical College at Pali.



**ENT Mauritius**



**AIIMS, New Delhi  
 Burns & Plastic Ward**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure & Developments

HSCC (I) Limited is a Government of India Enterprise and subsidiary of NBCC (India) Ltd. under administrative control of Ministry of Housing and Urban Affairs which was setup in March 1983. Since inception the total business of the Company has been managed without any borrowing either from the Government or from other sources. HSCC has been declared 'Mini Ratna' Company in September 1999 and has achieved the status of 'Mini Ratna-Category I' Company in December 2015.

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

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

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

### Strength:

- Debt free and Profit-making Company since inception.
- GOI backing and support.
- Wide range of consulting services under single roof.
- Extensive experience of handling multi-lateral/international agencies funded projects.
- Strong project experience, with ability in handling complex and large projects.
- Performing organization through quality and timely completion of projects.
- Qualified and committed and lean and thin work force.

### Weakness:

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

### Opportunities:

- The Country is lagging behind in terms of number of hospitals, beds, doctors, nurses and other paramedical staff.
- Redevelopment and up-gradation of existing hospitals.
- Expansion of business in SAARC Countries.
- Scope of diversification in other Building Engineering and Maintenance services.
- Demand for basic healthcare infrastructure (in both public and private sectors) set to rise.
- Handholding Opportunities for hospitals and outsourcing of hospital activities in government hospitals
- Leveraging basic architectural, design, engineering, project management and procurement skills in like infrastructure development activities.

### Threats:

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

### Outlook:

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

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

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

## Risks & Concerns

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

## IT related initiatives

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

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total earnings of the Company were Rs. 2,131.76 crore including Interest & Other Income of Rs. 6.35 crore as compared to the previous year's figure of Rs. 2,071.04 crore and Rs. 7.76 crore respectively. The Company's profit before tax during the year was Rs.64.24 crore as compared to the previous year figure of Rs.79.49 crore. The decrease of profit is mainly due to change in provision for Expected Credit Loss (ECL).

## SEGMENT REPORTING

Based on the guiding principles given in Indian Accounting Standard Ind AS-108 "Segment Reporting" the Company's business segments include construction activity, consultancy, supply of equipment, medicine etc. Hence, all its operation falls under single segment within the meaning of Indian Accounting Standard Indian AS-108 "Segment Reporting".

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

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

## HUMAN RESOURCES DEVELOPMENTS

HSCC being the knowledge based Company, its real strength lies in its manpower. As on March 31, 2020, the Company had manpower strength of 187 employees on regular pay scales and 96 on fixed tenure basis, including 68 SC/ ST/ OBC category employees and 3 employees belonging to PwD category. The employee management relationship was excellent throughout the year. In line with changing market requirements, the knowledge and skill of HSCC employees are continuously upgraded. During the year employees of the Company were deputed to various training programs, to further develop their skill in various areas of operations of the Company. The Company continues to motivate the employees by providing various social benefits for the employees and their families.



## CODE OF CONDUCT

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

## SUBMISSION OF ANNUAL REPORT TO DEPARTMENT OF PUBLIC ENTERPRISES

The Annual Report 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 Housing and Urban Affairs.

## CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

In line with the Section 135 and Schedule VII of the Companies Act 2013, the Company has contributed during the financial year 2019-20, Rs. 129.25 lakh (Rupees One Hundred and twenty Nine Lacs and twenty five paise only) towards Contribution in PM's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund for COVID-19.

## CAUTIONARY STATEMENT

Statement made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates expectations may be forwarded looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of the Company.

Such statements reflect the company's current views with respect to the future events and are subject to risks and uncertainties.

The actual result may be differ materially from the projected one, due to changes in the general economic and business conditions, affecting the segment in which the Company operates.

Further, changes in business strategy, interest rates, inflations, deflation, foreign exchange rates, competition in the industry changes in government regulations, tax laws, statues and other incidental factors may also impact the actual results of the Company

The Company does not undertake any obligations to publicly update any forward looking statement, whether as a result of new development, in future or otherwise.

## CORPORATE GOVERNANCE REPORT

### I. 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.

### II. BOARD OF DIRECTORS

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

The details of Company's Board of Directors as on March 31, 2020 are given below:

Name of the Director	Whole-Time/Part- Time	Member of Board of other companies
Sh. Pawan Kumar Gupta	Chairman (Director)	(a) HINDUSTAN STEELWORKS CONSTRUCTION LTD (b) NBCC (INDIA) LIMITED
Shri Gyanesh Pandey	Managing Director (Functional Director)	NIL
Ms. D. Thara**	Government Nominee Director	(a) HEMISPHERE PROPERTIES INDIA LIMITED (b) PATNA METRO RAIL CORPORATION LIMITED.
Dr. (Smt.) Jyoti Kiran Shukla*	Independent Director	(a) NBCC (INDIA) LIMITED (b) PETRONET LNG LIMITED (c) PETRONET LNG FOUNDATION
Dr. (Smt.) Vinod Panthi	Independent Director	NIL
Sh. Suresh Chandra Garg	Director (Engineering), (Functional Director)	NIL

\*\*Smt. Nandita Gupta has ceased to hold office w.e.f. January 01, 2020, as Ms. D. thara has been nominated Government Nominee Director on the Board of HSCC in her place.

\* Dr. (Smt.) Jyoti Kiran Shukla has assumed the charge of Independent Director of HSCC w.e.f April 27, 2020.

During the period under review, Sh. Shiv Das Meena has assumed the charge of Chairman HSCC w.e.f. April 05, 2019 in place of Sh. Anoop Kumar Mittal. Further, Sh. Pawan Kumar Gupta has assumed the charge of Chairman, HSCC w.e.f October 07, 2019 in place of Sh. Shiv Das Meena.

None of the Directors on the Board hold directorships in more than ten public companies.

Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which they are directors. Necessary disclosures regarding committee positions in other public companies as on March 31, 2020, have been made by the directors. None of the Directors were inter-se related to each other.

## 2. TENURE

The age limit of the Chairman and Managing Director and other Whole-time Director is 60 years. The Chairman and Managing Director and other Whole-time Director are appointed for a period of 5 years from the date of taking over the charge or until the date of superannuation of the incumbent, or until further orders from Government of India, whichever events occur earlier. Part-time, Non-Official Directors are appointed by the Government of India for tenure of three years.

## 3. SELECTION OF DIRECTORS

HSCC being a Government Company, all its Directors are appointed by Government of India through Administrative Ministry. During financial year 2019-20, there is One Independent Director on Board of HSCC.

## 4. FAMILIARISATION PROGRAMME FOR BOARD MEMBERS.

All Directors inducted on the Board of HSCC were introduced to the Company through presentations given by the senior management and executives of the Company. They were provided with necessary documents/ brochures, internal policies of the Company as a part of the familiarisation programme.

Further, the Directors are also updated from time to time on the development in applicable laws from various statutory bodies to understand their role and responsibilities towards the Company.

## 5. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in a year, without the attendance of Functional, government Directors or members of the management to discuss matters pertaining to the affairs of the company. They also assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively to perform their duties. However, there was only one Independent Director on the Board of Company.

## 6. KEY MANAGERIAL PERSONNEL

Shri Gyanesh Pandey (Managing Director), Shri M.C. Bansal (CFO) and Ms. Sonia Singh (Company Secretary) are the Key Managerial Personnel (KMP) for the financial year 2019-20.

## 7. BOARD MEETINGS

During April, 2019 to March 2020, Five meetings (from 160th to 164th) of the Board of Directors were held on May 25, August 01, August 07, November 07, 2019 and February 06, 2020.

## MEETINGS AND ATTENDANCE

Name of the Director	No. of Board Meetings held during their respective tenure	Attended	Attended last Annual General Meeting
Sh. Shiv Das Meena (till 7/10/2019)	3	3	YES
Sh. Pawan Kumar Gupta (w.e.f. 7/10/2019)	2	2	N.A.
Shri Gyanesh Pandey	5	5	Yes
Smt. Nandita Gupta (till 01/01/2020)	4	3	No
Smt. D. Thara (w.e.f. 01/01/2020)	1	1	N.A.
Dr. (Smt.) Vinod Panthi (w.e.f. 01/08/2019)	4	4	Yes
Sh. Suresh Chandra Garg (w.e.f. 15/01/2020)	1	1	N.A.

Note: Dr. (Smt.) Jyoti Kiran Shukla has been appointed on the Board of HSCC (India) Limited, as Independent Director w.e.f April 27, 2020.

Further, certain decisions were taken by passing resolution by way of circulation and were subsequently noted, ratified and taken on record by the Board at its next meeting.

## 8. SHAREHOLDING PATTERN OF DIRECTORS

Shares held out of the total Equity Share Capital of Rs.1,80,01,400 (1,80,014 Equity Shares of Rs.100/- each) as on March 31, 2020:

Directors	No. of Shares of HSCC
Shri Pawan Kumar Gupta, Chairman	Nil
Shri Gyanesh Pandey, Managing Director	6*
Smt. D. Thara, Government Nominee Director	Nil
Dr. (Smt.) Vinod Panthi, Independent Director	Nil
Sh. Suresh Chandra Garg, Director (Engineering)	Nil

\*On behalf of NBCC (India) Ltd.

## 9. COMPLIANCE

While preparing the agenda, note to agenda and minutes of the meeting(s) in adherence to applicable laws, rules and regulations including the Companies Act, 2013 are read with rules issued thereunder. Secretarial standards issued by the Institute of Company Secretaries of India are also ensured.

## III. GENERAL BODY MEETING

### 1. Annual General Meeting

The last three Annual General Meeting were held as under:

Financial Year	Date	Time	Location
2019-20	September 17, 2019	12:30 p.m.	NBCC Bhawan, Lodhi Road, New Delhi
2018-19	December 31, 2018	03:00 P.M	NBCC Bhawan, Lodhi Road, New Delhi
2017-18	December 13, 2017	05.00 P.M.	Committee Room No. 249, A Wing, Second Floor at MOH&FW, Nirman Bhawan, New Delhi.

### Extra Ordinary General Meeting

There were no extraordinary general meeting are held during the Financial Year 2019-20.

### Postal Ballot

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing through postal ballot.

## IV. BOARD LEVEL COMMITTEES OF DIRECTORS

### A. Audit Committee

On appointment of Sh. Shiv Das Meena on the Board of HSCC on April 05, 2019, Audit Committee of HSCC was re-constituted in 160th Board Meeting held on May 25, 2019 and accordingly, the Committee comprise of Smt. Nandita Gupta as Chairperson and Sh. Gyanesh Pandey and Sh. Shiv Das Meena as member of the Committee.

Further, On appointment of Dr. (Smt.) Vinod Panthi on the Board of HSCC on August 01, 2019, the Audit Committee was re-constituted in 161st Board Meeting held on August 01, 2019 and accordingly, the committee comprise of Dr. (Smt.) Vinod Panthi as Chairperson and Smt. Nandita Gupta as member and Sh. Gyanesh Pandey as member of the Committee.

Further, on appointment of Ms. D. Thara, Government Nominee Director and Sh. Suresh Chandra Garg, Director (Engineering), on the Board of HSCC on January 01, 2020 and January 15, 2020 respectively, the Audit Committee was re-constituted in 164th Board Meeting dated February 06, 2020 and accordingly, the committee comprise of Dr. (Smt.) Vinod Panthi as Chairperson and Ms. D. Thara as member and Sh. Suresh Chandra Garg as Member of the Committee.

Composition of Audit Committee as on March 31, 2020 are as under:-

- Dr. (Smt.) Vinod Panthi-Chairperson
- Ms. D. Thara-Member
- Sh. Suresh Chandra Garg-Member

Company Secretary is the Secretary of Audit Committee during the year under review. Statutory Auditors are invited to attend and participate in the meetings on need basis.

#### Meeting and Attendance during the Financial Year 2019-20.

Four Audit Committees meeting were held during the Financial Year 2019-20 on May 25, 2019, August 07, 2019, November 07, 2019 and February 06, 2020.

Name of the member	Designation	No. of meetings held during his/ her tenure	No. of committee meeting attended
Dr. (Smt.) Vinod Panthi	Chairperson	3	3
Smt. Nandita Gupta	Member	4	2
Sh. Gyanesh Pandey	Member	4	4
Sh. Shiv Das Meena	Member	1	1

#### B. Corporate Social Responsibility Committee

On appointment of Sh. Shiv Das Meena on the Board of HSCC on April 05, 2019, Corporate Social Responsibility committee of HSCC was re-constituted in 160th Board Meeting held on May 25, 2019 and accordingly, the committee comprise of Sh. Shiv Das Meena as Chairperson, Smt.Nandita Gupta as member and Sh. Gyanesh Pandey as member of the committee.

Further, On appointment of Dr. (Smt.) Vinod Panthi on the Board of HSCC on August 01, 2019, the Corporate Social Responsibility Committee was re-constituted in 161st Board Meeting held on August 01, 2019 and accordingly, the Committee comprise of Smt. Nandita Gupta as Chairperson and Dr. (Smt.) Vinod Panthi as member and Sh. Gyanesh Pandey as member of the Committee.

Further, on Appointment of Ms. D. Thara, Government Nominee Director and Sh. Suresh Chandra Garg, Director (Engineering), on the Board of HSCC on January 01, 2020 and January 15, 2020 respectively Corporate Social Responsibility Committee was re-constituted in 164th Board Meeting held on February 06, 2020 and accordingly, Committee comprise of Ms. D. Thara as Chairperson and (Smt.) Vinod Panthi as Member and Sh. Suresh Chandra Garg as Member of the Committee

Composition of the Corporate Social Responsibility Committee as on March 31, 2020, are as under:-

- Ms. D. Thara-Chairperson
- Dr. (Smt.) Vinod Panthi-Member
- Sh. Suresh Chandra Garg-Member

Company Secretary is the Secretary of Corporate Social Responsibility committee during the year.

### Meeting and Attendance during the Financial Year 2019-20.

During the year under review, One Corporate Social Responsibility was held on March 09, 2020.

S. No.	Name of the members	Designation	No. of meetings held during his/her tenure	No. of committee meeting attended.
1.	Dr. (Smt.) Vinod Panthi	Chairperson	1	1
2.	Ms. D. Thara	Member	1	1
3.	Sh. Suresh Chandra Garg	Member	1	1

During the Year under review, CSR Committee has passed one resolution through circulation with respect to contribution of CSR funds into PM's Citizen Assistance and Relief in Emergency Situations (PM-CARES) fund for COVID-19 and recommended to the Board for their consideration and approval.

### C. Nomination and Remuneration Committee

On appointment of Sh. Shiv Das Meena on the Board of HSCC on April 05, 2019 Nomination & Remuneration committee of HSCC was re-constituted in 160th Board Meeting held on May 25, 2019 and accordingly, the committee comprise of Smt. Nandita Gupta as Chairperson and Sh. Shivdas Meena as member and Sh. Gyanesh Pandey as member of the Committee.

Further, On appointment of Dr. (Smt.) Vinod Panthi on the Board of HSCC on August 01, 2019, the Nomination & Remuneration committee was re-constituted in 161st Board Meeting held on August 01, 2019 and accordingly, the Committee compromise of Dr. (Smt.) Vinod Panthi as Chairperson and Smt. Nandita Gupta as member and Sh. Gyanesh Pandey as member of the Committee.

Further, on Appointment of Ms. D. Thara, Government Nominee Director and Sh. Suresh Chandra Garg, Director (Engineering), on the Board of HSCC on January 01, 2020 and January 15, 2020 respectively, Nomination & Remuneration committee was re-constituted in 164th Board Meeting held on February 06, 2020 and accordingly, Committee compromise of Dr. (Smt.) Vinod Panthi as Chairperson and Ms. D. Thara as member and Sh. Suresh Chandra Garg as Member of the Committee.

Company Secretary is the Secretary of Nomination & Remuneration Committee during the year.

Composition of the Nomination & Remuneration Committee as on March 31, 2020, are as under:-

- Dr. (Smt.) Vinod Panthi - Chairperson.
- Ms. D. Thara as member – Member.
- Sh. Suresh Chandra Garg – Member.

### Meeting and Attendance during the Financial Year 2019-20

No Nomination & Remuneration committee was held during the Financial Year 2019-20.

### REMUNERATION OF DIRECTORS (AS ON MARCH 31, 2020)

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

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

The part-time non-official directors of the Company also do not draw any remuneration from the Company, they were only paid sitting fee of Rs. 5,000/- per meeting & sub-committee(s) attended by them from April 2015 onwards in accordance with the approval of the Board of Directors.

Remuneration of Directors for the Financial Year ended March 31, 2020 are follows:-

**A. Remuneration to Functional Directors:** (Amount in Rs.)

Particulars	Sh. Gyanesh Pandey (MD) (From 01-04-2019 to 31-03-2020)	Sh. Suresh Chandra Garg (WTD) (From 15-01-2020 to 31-03-2020)
Gross Salary	42,33,692	6,59,988
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		
(b) Value of perquisites u/s	1,90,518	22,850
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission as % of profit	-	-
E.P.F., Employers Pension, Contribution	-	-
Provisions for EI & HPL Leave	-	-
Encashment, PRMB, Gratuity & PRP		
<b>Total</b>	<b>44,24,210</b>	<b>6,82,838</b>

**B. Remuneration to Other Directors:**

Particulars of Remuneration	Dr. (Smt.) Vinod Panthi	Total
Fees for attending Board Meeting & committee(s)	40,000	40,000
Commissions	-	
Others	-	
<b>Total</b>	<b>40,000</b>	<b>40,000</b>

- The Directors does not have any other material pecuniary relationship/transaction with the company. Non executive part time non official directors (Independent) are paid sitting fee of Rs. 5,000/- for each Board and sub-Committee(s) meeting respectively.
- No remuneration has been paid to non-executive director during the period under review.

## V. MEANS OF COMMUNICATION

The Company communicates its shareholders through its Annual Report, General Meetings and disclosure through the website.

- Annual Report: Annual Report contains inter-alia Directors' Report, Auditors' Report, Audited Financial Statements of the Company. The Management Discussion and Analysis Report form part of the Annual Report and appear on the website of the Company.

- b. Website: The Company's website www.hsccltd.co.in a comprehensive reference on HSCC's management, vision, mission, policies, corporate governance corporate sustainability, investor relations, updates and news.
- c. The company displace news release on event basis on Company's website.

## VI. GENERAL INFORMATION FOR SHAREHOLDERS:-

a.	Company Registration Details	CIN-U74140DL1983GOI015459
b.	37 <sup>th</sup> Annual General meeting: Date, Time and Venue	Tuesday, 03:00 PM
c.	Financial Year	April 1, 2019 to March 31, 2020
d.	Financial Calendar for 2020-2021	
	Results for Quarter ending June 30, 2020	by first week of September, 2020
	Results for Quarter ending September 30,2020	by first week of November, 2020.
	Results for Quarter ending December 31, 2020	by first week of February, 2021
	Results for year ending March 31, 2021.	by the end of May, 2021
e.	Book Closure Date	NIL

## VII. DISCLOSURES

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

Apart from the remuneration to Directors as per the terms and conditions of their appointment and entitled sitting fee to Non-Official Part-Time Directors, none of the Directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.

The Statutory Compliance Report received from various departments together with the status of the statutory dues is placed before the Board regularly.

The Company is complying with all the requirements as per Guidelines on Corporate Governance for CPSEs issued by the DPE except the Composition of Board.

During the year, no expenditure is debited in books of accounts, which are not for the purposes of the business and no expenses which are of personal nature have been incurred for the Board of Directors and Top Management.

M/s Datta Singla & Co., Chartered Accountant (Firm Registration No. 006185N) have been appointed as the Statutory Auditors of the Company.

The Details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment is provided in the Directors' Report of the Company.

During the period Administrative and other expenses was Rs. 1379.23 lacs) which includes Rs. 569.87 lacs for provisions for expected credit loss on trade receivables) as compared to previous year Rs. 770.18 lacs.



## VIII. CEO /CFO CERTIFICATION

Certificate duly signed by the CEO/CFO is annexed to the Corporate Governance Report (Annexure-A).

## IX. COMPLIANCES

No penalties/Strictures were imposed on the Company by any other statutory authority.

Compliance certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance is annexed herewith and forms part of the report.

## DECLARATION

I, Gyanesh Pandey, Managing Director of HSCC (India) Limited, do hereby declare that all the board members and senior management personnel have affirmed compliance with the Code of Conduct of the company for the financial year ended March 31, 2020.

Sd/-  
**Gyanesh Pandey**  
Managing Director  
DIN 03555957

**PLACE: New Delhi**

**DATE: 6th November, 2020**

**CEO /CFO CERTIFICATION**

To,  
The Board of Directors,  
HSCC (India) Limited  
Noida.

We, Shri Gyanesh Pandey, Managing Director and Mahesh Chand Bansal, Chief Financial Officer, do hereby certify that;

- a. We have reviewed Financial Statements and Cash Flow Statements for the year ended 31.03.2020 on that date and that to the best of our knowledge and belief:-
  - (i). the said statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii). the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept the responsibility for establishment and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to Financial Reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the Auditors and the Audit Committee:-
  - (i). Significant changes in internal control over Financial Reporting during the year 2019-20.
  - (ii). those significant changes in accounting policies during the year 2019-20 and their disclosure in the notes to Financial Statements.
  - (iii). Any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial Reporting.

**Sd/-**  
**Managing Director**  
**(HSCC)**

**Sd/-**  
**Chief Financial Officer**  
**(HSCC)**

**Place: New Delhi**  
**Date: 6th November, 2020**

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**To,  
The Members,  
HSCC (India) Limited**

1. We have examined the compliance of conditions of Corporate Governance by HSCC (INDIA) LIMITED ("the Company"), for the financial year ended March 31, 2020 as stipulated in 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprise issued by Department of Public Enterprise (DPE), Government of India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. The Company has not complied with Clause 3.1.1, 4.1.1, 4.1.2 and 5.1 of DPE Guidelines in respect of Composition of Board, Audit Committee and Remuneration Committee with respect to the appointment of requisite number of Independent Directors under the provisions of Section 177 and 178 of the Companies Act, 2013 and rules made thereunder and Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013, and
4. Pursuant to the provision of Section 135(1) of the Companies Act, 2013 with respect to the composition of CSR Committee, there was no Independent Directors till 31st July, 2019 during the year under review.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For P. C. Jain & Co.  
Company Secretaries  
(FRN: P2016HR051300)**

**Sd/-  
(P C Jain)  
Managing Partner  
M. No: F4103  
COP No: 3349**

**Place: Faridabad  
Date: 10th September, 2020**

## AOC-2

### Particulars of contracts/arrangement made with Related Party.

Disclosure of particulars of contracts/arrangements entered into by the Company with Related Parties referred to in Sub Section (1) of Section 188 of the Companies Act, 2013.

1. Disclosure of particulars of contracts/arrangements or transactions entered in the ordinary course of business but not at arm's length basis for the FY. 2019-20: NIL.
2. Details of contracts/arrangements or transactions entered in the ordinary course of business but at arm's length basis for the F.Y. 2019-20. : Details are provided in Note-39 under the head of related party transaction of financial statements 2019-20 of this Annual Report.

**Sd/-**  
**Company Secretary**  
**HSCC**

## **POLICY ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY AT HSCC (INDIA) LTD**

### **Background**

The Government of India enacted the Companies Act 2013 in August 2013. Section 135 of the Companies Act deals with the subject of Corporate Social Responsibility (CSR). It lays down the qualifying criteria based on net worth, turnover and net profit for companies which are required to undertake CSR activities and specifies the broad modalities of selection, implementation and monitoring of the CSR activities by the Board of Directors of the Company. The activities which may be included by companies in their CSR policies are listed in schedule VII of the Act. The provisions of Section 135 of Act and Schedule VII of the Act apply to all the companies including CPSEs.

It is mandatory for all profit making CPSE's to undertake CSR activities as per the provisions of the Act and the CSR Rules. The CPSEs are expected to spend at least 2% of the average net profit of the three immediately preceding financial years on CSR activities as stipulated in the Act and the CSR Rules.

The Ministry of Corporate Affairs has formulated CSR Rules under the provisions of the Act and issued the same on February 27, 2014. The CSR Rules are applicable to all the companies including CPSEs.

Recently Guidelines on Corporate Social Responsibility and Sustainability for CPSE's issued by DPE which are effective from April 1, 2014, intended to reinforce the complementarity of CSR & sustainability and to advise the CPSEs not to over look the larger objective of sustainable development in the conduct of business and in pursuit of CSR agenda.

### **CSR Policy**

HSCC is a concerned corporate citizen and recognizes its responsibility towards the community and believes in working for the betterment of the weaker & marginalised sections of the society.

HSCC is committed to implement the Guidelines on Corporate Social Responsibility issued by the Department of public Enterprises, Government of India and National Voluntary Guidelines of Business issued by the Ministry of Corporate Affairs, Government of India.

### **Vision**

To actively contribute to the social and economic development of the locality or areas of activity in which the company operates. In doing so, alleviate the sufferings of the weaker sections of society.

### **Identification and Implementation**

- (i) HSCC will identify projects/activities to be undertaken in the following broad areas:
- Health Care & Sanitation
  - Clean drinking water
  - Provision of toilets especially for girls in rural schools
  - Scholarships for students
  - Other welfare categories identified from time to time

- (ii) Thrust will be given to Health & Family Welfare and other social sectors as a natural corollary to the company's business.
- (iii) Investment in CSR will be based on the criteria specified by the Department of Public Enterprises.
- (iv) The CSR activity undertaken will be with a view to generate community goodwill, create social impact and visibility.
- (v) The CSR activity should help in building a positive image of the company.
- (vi) For every project/activity, the time frame and periodic milestones will be finalized at the outset.
- (vii) Project activities identified under CSR will be implemented by Specialized Agencies.

Such specialized agencies would include:

- Community based organizations whether formal or informal
- Elected local bodies such as Panchayats
- Voluntary Agencies (NGOs)
- Institutes/Academic Organizations
- Self-help groups
- Government, Semi Government & autonomous organizations
- SCOPE
- Mahila Mandals/Samitis and the like
- Contracted agencies for civil works
- Professional Consultancy Organizations etc

Every care will be taken to ensure that there is no duplication of CSR activities undertaken by HSCC with that of the programmes run by Central, State and Local Governments.

Wherever CSR projects are assigned to specialized agencies, every possible effort would be made to verify the reliability and clean track record of such agencies. HSCC may also select from panels maintained by the Government, Semi-Government, Autonomous Organization or the National CSR hub etc.

### Provisions with respect to CSR Activities as indicated in Companies Act, 2013

The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

### SCHEDULE VII of Companies Act, 2013

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:

(i)	eradicating extreme hunger and poverty;
(ii)	promotion of education;
(iii)	promoting gender equality and empowering women;
(iv)	reducing child mortality and improving maternal health;
(v)	combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
(vi)	ensuring environmental sustainability;
(vii)	employment enhancing vocational skills;
(viii)	social business projects;
(ix)	contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
(x)	such other matters as may be prescribed.

As per latest amendment in Schedule VII of Companies Act, 2013, the following item has been included :  
*Contribution towards Swachh Bharat Kosh, Clean Ganga Fund & PMNRF under DPE Guidelines on CSR and Sustainability as per the amendment in Schedule VII of the Companies Act, 2013.*

#### Provisions with respect to CSR in the DPE guidelines on CSR and sustainability (December 2012)

*The CSR budget will be mandatorily created through a Board Resolution as a percentage of net profit in the following manner:*

Type of CPSEs Expenditure range for CSR in a Financial Year

	Net Profit (Previous Year)	(% of profit)
(i)	Less than ₹ 100 crore	3% - 5%
(ii)	100 crore to ₹ 500 crore (Subject to a Minimum of 3 crore)	2% - 3%
(iii)	500 crore and above	0.5% - 2%

#### Possible areas of Activities Under CSR (The List is Indicative and not Exhaustive)

i)	Drinking Water Facility
ii)	Education
iii)	Electricity Facility
iv)	Solar Lighting System
v)	Health and Family Welfare
vi)	Irrigation Facilities
vii)	Sanitation and Public Health
viii)	Pollution Control
ix)	Animal Care
x)	Promotion of Sports and Games
xi)	Promotion of Art and Culture

xii)	Environment friendly technologies
xiii)	Promotion of livelihood for economically weaker sections through forward and backward linkages
xiv)	Relief to victims of Natural Calamities like earth-quake, cyclone, drought & flood situation in any part of the country
xv)	Supplementing Development Programmes of the Government.
xvi)	Non-conventional Energy Sources
xvii)	Construction of Community Centres/Night Shelters/Old Age Homes
xviii)	Imparting Vocational Training
xviii)	Setting up of skill development centres
xix)	Adoption of villages
xx)	Taking action on points suggested by Ministry of Forest and Environment pertaining to Charter on Corporate Responsibility for Environment Protection for 17 categories of Industries.
xxi)	Scholarships to meritorious students belonging to SC, ST, OBC and disabled categories
xxii)	Adoption/Construction of Hostels (especially those for SC/ST and girls),
xxiii)	Skill training, entrepreneurship development and placement assistance programmes for youth.
xxiv)	Building of Roads, Pathways and Bridges.
xxv)	Entrepreneurship Development Programme (EDP)
xxvi)	Disaster Management Activities including those related to amelioration/mitigation.
xxvii)	Activities related to the preservation of the Environment/Ecology and to Sustainable Development.
xxviii)	Contribution towards Swachh Bharat Kosh, Clean Ganga Fund, PMNRF under DPE guidelines on CSR & Sustainability.

### Projects for Utilization of Old Budget

Identification of rundown Government school building around an existing project site. Renovation of existing building or construction of new building, and provision of toilet block and drinking water.

- Provision of scholarship to girl students or students from weaker section of society on a monthly basis into bank accounts directly.
- Provision of services of doctor to citizens belonging to weaker section of society. (Only check-up and prescription)
- The CSR balance fund may be invested separately in Fixed Deposit and the interest earned may also be used for CSR activities.
- The CSR old balance may be used in Clean Ganga Fund.
- Provision of contributing balance CSR fund in building Night Shelter in Government Hospitals.
- Provision of creating basic infrastructure for Air Pollution Control' in and around Delhi.
- Provision of building/renovation of ladies toilet blocks at Government Schools.

### Monitoring

The implementation of CSR projects/activities will be monitored by a CSR committee to be constituted by CMD and put up to CSR Board Committee. The following process will be used for monitoring :

- |                                 |   |
|---------------------------------|---|
| i) Activities to be undertaken; | ii) Budgets allocated;                        |
| iii) Time-lines prescribed;     | iv) Responsibilities and authorities defined; |
| v) Major results expected       |   |



### Brief Outline of the Company's CSR Policy

HSCC CSR Policy is in line with the Companies Act, 2013. The main features of CSR policy are as under:-  
Cover all the project enumerated in Schedule VII of Companies Act, 2013.

The proposal are recommended by the Board level CSR Committee and approved by the Board of Directors of HSCC for implementation.

The composition of CSR Committee are as follows:-

Name	Designation
Ms. D. Thara	Chairman
Dr. (Smt.) Vinod Panthi	Member
Sh. Suresh Chandra Garg	Member

(a). Average Net Profit of the Company for the last three financials years: Rs. 6,462.53 lacs

(b). Prescribed CSR Expenditure (two percent of the amount in item a above): Rs. 129.25 Lacs

(c). Details of CSR Spent during the Financial Year

- Total amount spent for the Financial Year: Rs. 129.25 Lacs
- Amount Unspent, if any. NIL
- Reason for not spending the total amount: Not Applicable
- Manner in which the amount spent during the Financial Year is detailed below:-

(Rs. In lacs)

S. no.	Project activity	Sector in which project is covered	Location	Total sanctioned budget for the project/ programme	Amount spent on the projects or programs in the current year 2019-20.	Amount outlay (budget) project or programme wise for current year 2019-20.	Cumulative exp. Upto to the reporting period.	Amount spent: Direct or through implementing agency.
1	Contribution to the Prime Minister CARES Fund in wake of COVID 19	Schedule -VII (Item No. (VIII))	New Delhi	129.25	129.25	129.25	129.25	GOI

### RESPONSIBILITY STATEMENT

We, hereby affirm that the CSR Policy as approved by the Board of HSCC has been implemented and the CSR committee monitors the implementation of CSR Projects and activities in compliance with the CSR Objectives and Policy of the Company.

**Sd/-**  
**D. Thara**  
**(Chairman, CSR Committee)**

**Place: Noida**  
**Date: 13.11.2020**

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE YEAR ENDED AS ON 31st March, 2020**

*(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
HSCC (India) Limited  
205. (2nd Floor), East End Plaza. Plot No.4.  
LSC. Centre-II. Vasundhara Enclave,  
New Delhi-110096

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **HSCC (INDIA) LIMITED** (hereinafter called the "Company™") having **CIN: U74140DL1983GOI015459**, Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31st, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, returns filed and other records maintained by **HSCC (INDIA) LIMITED** (the "Company") for the financial year ended on **31st March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act. 1956 ('SCRA') and the rules made thereunder; **(Not Applicable during the Audit Period)**
- (iii) The Depositories Act. 1996 and the Regulations and Bye-laws framed there under to the extent of regulation 55 A: **(Not Applicable during the Audit Period)**
- (iv) Foreign Exchange Management Act. 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings: **(Not Applicable during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act. 1992 (SEBI Act'): **(Not Applicable during the Audit Period)**
  - (a) The Securities and Exchange Board of India Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the Audit Period);**
  - (b) The Securities and Exchange Board of India Prohibition of Insider Trading) Regulations. 2015; ; **Not Applicable during the Audit period)**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations. 2018: **(Not Applicable during the Audit period)**

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable during the Audit period.)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable during the Audit period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: **(Not Applicable during the Audit Period);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the Audit period); and**
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not Applicable during the Audit period); and**
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the following:

Guidelines issued by Department of Public Enterprises for Central Public Sector Enterprises as amended up to date.

Secretarial Standards issued by The Institute of Company Secretaries of India on meetings of the Board of Directors and General Meetings.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws. since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**Observation 1:**

- (a) The Company has not complied with Clause 3.1.1, 4.1.1, 4.1.2 and 5.1 of DPE Guidelines in respect of Composition of Board, Audit Committee and Remuneration Committee, provisions of Section 177 & 178 of the Companies Act, 2013 & rules made there under and Sub-Section 4 of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 due to non-appointment of requisite number of Independent Director.
- (b) As per the provision of Section 135(1) of the Companies Act, 2013, composition of CSR Committee was not having one Independent Director till 31st July 2019.

**We further report that:**

The Board of Directors of the Company is duly constituted except independent director on the Board till 31st March, 2020. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board. Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there was no prosecution initiated against or show cause notice received by the Company during the year under review.

1. We further report that. during the audit period. the Company had no specific event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard etc. except that during the year under review a fraud of Rs. 1.89 Crore was detected by the company in the bank account with Indian overseas Bank, Sector-1, Noida having Account No. 1725020000000151. Considering the observations of CAG of India in earlier years and number of unreconciled transactions, NBCC (India) Ltd. the holding company has appointed forensic auditor in the company. The report of the forensic auditor is yet to be received.

**For P. C. Jain & Co.**  
**Company Secretaries**  
**(FRN: 2016HR051300)**

**Sd/-**  
**(P C Jain)**  
**Managing Partner**  
**M. No: F4103**  
**COP No: 3349**

**Place: Faridabad**

**Date: 10th September, 2020**

To,  
The Members.  
HSCC (India) Limited  
205, (2nd Floor), East End Plaza, Plot No. 4,  
LSC, Centre-II. Vasundhara Enclave.  
New Delhi-110096  
Sir,

Our Secretarial Audit Report for the year ended as on 31st March, 2020 of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P. C. Jain & Co.**  
**Company Secretaries**  
**(FRN: P2016HR051300)**

**Sd/-**  
**(P C Jain)**  
**Managing Partner**  
**M. No: F4103**  
**CP No. 3349**

**Place: Faridabad**  
**Date: 10th September, 2020**

**MANAGEMENT REPLY TO SECRETARIAL AUDITORS REPORT ON CORPORATE GOVERNANCE REPORTS (2019-20)**

<b>Auditors' Comments (Secretarial Audit Report)</b>	<b>Auditors Comments (Corporate Governance)</b>	<b>Management Reply</b>
The Company has not complied with Clause 3.1.1, 4.1.1, 4.1.2 and 5.1 of DPE Guidelines in respect of Composition of Board, Audit Committee and Remuneration Committee, provisions of Section 177 & 178 of the Companies Act, 2013 & rules made there under and Sub-Section 4 of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013 due to non-appointment of requisite number of Independent Director.	-DO-	<p>HSCC (India) Limited is a public Sector undertaking and the appointment of directors.</p> <p>-Executive, Non-Executive and Independent Directors are made by the govt. of India.</p> <p>-In-order to full-fill the requirement of the number of respective Directors, the Company has taken up the matter with the administrative Ministry i.e. Ministry of Housing &amp; Urban Affairs (MoUHA), Govt. of India. Dr. (Smt.) Vinod Panthi, Independent Director appointed by MoUHA on 01/08/2019 and another appointment of Dr. (Smt.) Jyoti Kiran Shukla, Independent Director, made by MoUHA on 27/04/2020.</p>
As per the provision of Section 135(1) of the Companies Act, 2013, composition of CSR Committee was not having one Independent Director till 31 <sup>st</sup> July 2019.	-DO-	Due to appointment of Dr. (Smt.) Vinod Panthi, Independent Director, on the Board of HSCC on 01/08/2019, has complied the composition of CSR committee.

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on March 31, 2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014.)

**I. Registration & Other Details:**

1.	CIN	U74140DL1983GOI015459
2.	Registration Date	30/03/1983
3.	Name of the Company	HSCC (INDIA) LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares, Government Company
5.	Address of the Registered office & contact details	205 (2nd floor), East End Plaza, Plot No.4, LSC, Centre - II, Vasundhara Enclave, New Delhi 110096 E-mail: cs_hsccltd@hsccltd.co.in, Contact: 0120-2542436-40
6.	Whether listed company	No.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

**II. Principal Business Activities of the Company:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Consulting Engineering Services	9983	100

**III. Particulars of Holding, Subsidiary and Associate Companies**

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NBCC (India) Limited	L74899DL1960GOI003335	Holding	100	2(46)

**IV. Share Holding Pattern**

(Equity share capital breakup as percentage of total equity)

**(i) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% change during the year
	D-mat	Physical	Total	% of total shares	D-mat	Physical	Total	% of total shares	
Promoters									
Indian									
a). Individual/HUF	36	6	42	0.01	36	6	42	0.01	NIL
b) Central Government	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c). State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies corporate	1,79,972	Nil	1,79,972	99.99	1,79,972	Nil	1,79,972	99.99	99.99
e) Bank/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
F) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub (Total)(A) (1)	1,80,008	6	1,80,014	100	1,80,008	6	1,80,014	100	Nil
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) NRI Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL (A)	1,80,008	6	1,80,014	100	1,80,008	6	1,80,014	100	Nil
B. Public Shareholding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



Category of Shareholder	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% change during the year
	D-mat	Physical	Total	% of total shares	D-mat	Physical	Total	% of total shares	
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B) (1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholder	No. of Shares held at the beginning of the year (As on April 01, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% change during the year
	D-mat	Physical	Total	% of total shares	D-mat	Physical	Total	% of total shares	
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public (B)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)		1,80,008	6	1,80,014	100	1,80,008	6	1,80,014	100

**(ii) Shareholding of Promoter**

Category of Shareholder	Shareholding at the beginning of the year (As on April 01, 2019)			Shareholding at the beginning of the year (As on March 31, 2020)			% change in share Holding during the year
President of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nominee of behalf of President of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NBCC (India) Limited	1,79,972	99.97	Nil	1,79,972	99.97	Nil	99.97
Gyanesh Pandey*	6	6	Nil	6	6	Nil	0
Rajendra Chaudhrai*	6	6	Nil	6	6	Nil	0
Yogesh Sharma*	6	6	Nil	6	6	Nil	0
Baldev Kaur Sokhey*	6	6	Nil	6	6	Nil	0
Chandra Shekhar Gupta*	6	6	Nil	6	6	Nil	0
Neelesh Shah*	6	6	Nil	6	6	Nil	0
Rakesh Gupta*	6	6	Nil	6	6	Nil	0

\*On behalf of NBCC (India) Limited

**(iii) Change in promoters' shareholding (please specify, if there is no change)**

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year	Cumulative shareholding during the year
1.	At the beginning of the year	-			
2.	Changes during the year	-		N.A.	
3.	At the end of the year	-			

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year	Cumulative shareholding during the year
1.	At the beginning of the year	April 1, 2019			
2.	Changes during the year	NIL		N.A.	
3.	At the end of the year	March 31, 2020.			

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1.	Sh. Pawan Kumar Gupta At the beginning of the year Changes during the year At the end of the year	NIL					
2.	Sh. Gyanesh Pandey At the beginning of the year Changes during the year At the end of the year	NIL	NIL	6 NIL 6	0.00 NIL 0.00	6 NIL 6	0.00 NIL 0.00
3.	Sh. Suresh Chandra Garg At the beginning of the year Changes during the year At the end of the year	NIL					
4.	Dr. (Smt.) Vinod Panthi At the beginning of the year Changes during the year At the end of the year	NIL					

5.	Ms. D. Thara At the beginning of the year Changes during the year At the end of the year	NIL	NIL
6.	Sh. M.C. Bansal At the beginning of the year Changes during the year At the end of the year	NIL	NIL
7.	Ms. Sonia Singh At the beginning of the year Changes during the year At the end of the year	NIL	NIL

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year NIL				
* Addition	NIL			
* Reduction	NIL			
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount			NIL	
ii) Interest due but not paid			NIL	
iii) Interest accrued but not due			NIL	
Total (i+ii+iii)			NIL	

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	
1.	Name	Gyanesh Pandey (From 01-04-2019 to 31-03-2020)	Sh. Suresh Chandra Garg (From 15-01-2020 to 31-03-2020)
	Designation	Managing Director	Whole Time Director

1.	<u>Gross Salary</u> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	80,59,959	9,56,071
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	As % of Profit	-	-
	Others, specify	-	-
	Total (A)	80,59,959	9,56,071
	Ceiling as per the Act	NA	NA

**B. Remuneration of other Directors**

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of the Directors	Total Amount
1.	Independent Directors	Dr. (Smt.) Vinod Panthi	
	Fee for attending Board Committee meetings & Committee(s)	40,000	40,000
	Commission	NIL	NIL
	Other, Specify	NIL	NIL
	Total (1)	40,000	40,000
2.	Other Non-Executive Directors		
	Fee for attending board committee meetings	NIL	NIL
	Commission	NIL	NIL
	Others, please specify	NIL	NIL
	Total (2)	NIL	NIL
	Total (B)=(1+2)	40,000	40,000
	Total Managerial Remuneration	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL
	Ceiling as per the Act	NIL	NIL

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in Rs.)**

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel	
	Name	Sh. M.C. Bansal From 07-08-2019 to 31-03-2020	Ms. Sonia Singh From 18-11-2019 to 31-03-2020
	Designation	Chief Financial Officer	Company Secretary
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	20,17,945	3,52,216
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	As % of Profit	-	-
	Others, specify	-	-
	Total (A)	20,17,945	3,52,216
	Ceiling as per the Act		

**vii) PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT ]	Appeal made, if any (give Details)
Company					
Penalty			N.A.		
Punishment					
Compounding					
DIRECTORS					
Penalty			N.A.		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			N.A.		
Punishment					
Compounding					

**For HSCC (India) Ltd.**  
Sd/-  
Company Secretary, HSCC

**Date : 13.11.2020**

**Place: Noida**

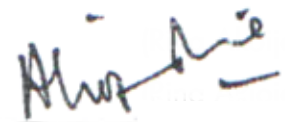
## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HSCC (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of **HSCC (INDIA) LIMITED** for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 June 2020.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **HSCC (INDIA) LIMITED** for the year ended 31 March 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



Principal Director of Audit (Infrastructure)

Place: New Delhi  
Dated: 2 September 2020



**FINANCIAL  
STATEMENTS**



## INDEPENDENT AUDITORS' REPORT

To  
The members of HSCC (India) Limited

### Report on Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of HSCC (India) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss, statement of Changes in Equity and statement of cash flows for the year then ended and, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

- (i) *Note no. 19 - Others Payable Rs. 7140.21 lakh includes Inter projects payable Rs. 3434.26 lakh against which Note No. 12 - Receivable from others, outstanding is Rs. 2742.06 lakh. Neither of these inter projects payable and receivable have been reconciled nor adjusted. In the absence of reconciliation consequential impact on financial statements, if any could not be ascertained.*
- (ii) *Note no 21 - Provision for other contingencies Rs. 3076.07 lakh include Rs. 2926 lakhs which was made out of reserves as at 01.04.2017 in previous financial year for transactions termed as instances of doubtful realisability. However the amount recoverable/debit on account of these transactions could not be matched. In the absence of appropriate and conclusive evidence, the understatement or overstatement of provision and consequential impact on financial statement could not ascertained.*
- (iii) *Projects which have been completed and handed over to Ministry/clients their financial closure is pending. Further there are some projects which have been completed but handing over and taking over process of same is pending. The consequential impact of non financial closure and non handing over/taking of projects on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year. (refer note no.49).*

- (iv) The amount lying in interest receivable from banks, retention money, client deposit funds, trade receivables, trade payable, EMD, security deposits (receivable & payable both), balances of ministries, clients and government dues with respect to direct and indirect taxes, state taxes are unconfirmed and unreconciled. The consequential impact of non confirmation and reconciliation of above accounts on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year. (refer note no.50)
- (v) The following bank accounts have not been reconciled:

Sl.	Name Of Bank	Branch	Account No.	Related To
1	Indian Overseas Bank	Sector 1 Noida	1725020000000644	Ayush Delhi Project
2	Indian Overseas Bank	Sector 1 Noida	1725020000000151	HSCC (india) Ltd.

As per information given by management fraudulent transactions were identified in these accounts in previous years. During the year also fraud of Rs. 1.89 crore was detected by the company in above bank account mentioned at Sr. No. 2, though the amount was paid to company by bank. The bank reconciliation prepared for the current year for above accounts do not include unmatched transactions of previous years. Considering the observations of CAG Of India in earlier years and number of unreconciled transactions the forensic auditors were appointed. Till date the report of forensic audit is not received. The consequential impact of non reconciliation of above bank accounts on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year. (refer note no.48 and 51)

- (vi) In the absence information provided by management, regarding details of debit balances/amount recoverable on account of fraudulent transactions in previous years which are doubtful of recovery and their presentation in balance sheet, the understatement or overstatement of assets and consequential impact on financial statements, if any could not be ascertained

In the absence of information and details, we are unable to quantify the impact of our observations given at above paragraphs on the financial statements.

## EMPHASIS OF MATTER

### We draw attention to:

Note no 3 related to non construction at lease hold land shown as part of PPE. Due to non construction the lessor New Okhla Industrial Development Authority may resume the plots as per terms of lease agreement. Further the company has not applied for extension of time for non construction.

Our opinion is not qualified in respect of those matters.

### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board Of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.

As required by section 143(5) of the Act, we give in Annexure B, a statement based on the directions issued and matters specified by the Comptroller and Auditor General of India.

### As required by Section 143(3) of the Act, we report that:

- a. We have sought and except for the matters/effects/possible effects of the matters described in the Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. except for the effects/possible effects of the matters described in the Basis of Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- c. except for the matters/effects/possible effects of the matters described in the Basis of Qualified Opinion paragraph the the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. except for the matters/effects/possible effects of the matters described in the Basis of Qualified Opinion paragraph, in our opinion, the aforesaid standalone AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. since, the company is a Government Company, section 164(2) of the Companies Act, 2013 regarding obtaining written representations from the directors of the company is not applicable to the company in terms of notification no GSR-463(E) issued by Ministry Of Corporate Affairs.

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure C'; and
- g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) except for the matters/effects/possible effects of the matters described in the Basis of Qualified Opinion paragraph, the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii.) the Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
  - (iii.) there were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Datta Singla & Co.**

Chartered Accountants

Firm's registration number : 006185N

Sd/-

**Sandeep Datta**

**Partner**

**Membership number : 092413**

**Place: Noida**

**Date : 24th June 2020**

## ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report of the Company on the standalone financial statements for the year ended 31st March 2020, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the external firm during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) *Title deeds of following immoveable properties are not held in the name of company:*

In case of building:

Total No of Cases	As at balance sheet date		Remarks, if any
	Gross Block	Net Block	
1	6834.99 lacs	6275.29 lacs	Payment is made to holding company NBCC India Ltd. The registration of title deed is pending.

- (ii) (a) Since the company awards the contracts with material to sub contractors, no inventory is held by company. The physical verification, discrepancy and accounting in books of discrepancy is not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable.
- (iv) The Company has not advanced any loans, given guarantees or security or made any investment in contravention of Sections 185 and/or 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) (a) *According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.*

Name of statute	Nature of dues	Amount Rs.in Lakh	Period to which the amount relate (A.Y)	Due date of payment	Remarks if any
<i>The Building and Other Construction Workers Welfare Cess Act, 1996</i>	<i>Building Cess</i>	0.05	2016-17	<i>Detail not available</i>	<i>Nil</i>
		2.65	2018-19		
		16.64	2019-20		
		12.08	2020-21		
<i>GST Act 2017</i>	<i>GST</i>	0.07	2018-19	<i>-do-</i>	<i>Nil</i>
<i>Income Tax Act, 1961</i>	<i>TDS – GST</i>	0.05	2020-21	<i>-do-</i>	<i>Nil</i>
		1.06	2017-18		
			0.54		

(b) According to information and explanations given to us, the dues of provident fund, income tax, sales tax, duty of excise, service tax and value added tax not deposited by the Company on account of disputes is as under:

Name of statute	Nature of dues	Amount Rs. in Lac	Period to which the amount relate	Forum where dispute pending	Remarks if any
<i>ESI Act 1948</i>	<i>ESI</i>	1.83	<i>1st Jan 97 to 31st July 2004</i>	<i>ESI Corporation, Kanpur</i>	<i>Nil</i>
<i>PF Act 1925</i>	<i>PF</i>	6.86	<i>2004-05 to 2008-09</i>	<i>PF Tribunal Delhi</i>	<i>Nil</i>
<i>Income Tax Act 1961</i>	<i>Income Tax</i>	42.14	<i>AY 2014-15</i>	<i>ITAT, New Delhi</i>	<i>Nil</i>

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) During the year fraud amounting to Rs. 189.07 lakhs were reported by company related to factious payments made through bank in earlier years. The amount has been paid to company by bank.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, provisions of Section 197, read with Schedule V to the Act for managerial remuneration is not applicable to company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the related party transactions are in compliance with Sections 177 and 188 of the Companies Act, 2013 wherever applicable and details have been disclosed in the notes to financial statements.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place: Noida  
Date : 24th June 2020

**For Datta Singla & Co.**

Chartered Accountants

Firm's registration number :  
006185N

Sd/-

**Sandeep Datta**

**Partner**

Membership number : 092413



## ANNEXURE-B TO THE AUDITORS' REPORT

Directions under section 143(5) of the Companies Act, 2013 issued by The Comptroller and Auditor General Of India to for the year 2019-20.

Sr	Direction	Auditors Reply	Impact on Financial Statement
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing the accounting transactions outside It system on the integrity of accounts along with the financial implications, if any may be stated.	Company has centralized ERP system however the system does not fullfill the complete requirements of company. MIS, FAR, Bank Reconciliation, BG, Invoicing GST data etc is not processed through the system.	The specific impact on financial statement at present can not be ascertained.
2	Whether there is any restructuring of an existing loan or case of waiver/write off of debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? if yes, the financial impact may be stated.	As per information given to us there is no case of waiver/write off of debts/loans/interest etc.	NIL
3	Whether funds received/receivable for specified schemes from central/state agencies were properly accounted for/ utilized as per terms and conditions? List the cases of deviation.	According to information given to us and as per examination of records, no funds have been received/receivable for any specific schemes from central/ state agencies during the financial year 2019-20	NIL

**For Datta Singla & Co.**

Chartered Accountants

Firm's registration number :

006185N

Sd/-

**Sandeep Datta**

**Partner**

Membership number : 092413

Place: Noida

Date : 24th June 2020

## ANNEXURE-C TO THE AUDITORS' REPORT

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

1. We have audited the internal financial controls over financial reporting of HSCC (India) Limited ('the Company') as of 31st March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Qualified Opinion:

6. According to the information and explanations given to us and based on our audit following material weakness have been identified as at 31st March 2020, :
- The companies ERP system needs the improvement to operate at its full potential.
  - No maker checker system exist for transaction except for bank payments affecting efficiency of internal financial controls.
  - There is inadequate control over bank reconciliation as the same is outsourced and previous years un reconciled entries are not shown in bank reconciliation which could result in materially misstatement of the bank balances.
  - The company did not have system of confirmation of balances of recoverable, creditors and other personal balances except sundry debtors. Non reconciliation of confirmation received from debtors and non confirmation of other balances could potentially result in the company materially misstating sundry debtors, recoverable, creditors and payable.
  - The company did not have control over financial closure of projects though taking over or handing over is completed which could potentially result in the company materially misstating the recoverable or payable.
  - The company did not have system of matching of payable or receivable among the projects and company which could potentially result in the company materially misstating the assets and liabilities.
7. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
8. In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
9. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2020, standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

**For Datta Singla & Co.**

Chartered Accountants

Firm's registration number :

006185N

Sd/-

**Sandeep Datta**  
**Partner**

Membership number : 092413

Place: Noida

Date : 24th June 2020

## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of HSCC (INDIA) LIMITED ('the Company'), for the year ended 31st March 2020 in accordance with the directions issued by C&AG Of India under section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

**For Datta Singla & Co.**

Chartered Accountants

Firm's registration number :  
006185N

Sd/-

**Sandeep Datta**

**Partner**

Membership number : 092413

Place: Noida

Date : 24th June 2020

**MANAGEMENT REPLY TO STATUTORY AUDITOR'S QUALIFICATION ON  
FINANCIAL STATEMENT ON THE BASIS OF AUDITORS' REPORT  
(HSCC) INDIA LIMITED AS ON MARCH 31, 2020.**

S. No.	Auditors Remarks	Management Reply
1.	Others Payable Rs. 7,140.21 lakh includes Inter projects payable Rs. 3,434.26 lakh against which Note No. 12 - Receivable from others, outstanding is Rs. 2,742.06 lakh. Neither these inter projects payable and receivable have been reconciled nor adjusted. In the absence of reconciliation consequential impact on financial statements, if any could not be ascertained.	<i>The inter project receivable/payable ledgers are in regular reconciliation process. Reconciliation is in progress for inter project receivable and payable, as the balances are old and for which forensic audit is under process.</i>
2.	Provision for other contingencies Rs. 3,076.07 lakh include Rs. 2,926 lakhs which was made out of reserves as at 01.04.2017 in previous financial year for transactions termed as instances of doubtful realisability. However the amount recoverable/debit on account of these transactions could not be matched. In the absence of appropriate and conclusive evidence, the understatement or overstatement of provision and consequential impact on financial statement could not be ascertained.	<i>The provision amounting to Rs. 2,926 lakhs was made considering the comments of CAG audit for the FY 2017-18. The forensic audit is in process. Hence, the final identification of amount recoverable/debit on account of these transactions will be made after receipt of forensic audit report.</i>
3.	Projects which have been completed and handed over to Ministry/clients their financial closure is pending. Further there are some projects which have been completed but handing over and taking over process of same is pending. The consequential impact of non-financial closure and non-handing over/taking of projects on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year	<i>Financial closure of physically closed projects will be finalized to the extent possible in consultation with client. All the clients are central government, state government autonomous bodies and other PSUs. Full efforts will be made for financial closure of physically closed projects.</i>
4.	The amount lying in interest receivable from banks, retention money, client deposit funds, trade receivables, trade payable, EMD, security deposits (receivable & payable both), balances of ministries, clients and government dues with respect to direct and indirect taxes, state taxes are unconfirmed and unreconciled. The consequential impact of non-confirmation and reconciliation of above accounts on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year.	<i>The company has undertaken works from central government, state government and other PSUs. The confirmation of balance from clients is being done by the company as per established accounting practices. The effort were made by the company to arrange balance confirmation, however due to global pandemic of COVID-19, the balance confirmation certificates couldn't be arranged. The management is of the view that it would arrange substantial balance confirmation in upcoming financial year</i>

5.	<p>The following bank accounts have not been reconciled:</p> <table border="1" data-bbox="228 283 937 555"> <thead> <tr> <th>S. No.</th> <th>Name of the Bank</th> <th>Branch</th> <th>Account No</th> <th>Related to</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Indian Overseas Bank</td> <td>Sector-1, Noida</td> <td>1725020000000644</td> <td>Ayush Delhi Project</td> </tr> <tr> <td>2.</td> <td>Indian Overseas Bank</td> <td>Sector-1, Noida</td> <td>1725020000000151</td> <td>HSCC (India Limited)</td> </tr> </tbody> </table> <p>As per information given by management fraudulent transactions were identified in these accounts in previous years. During the year also fraud of Rs. 1.89 crore was detected by the company in above bank account mentioned at Sr. No. 2, though the amount was paid to company by bank. The bank reconciliation prepared for the current year for above accounts do not include unmatched transactions of previous years. Considering the observations of CAG of India in earlier years and number of unreconciled transactions the forensic auditors were appointed. Till date the report of forensic audit is not received. The consequential impact of non-reconciliation of above bank accounts on financial statements, if any could not be ascertained. This was also the subject matter of qualification by the previous auditor in the preceding year. (refer note no.48 and 51)</p>	S. No.	Name of the Bank	Branch	Account No	Related to	1.	Indian Overseas Bank	Sector-1, Noida	1725020000000644	Ayush Delhi Project	2.	Indian Overseas Bank	Sector-1, Noida	1725020000000151	HSCC (India Limited)	<p><i>The forensic audit is under process and report has not yet been submitted. However, all transactions are matched for the current financial year and no transaction is unmatched for current financial year. On receipt of report of forensic audit, necessary adjustment entries will be passed.</i></p>
S. No.	Name of the Bank	Branch	Account No	Related to													
1.	Indian Overseas Bank	Sector-1, Noida	1725020000000644	Ayush Delhi Project													
2.	Indian Overseas Bank	Sector-1, Noida	1725020000000151	HSCC (India Limited)													
6.	<p>In the absence information provided by management, regarding details of debit balances/amount recoverable on account of fraudulent transactions in previous years which are doubtful of recovery and their presentation in balance sheet, the understatement or overstatement of assets and consequential impact on financial statements, if any could not be ascertained.</p>	<p><i>The process of forensic audit is under process and report has not yet been submitted. Hence, the final identification of amount recoverable/debit on account of these transactions will be made after receipt of forensic audit report.</i></p>															

**BALANCE SHEET AS AT MARCH 31, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	7,364.88	7,494.15
(b) Intangible assets	4	0.75	2.09
(c) Intangible assets under development	5	13.16	13.16
(d) Financial Assets			
(i) Other Financial Assets	6	42.70	32.73
(e) Deferred Tax Asset (Net)	7	2,311.26	3,950.02
(f) Other Non Current Assets	8	5,919.64	550.03
		<b>15,652.39</b>	<b>12,042.17</b>
<b>2. Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	9	8,120.94	8,534.19
(ii) Cash and Cash Equivalents	10	8,057.49	19,663.88
(iii) Other Bank Balances	11	276,497.92	258,419.63
(iv) Other Financial Assets	12	14,298.72	24,923.94
(b) Current Tax Assets (Net)	13	980.97	568.49
(c) Other Current Assets	14	19,558.84	22,196.19
		<b>327,514.88</b>	<b>334,306.33</b>
<b>TOTAL ASSETS</b>		<b>343,167.27</b>	<b>346,348.50</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share capital	15	180.01	180.01
(b) Other Equity		10,798.07	13,690.19
<b>Total Equity</b>		<b>10,978.08</b>	<b>13,870.20</b>
<b>2. Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	16	6.28	-
(b) Provisions	17	888.63	962.05
		<b>894.91</b>	<b>962.05</b>
<b>3. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	18		
- outstanding dues of micro enterprises and small enterprise		479.39	760.04
- outstanding dues of creditors other than micro enterprises and small enterprises		73,116.29	68,019.65
(ii) Other Financial Liabilities	19	36,264.09	43,570.74
(b) Other Current Liabilities	20	217,300.77	215,353.34
(c) Provisions	21	4,133.74	3,812.49
		<b>331,294.28</b>	<b>331,516.25</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>343,167.27</b>	<b>346,348.50</b>

Summary of Significant Accounting Policies and Other Explanatory Information Note 1 to 53

**As per our Report of even date attached**

**For and on behalf of the Board of Directors**

**For Datta Singla & Co.**  
Chartered Accountants  
(ICAI Firm Reg. No: 006185N)

Sd/-  
**(Gyanesh Pandey)**  
Managing Director  
**(DIN : 03555957)**

Sd/-  
**(Suresh Chandra Garg)**  
Director (Engineering)  
**(DIN : 08684289)**

Sd/-  
**(Mahesh Chand Bansal)**  
Chief Financial Officer

Sd/-  
**Sandeep Datta**  
Partner  
Membership No. 092413

Sd/-  
**(Sonia Singh)**  
Company Secretary  
**(M.No.: ACS-24442)**

Sd/-  
**(Ravi Kumar Jain)**  
AGM (F &A)

Sd/-  
**(Ajay Suri)**  
DGM (F &A)

Sd/-  
**(Tejpal Garg)**  
DGM (F &A)

**Place: Noida**  
**Date: 24.06.2020**

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON MARCH 31, 2020**

(₹ in Lakhs)

Particulars	Note No.	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>I. Revenue From Operations</b>			
Value of Services	22	212,509.19	204,946.25
Other Operating Revenues	23	32.29	1,381.18
<b>II. Other Income</b>	24	634.87	776.35
<b>III. Total Income (I + II)</b>		<b>213,176.35</b>	<b>207,103.78</b>
<b>IV. Expenses:</b>			
Work & Consultancy Expenses	25	200,972.73	194,317.88
Employee Benefits Expense	26	4,237.78	3,948.28
Finance Costs	27	0.70	-
Depreciation and Amortisation Expense	28	161.56	43.63
Other Expenses	29	1,379.23	770.18
Write Offs	30	-	74.59
<b>Total Expenses (IV)</b>		<b>206,752.00</b>	<b>199,154.56</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>		<b>6,424.35</b>	<b>7,949.22</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before Tax (V - VI)</b>		<b>6,424.35</b>	<b>7,949.22</b>
<b>VIII. Tax Expense:</b>	31		
(1) Current Tax		1,149.81	1,581.61
(2) Deferred Tax		1,638.77	1,183.37
(3) Taxation in respect of Earlier Years		(127.23)	202.87
<b>IX. Profit / Loss for the Period (VII-VIII)</b>		<b>3,763.00</b>	<b>4,981.37</b>
<b>X. Other Comprehensive Income</b>			
A (i) Income/(Expenses) that will not be reclassified into Profit & Loss	32	(50.21)	-
(ii) Income tax relating to items that will not be reclassified to profit/loss		12.64	-
B (i) Income/(Expenses) that will be reclassified into Profit & Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit & Loss		-	-
<b>XI. Total Comprehensive Income for the period (IX+X)</b>		<b>3,725.43</b>	<b>4,981.37</b>
<b>XII. Earnings per Share (Face value of ₹ 100/- per Equity Share)</b>	33		
(1) Basic (in ₹)		<b>2,090.39</b>	<b>2,767.21</b>
(2) Diluted (in ₹)		<b>2,090.39</b>	<b>2,767.21</b>

Summary of Significant Accounting Policies and Other Explanatory Information Note 1 to 53

As per our Report of even date attached

For and on behalf of the Board of Directors

**For Datta Singla & Co.**  
Chartered Accountants  
(ICAI Firm Reg. No: 006185N)

Sd/-  
**(Gyanesh Pandey)**  
Managing Director  
**(DIN : 03555957)**

Sd/-  
**(Suresh Chandra Garg)**  
Director (Engineering)  
**(DIN : 08684289)**

Sd/-  
**(Mahesh Chand Bansal)**  
Chief Financial Officer

Sd/-  
**Sandeep Datta**  
Partner  
Membership No. 092413

Sd/-  
**(Sonia Singh)**  
Company Secretary  
**(M.No.: ACS-24442)**

Sd/-  
**(Ravi Kumar Jain)**  
AGM (F &A)

Sd/-  
**(Ajay Suri)**  
DGM (F &A)

Sd/-  
**(Tejpal Garg)**  
DGM (F &A)

Place: Noida  
Date: 24.06.2020



**STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2020**

**A. Equity Share Capital**

(₹ in Lakhs)

Particulars	Balance at the beginning of the Reporting Year	Changes in Equity Share Capital during the year	Balance at the end of Reporting Year
Balance as at March 31, 2020	180.01	-	180.01
Balance as at March 31, 2019	180.01	-	180.01

**B. Other Equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
<b>Balance as at April 1, 2018</b>	3,335.53	60.00	6,668.34	-	10,063.87
Profit for the year	-	-	4,981.37	-	4,981.37
Dividends paid including Interim Dividend and Dividend Distribution Tax	-	-	(1,355.05)	-	(1,355.05)
<b>Balance as at March 31, 2019</b>	<b>3,335.53</b>	<b>60.00</b>	<b>10,294.66</b>	-	<b>13,690.19</b>
Profit for the year	-	-	3,763.00	-	3,763.00
Re-measurement gains (losses) on defined benefit plans	-	-	-	(50.21)	(50.21)
Income Tax on Items of OCI	-	-	-	12.64	12.64
Dividends paid including Interim Dividend and Dividend Distribution Tax	-	-	(6,617.55)	-	(6,617.55)
<b>Balance as at March 31, 2020</b>	<b>3,335.53</b>	<b>60.00</b>	<b>7,440.11</b>	<b>(37.57)</b>	<b>10,798.07</b>

Summary of Significant Accounting Policies and Other Explanatory Information Note 1 to 53

**As per our Report of even date attached**

**For and on behalf of the Board of Directors**

**For Datta Singla & Co.**  
Chartered Accountants  
(ICAI Firm Reg. No: 006185N)

Sd/-  
**(Gyanesh Pandey)**  
Managing Director  
**(DIN : 03555957)**

Sd/-  
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Director (Engineering)  
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Chief Financial Officer

Sd/-  
**Sandeep Datta**  
Partner  
Membership No. 092413

Sd/-  
**(Sonja Singh)**  
Company Secretary  
**(M.No.: ACS-24442)**

Sd/-  
**(Ravi Kumar Jain)**  
AGM (F &A)

Sd/-  
**(Ajay Suri)**  
DGM (F &A)

Sd/-  
**(Tejpal Garg)**  
DGM (F &A)

**Place: Noida**

**Date: 24.06.2020**

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020**

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended on March 31, 2020</b>	<b>For the year ended on March 31, 2019</b>
<b>A. Cash flows from operating activities</b>		
<b>Net profit before tax and extraordinary items</b>	<b>6,424.35</b>	<b>7,949.22</b>
Adjustment for:		
Depreciation on property, plant and equipment	153.81	38.80
Depreciation on Right-of-Use Assets	6.41	-
Amortisation on intangible assets	1.33	4.83
Finance Cost	0.70	-
Interest Income	(632.93)	(776.35)
<b>Operating Profit before Working Capital Changes</b>	<b>5,953.67</b>	<b>7,216.50</b>
Adjustment for:		
Decrease/(Increase) in Other Non-Current Assets	(5,369.61)	1,479.34
Decrease/(Increase) in Other Financial Assets (Non Current)	(9.97)	2.85
Decrease/(Increase) in Trade receivables	413.25	2,493.38
Decrease/(Increase) in Other Financial Assets (Current)	10,625.22	18,520.00
Decrease/(Increase) in Other Current Assets	2,637.35	(4,239.78)
(Decrease)/Increase in Provisions (Non Current)	(73.42)	91.92
(Decrease)/Increase in Trade payables	4,815.99	29,707.26
(Decrease)/Increase in Other Financial Liabilities (Current)	(7,307.91)	(15,016.87)
(Decrease)/Increase in Provisions (Current)	271.04	(16.27)
(Decrease)/Increase in Other Current Liabilities	1,947.43	24,155.69
<b>Cash generated from Operations before Extra Ordinary Items and tax</b>	<b>13,903.06</b>	<b>64,394.02</b>
Direct Taxes Paid	(1,422.42)	(1,730.55)
<b>Net Cash from Operating Activities (A)</b>	<b>12,480.64</b>	<b>62,663.47</b>
<b>B. Cash Flows from Investing Activities:</b>		
Purchase of property, plant and equipment	(22.36)	(6,851.09)
Sale of property, plant and equipment	0.06	-
Purchase of intangible assets	-	(0.67)
Flexi Deposits having Original Maturity more than 3 months and upto 12 months	(107,199.13)	(13,124.80)
Fixed Deposits having original maturity more than 3 months and upto 12 months	88,708.66	(31,180.99)
Interest Received	1,045.12	(646.05)
<b>Net Cash from Investing Activities: (B)</b>	<b>(17,467.62)</b>	<b>(51,803.60)</b>
<b>C. Cash Flows from Financing Activities:</b>		
Repayment of lease liability	(1.86)	-
Dividend Paid (including dividend distribution tax)	(6,617.55)	(1,355.06)
<b>Net Cash from Financing Activities (C)</b>	<b>(6,619.41)</b>	<b>(1,355.06)</b>
<b>Net Increase in Cash and Cash Equivalent (A) + (B) + (C)</b>	<b>(11,606.39)</b>	<b>9,504.81</b>
<b>Cash and Cash Equivalents - Opening</b>	<b>19,663.88</b>	<b>10,159.06</b>
<b>Cash and Cash Equivalents - Closing</b>	<b>8,057.49</b>	<b>19,663.88</b>

<b>i) Cash and Cash Equivalents Includes:</b>		
Balances with Banks in Current Account	834.98	3,131.72
Cash in hand	-	0.05
<u>On behalf of Ministries / Clients</u>		
Balances in saving account with Banks	7,202.73	16,532.11
Flexi Deposits upto 3 months Original Maturity	19.78	-
	<b>8,057.49</b>	<b>19,663.88</b>

ii) Figures in brackets indicate cash outgo

iii) Refer note 46 for movement in liabilities of financing activities

**As per our Report of even  
date attached**

**For and on behalf of the Board of Directors**

**For Datta Singla & Co.**

Chartered Accountants  
(ICAI Firm Reg. No: 006185N)

Sd/-  
**(Gyanesh Pandey)**  
Managing Director  
**(DIN : 03555957)**

Sd/-  
**(Suresh Chandra Garg)**  
Director (Engineering)  
**(DIN : 08684289)**

Sd/-  
**(Mahesh Chand Bansal)**  
Chief Financial Officer

Sd/-  
**Sandeep Datta**  
Partner  
Membership No. 092413

Sd/-  
**(Sonia Singh)**  
Company Secretary  
**(M.No.: ACS-24442)**

Sd/-  
**(Ravi Kumar Jain)**  
AGM (F &A)

Sd/-  
**(Ajay Suri)**  
DGM (F &A)

Sd/-  
**(Tejpal Garg)**  
DGM (F &A)

**Place: Noida**

**Date: 24.06.2020**

## NOTE TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

### 1. CORPORATE INFORMATION

#### 1.1 NATURE OF PRINCIPAL ACTIVITIES

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

#### 1.2 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IND AS

The Company is incorporated and domiciled in India with registered office at New Delhi. The Company is headquartered in New Delhi, India. The company principal place of Business is at Noida (UP).

The Financial Statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 issued by Ministry of Corporate Affairs ('MCA'). The Company has uniformly applied the Accounting Policies during the period presented.

The decision of Strategic Disinvestment of the Company to NBCC India Ltd. has been taken by Govt. of India vide letter no. F. No. 3/8/2016-DIPAM-II-A (pt.) dated 13/09/2018 & D.O. No. 3/8/2016-DIPAM-IIA (pt.) dated 13/09/2018. The 100 percent paid up equity share capital of the Company along with Management control has been transferred to NBCC (India) Limited at a price of Rs 285 Crores.

Unless otherwise stated, all amounts are stated in Lakhs of Rupees.

The Standalone Financial Statement for the year ended 31 March 2020 are authorized and approved for issue by the Board of Directors on June 24, 2020.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the Accounting Policies and measurement basis summarized below.

#### 2.1 FOREIGN CURRENCY TRANSLATION

##### Functional and Presentation Currency

The financial statements are presented in Indian Rupee ('INR'), which is company's functional Currency.

##### Foreign Currency Transactions and Balances

Foreign Currency transactions are recorded in the reporting Currency, by applying to the Foreign Currency amount the exchange rate between the Reporting Currency and the Foreign Currency at the date of the transaction.

Foreign Currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a Foreign Currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous Financial Statements, are recognized as income/ expenses in the year in which they arise. Where such transactions are on behalf of clients, the gain / loss is transferred to respective clients' accounts

## **2.2 REVENUE RECOGNITION**

The Company derives revenues primarily from Project Management Consultancy and Procurement services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

### **a) Project Management Consultancy**

In case of PMC contracts, the Company undertakes to perform tasks such as geotechnical investigations, topographical surveys, resource-planning, preparing detailed engineering designs and supervising execution of works etc. Due to the high degree of interdependence between the various elements related to these services, they are accounted for as a single performance obligation and the revenue is recognized over time based on the input method of measuring progress, as the customer receives and uses the benefits simultaneously.

Revenue in respect of design, engineering, Studies, DPR, MOU, Training, Information Technologies is recognized as income over the period based on the input method of the cost incurred for which the bills are raised in respect of fees due as per terms of agreement with the client.

### **b) Procurement service**

The Company undertakes to purchase an asset on behalf of the customer and the revenue is recognized on net basis over time based on the input method of measuring progress as the Company' has ability to make reliable estimates, arising from its significant historical experience on similar systems.

#### **Revenue includes:**

1. Work done for which only letters of intent have been received, however, formal contracts / agreements are in the process of execution.
2. Work executed and measured by the Company pending certification by the client
3. Work executed but not measured/ partly executed is accounted for at engineering estimate.
4. Extra / Substituted items and the Claims lodged against clients to the extent considered realizable.

## **2.3 OTHER INCOME**

Interest income is reported on an accrual basis using the Effective Interest Rate method. Interest income on mobilisation advances given to contractors recoverable is recognised using simple interest method which approximates the effective interest rate. Interest income on mobilisation advances given to contractors is netted off from interest payable to client on mobilisation advances received.

Interest income on bank deposits held on behalf of client is netted off from interest payable to client on such deposits.

## 2.4 INTANGIBLE ASSETS

### Recognition

Intangible assets are initially measured at cost of acquisition thereof. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible assets as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

### Subsequent Measurement (Amortization)

Amortization on Intangible Assets is charged on the straight line method on the basis of rates arrived at with reference to the useful life of the assets evaluated and approved by the Management.

Asset category	Estimated useful life (in years)
<b>Intangible Assets</b>	
Computer Software	3 Years

### De-recognition

An item of Intangible Asset or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss Account when the asset is derecognised.

## 2.5 PROPERTY, PLANT AND EQUIPMENT

### Recognition

Properties Plant and Equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

### Subsequent measurement (Depreciation)

Depreciation on Property, Plant and Equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013. The following useful lives are applied:

Asset category	Estimated useful life (in years)
<b>Buildings</b>	
Building (other than factory buildings)	60 Years
Other (including temporary structure, etc.)	03 Years
<b>Plant and Machinery used in civil construction</b>	12 Years
<b>Furniture and fittings</b>	10 Years
<b>Motor Vehicles</b>	08 Years
<b>Office equipment</b>	05 Years
<b>Computers and data processing units</b>	
Servers and networks	06 Years
End user devices viz. desktops, laptops, etc.	03 Years

Premium paid on land where lease agreements have been executed for specified period are written off over the period of lease proportionately.

Property, Plant and Equipment individually costing upto INR 10,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### De-Recognition

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the asset is derecognised.

## 2.6 LEASES

### Company as a Lessee

At inception of a contract, the company assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Recognition:

1. "Right of Use (ROU) Asset":

At the commencement date, the company recognise a right-of-use asset and a lease liability, except

- For lease with a term of twelve months or less (Short term leases) and,
- Leases for which the underlying asset is of low value.

For short term leases and assets of low value the company recognises the lease payments as an operating expense on a straight-line basis over the term of lease.

2. "Lease Liability"

At the commencement date, the company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the effective interest rate.

### Subsequent measurement

#### 1. "Right of Use (ROU) Asset"

After the commencement date, the company measures the right-of-use asset at cost less any accumulated depreciation and is subject to impairment losses.

The following useful lives are applied:

Asset category	Lease Term (including extension)
Leasehold Land	90 Years
Buildings	5 Years

#### 2. "Lease Liability"

After the commencement date, the company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

After the commencement date, the interest element of lease payments is charged to Statement of Profit and Loss, as Finance Costs over the period of the lease.

The residual values, useful lives and methods of depreciation of right of use are reviewed at each financial year end and adjusted prospectively, if appropriate.

### De-Recognition

A right of use asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the right of use asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss account when the right of use asset is derecognised.

### Company as a Lessor

#### Finance Lease

The company recognises assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The company further recognises finance income over the lease term, based on straight-line basis reflecting a constant periodic rate of return on the net investment in the lease.

#### Operating lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized. Rental income is recognized on straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

## 2.7 IMPAIRMENT OF NON FINANCIAL ASSETS

Carrying amount of assets is reviewed at each reporting date where there is any indication of impairment based on internal/ external indicators. An impairment loss is recognised in the Statement of Profit and Loss where carrying amount exceeds recoverable amount of assets. Impairment loss is reversed, if, there is change in recoverable amount and such loss either no longer exists or has decreased or indication on which impairment was recognised no longer exists.



## 2.8 FINANCIAL INSTRUMENTS

### **Financial Assets**

#### **Initial recognition and measurement**

Financial Assets and Financial Liabilities are recognised when the company becomes a party to the contractual provisions of the Financial Instrument and are measured initially at fair value adjusted for transaction costs.

#### **Subsequent Measurement**

**Debt instruments at Amortised Cost**—A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

#### **De-recognition of Financial Assets**

A Financial Asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Financial Liabilities**

#### **Initial recognition and measurement**

All Financial Liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the Financial Liabilities is also adjusted. Financial Liabilities are classified as amortised cost.

#### **Subsequent measurement**

Subsequent to initial recognition, these liabilities are measured at Amortised Cost using the Effective Interest Rate method.

#### **De-recognition of Financial Liabilities**

A Financial Liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Consequently write back of unsettled credit balances and invoked bank guarantee is done on closure of the concerned project or earlier based on the previous experience of Management and actual facts of each case and recognised in Other Operating Revenues.

Further when an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### **Offsetting of Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.9 IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for Financial Assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following –

- All contractual terms of the Financial Assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### Trade Receivables

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses

### Other Financial Assets

For recognition of impairment loss on Other Financial Assets and Risk Exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

## 2.10 INCOME TAXES

Tax expense recognised in Profit and Loss comprises the sum of Current Tax and Deferred Tax not recognised in Other Comprehensive Income or directly in Equity.

Calculation of Current Tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred Income Taxes are calculated using Balance Sheet Approach. The Current Tax and Deferred Tax so calculated are adjusted for the uncertainty of tax treatment by the tax authorities at each reporting date.

Deferred Tax Liabilities are generally recognised in full for all taxable temporary differences.

Deferred Tax Assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

## 2.11 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise Cash in hand, Balances in Bank Account, Remittance in Transit, Cheques in hand and Demand Deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2.12 EQUITY, RESERVES AND DIVIDEND PAYMENTS

Share capital represents the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from retained earnings, net of any related income tax benefits.

Other components of equity includes Other Comprehensive Income (OCI) arising from actuarial gain or loss on re-measurement of defined benefit liability and return on plan assets

Retained earnings include all current and prior period retained profits. Annual dividend distribution to shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

## 2.13 POST-EMPLOYMENT BENEFITS AND SHORT-TERM EMPLOYEE BENEFITS

### **Defined Contribution Plan**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions, which are recognised as an expense in the period that related employee services are received.

#### **(a) Provident Fund**

Provident fund contributions are made to a trust administered by the PF Trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

#### **(b) Pension plan**

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

#### **(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

### **Defined Benefit Plan**

#### **(a) Gratuity:**

The Company provides for retirement / post-retirement benefits in the form of gratuity. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Gratuity Fund

Trust". The Company has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. The liability for the same is recognized on the basis of amount payable to Life Insurance Corporation of India being calculated by them on actuarial valuation using projected unit credit method on annual basis. All actuarial gains and losses in respect of the defined benefit plans are recognised in the Other Comprehensive Income in the year in which they arise.

### **Other Long Term Benefits**

**(a) Compensated absence:**

Company's liability towards Earned Leave and Half Pay Leave is determined by independent actuary, at the year-end using the Projected Unit Credit Method.). The Scheme is unfunded and the obligation is recognized in Profit & Loss Account on the basis of independent actuarial valuation using projected unit credit method on annual basis Actuarial gains or losses are recognised in the Profit and Loss

**(b) Travelling Allowance**

Company's liability towards Travelling Allowance is determined by independent actuary, at the year-end using the Projected Unit Credit Method.). The Scheme is unfunded and the obligation is recognized in Profit & Loss Account on the basis of independent actuarial valuation using projected unit credit method on annual basis Actuarial gains or losses are recognised in the Profit and Loss

**Other short Term Employee Benefits**

Short term benefits comprise of employee costs such as Salaries, Bonus, PRP etc. are measured at undiscounted value and are accrued in the year in which the associated services are rendered by employees of the Company.

**Employee Separation Costs**

Ex-gratia to employees who have opted for retirement under the Voluntary Retirement Scheme of the Company is charged to Statement of Profit and Loss in the year of acceptance of the option by the management.

**2.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions recognised by the Company include provisions for Warranties, Research & Development, Sustained development, Contingencies, and Corporate Social Responsibility (CSR). A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent Liabilities are disclosed on basis of judgment of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent Assets are disclosed when probable and recognised when realization of income is virtually certain.

**2.15 ARBITRATION AWARDS**

Arbitration / Court's awards along with related interest receivable/payable are, to the extent not taken into accounts at the time of initiation, are recognized after it becomes decree. Permanent Machinery of Arbitration, Govt of India, is accounted for on finalisation of award by the appellate authority. Interest to/from in these cases are accounted when the payment is probable which the point is when matter is considered settled by management.

**2.16 LIQUIDATED DAMAGES**

Liquidated Damages / Compensation for delay in respect of clients/ contractors, if any, are accounted for when payment is probable which is the point when matter is considered settled by management.

## 2.17 PRIOR PERIOD EXPENDITURE/ INCOME

Expenditures / Incomes relating to prior periods and considered not material has been accounted for in the respective head of accounts in the current year.

## 2.18 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

Financial Statements are prepared in accordance with GAAP in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income & expenses during the periods. Although these estimates and assumptions used in accompanying Financial Statements are based upon management's evaluation of relevant facts and circumstances as of date of Financial Statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying Financial Statements. Any revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Indian Accounting Standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

The following are Significant Management Judgements in applying the Accounting Policies of the Company that have the most significant effect on the Financial Statements.

**Recognition of Deferred Tax Assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Evaluation of indicators for Impairment of Assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Property, Plant and Equipment** - Management assess the remaining useful lives and residual value of property, plant and equipment and believes that the assigned useful lives and residual value are reasonable

### Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

**Recoverability of Advances/ Receivables** - The Project heads, Zonal heads and Regional/Strategic Business groups from time to time review the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

**Defined Benefit Obligation (DBO)** - Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the DBO amount and the annual defined benefit expenses.

**Contingencies** - Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**Liquidated Damages** - Liquidated Damages receivables are estimated and recorded as per contractual terms; estimate may vary from actuals as levy on contractor.

## 2.19 STANDARDS ISSUED & EFFECTIVE

### a. Ind AS 116 Leases:

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Indian Accounting Standards (Ind AS) 116, Leases as part of the Companies (Ind AS) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. The new standard has major impact for lessees. It eliminates the classification of leases as either finance leases or operating leases as required by Ind AS 17. It introduces a single on-balance sheet accounting model that is similar to current finance lease accounting model. A lessor would be required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The company has adopted the standard on April 1, 2019 by using modified retrospective transition method. Accordingly, comparatives have not been restated. Detailed disclosures as mandated by the standard are incorporated in the financial statements (Refer Note 46).

### b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Current Tax and Deferred Tax so calculated are adjusted for the uncertainty of tax treatment by the tax authorities at each reporting date. The Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12 do not have any transitional impact on financial statements of the Company. (Refer Note 31B)

**NOTE -3**

Details of the Company's Property, Plant and Equipment and reconciliation of their carrying amounts from beginning to end of reporting period are as follows: (₹ in Lakhs)

Particulars	Gross Carrying Amount (At Cost)					Accumulated Depreciation					Net Book Value	
	As at March 31, 2019	On transition to Ind AS 116	Additions	Disposals	As at March 31, 2020	As at March 31, 2019	On transition to Ind AS 116	Charge for the Year	On Disposals	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
<b>a</b>												
<b>Tangible Assets</b>												
Buildings*	7175.06	-	-	-	7,175.06	203.95	-	113.53	-	317.49	6,857.58	
Furniture and Fixtures	221.21	-	0.88	-	222.09	137.38	-	9.87	-	147.25	74.84	
Vehicles	11.48	-	-	-	11.48	9.85	-	0.28	-	10.13	1.35	
Office Equipment	200.73	-	13.33	-	214.06	167.37	-	16.61	-	183.98	30.08	
Computers and Data processing units	227.92	-	8.15	1.23	234.84	197.32	-	13.52	1.17	209.66	25.18	
Leasehold Land	446.65	(446.65)	-	-	-	73.10	(73.10)	-	-	-	-	
<b>Total (i)</b>	<b>8283.06</b>	<b>(446.65)</b>	<b>22.36</b>	<b>1.23</b>	<b>7,857.53</b>	<b>788.97</b>	<b>(73.10)</b>	<b>153.81</b>	<b>1.17</b>	<b>868.51</b>	<b>6,989.03</b>	
<b>b</b>												
<b>Right-of-Use Assets</b>												
Leasehold Land**	-	446.65	-	-	446.65	-	73.10	4.96	-	78.06	368.59	
Buildings	-	8.71	-	-	8.71	-	-	1.45	-	1.45	7.26	
<b>Total (ii)</b>	-	<b>455.36</b>	-	-	<b>455.36</b>	-	<b>73.10</b>	<b>6.41</b>	-	<b>79.52</b>	<b>375.84</b>	
<b>TOTAL (i+ii)</b>	<b>8,283.06</b>	<b>8.71</b>	<b>22.36</b>	<b>1.23</b>	<b>8,312.89</b>	<b>788.97</b>	-	<b>160.23</b>	<b>1.17</b>	<b>948.03</b>	<b>7,364.88</b>	

Particulars	Gross Carrying Amount (At Cost)				Accumulated Depreciation				Net Book Value
	As at March 31, 2018	Additions	Disposals	As at March 31, 2019	As at March 31, 2018	Charge for the Year	On Disposals	As at March 31, 2019	As at March 31, 2019
<b>a Tangible Assets</b>									
Buildings*	340.07	6,834.99	-	7,175.06	198.22	5.74	-	203.96	6,971.10
Furniture and Fixtures	218.83	2.37	-	221.20	127.69	9.67	-	137.36	83.84
Vehicles	11.48	-	-	11.48	9.57	0.28	-	9.85	1.63
Office Equipment	196.71	4.02	-	200.73	161.52	5.70	-	167.22	33.51
Computers and Data processing units	218.20	9.72	-	227.92	184.95	12.45	-	197.40	30.52
<b>Total (i)</b>	<b>985.29</b>	<b>6851.10</b>	<b>-</b>	<b>7836.39</b>	<b>681.95</b>	<b>33.83</b>	<b>-</b>	<b>715.79</b>	<b>7120.60</b>
<b>b Tangible Assets (Under Lease)</b>									
Land**	446.65	-	-	446.65	68.14	4.96	-	73.10	373.55
<b>Total (ii)</b>	<b>446.65</b>	<b>-</b>	<b>-</b>	<b>446.65</b>	<b>68.14</b>	<b>4.96</b>	<b>-</b>	<b>73.10</b>	<b>373.55</b>
<b>TOTAL (i+ii)</b>	<b>1,431.94</b>	<b>6,851.10</b>	<b>-</b>	<b>8,283.04</b>	<b>750.09</b>	<b>38.80</b>	<b>-</b>	<b>788.89</b>	<b>7,494.15</b>

\* The Company has capitalised building of Rs 6,834.99 lakh pending registration in the name of the Company.

\*\*The above leasehold land includes plots no. E-13 and E-14 at Sector - 1 Noida, as per clause no. 4 of the deed the lessee i.e. HSCC (India) Ltd. shall have to erect and complete the construction of building on the demised land within the specified period of four years unless the lessor allows extension of time. As per lease deed clause allowed time for constructions has already expired on 21-04-2017 and the Company has neither applied for extension of time nor constructed the building. Therefore, the Company has provided a liability for FY 2019-20 of Rs. 11.30 lakhs (FY 2018-19: Rs. 21.95 lakhs) as extension fee as per the lease deed extension charges clause payable to New Okhla Industrial Development Authority, (INDIA) LIMITED



**NOTE -4**

Details of the Company's Intangible assets and reconciliation of their carrying amounts from beginning to end of reporting period are as follows:

Intangible assets	Gross Carrying Amount (At Cost)			Accumulated Amortisation			Net Book Value
	As at March 31, 2019	Additions	Disposals	As at March 31, 2019	charged for the year	On disposals	As at March 31, 2020
a Software	26.51	-	-	24.43	1.33	-	25.76
<b>TOTAL</b>	<b>26.51</b>	<b>-</b>	<b>-</b>	<b>24.43</b>	<b>1.33</b>	<b>-</b>	<b>25.76</b>
							0.75
							<b>0.75</b>

(₹ in Lakhs)

Intangible assets	Gross Carrying Amount (At Cost)			Accumulated Amortisation			Net Book Value
	As at March 31, 2018	Additions	Disposals	As at March 31, 2018	charged for the year	On disposals	As at March 31, 2019
a Software	25.84	0.67	-	19.60	4.83	-	24.43
<b>TOTAL</b>	<b>25.84</b>	<b>0.67</b>	<b>-</b>	<b>19.60</b>	<b>4.83</b>	<b>-</b>	<b>24.43</b>
							2.09
							<b>2.09</b>

**NOTE -5**

**Intangible Assets under Development**

Details of the Company's Intangible asset under development and reconciliation of their carrying amounts from beginning to end of reporting period are as follows:

(₹ in Lakhs)

Particulars	Amount
<b>As at March 31, 2018</b>	<b>13.16</b>
Additions during the year	-
Capitalised during the year	-
<b>As at March 31, 2019</b>	<b>13.16</b>
Additions during the year	-
Capitalised during the year	-
<b>As at March 31, 2020</b>	<b>13.16</b>

**NOTE -6**

(₹ in Lakhs)

Other Financial Assets (Non -Current)	As at March 31, 2020		As at March 31, 2019	
<b>Security Deposits</b>				
- Considered good	21.95		21.95	
- Considered doubtful	0.78		0.78	
	22.73		22.73	
Less: Impairment Allowance	(0.78)	21.95	(0.78)	21.95
Advance recoverable from staff		20.75		10.78
<b>Total</b>		<b>42.70</b>		<b>32.73</b>

**NOTE -7**

**Movements in Deferred Tax Assets**

(₹ in Lakhs)

Deferred Tax Assets (Net)	As at March 31, 2019	Charged / Credited to Profit & Loss	Charged / Credited to OCI	As at March 31, 2020
<b>Deferred Tax Assets</b>				
Arising on account of Temporary difference in: Provision for Employee Benefits	372.70	(102.25)	-	270.45
Provision for expected credit losses	517.82	(1.44)	-	516.38
Profit Related Pay (PRP) Provisions	215.59	(6.93)	-	208.66
Provision for other contingencies	1,074.90	(300.72)	-	774.19
Deferred revenue (net of unbilled receivable)	1,875.75	(1,332.37)	-	543.38
Other	-	212.57	-	212.57
<b>Deferred Tax Liabilities</b>				
Arising on account of Temporary difference in Depreciation	106.74	107.63	-	214.37
<b>Total</b>	<b>3,950.02</b>	<b>(1,638.77)</b>	<b>-</b>	<b>2,311.26</b>

### Movements in Deferred Tax Assets

(₹ in Lakhs)

Deferred Tax Assets (Net)	As at March 31, 2018	Charged / Credited to Profit & Loss	Charged / Credited to OCI	As at March 31, 2019
<b>Deferred Tax Assets</b>				
Arising on account of Temporary difference in:				
Provision for Employee Benefits	324.38	48.32	-	372.70
Provision for expected credit losses	949.93	(432.11)	-	517.82
Profit Related Pay (PRP) Provisions	127.29	88.30	-	215.59
Provision for other contingencies	1,064.57	10.33	-	1,074.90
Deferred revenue (net of unbilled receivable)	2,664.72	(788.97)	-	1,875.75
<b>Deferred Tax Liabilities</b>				
Arising on account of Temporary difference in Depreciation	(2.51)	109.25	-	106.74
<b>Total</b>	<b>5,133.40</b>	<b>(1,183.37)</b>	<b>-</b>	<b>3,950.02</b>

### NOTE-8

(₹ in Lakhs)

Other Non-Current Assets	As at March 31, 2020	As at March 31, 2019
<b>Advances other than capital advances:</b>		
Advances to Suppliers & Others	5,753.70	328.78
Prepaid Expenses	165.94	221.25
<b>Total</b>	<b>5,919.64</b>	<b>550.03</b>

### NOTE-9

(₹ in Lakhs)

Trade Receivables	As at March 31, 2020	As at March 31, 2019
Unsecured:		
- Considered Good	9,633.76	9,460.44
- Trade Receivables which have significant increase in credit risk	-	-
- Credit impaired	496.62	513.33
	10,130.38	9,973.77
Impairment Allowance		
- Unsecured, Considered Good	(1,512.82)	(926.25)
- Unsecured, credit impaired	(496.62)	(513.33)
<b>Total</b>	<b>8,120.94</b>	<b>8,534.19</b>

**NOTE-10**

(₹ in Lakhs)

<b>Cash and Cash Equivalents</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Balances in banks account with bank*	834.98	3,131.72
Cash in hand	-	0.05
<b><u>On behalf of Ministries / Clients</u></b>		
Balances in bank account with bank	7,202.73	16,532.11
Flexi Deposits upto 3 months Original Maturity	19.78	-
<b>Total</b>	<b>8,057.49</b>	<b>19,663.88</b>

\* Includes balances in:

- Unpaid dividend account	-	1,124.01
- Research and development fund	16.77	16.77
- Sustainable development fund	12.91	12.91

**NOTE-11**

(₹ in Lakhs)

<b>Bank Balance Other Than Above</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b><u>Other Bank Balances</u></b>		
Flexi Deposits having original maturity more than 3 months and upto 12 months (refer note (i) and (ii) below)	1,128.53	-
Fixed Deposits having original maturity more than 3 months and upto 12 months (refer note (i) and (ii) below)	20,346.65	24,403.39
<b><u>On behalf of Ministries / Clients</u></b>		
Flexi Deposits having Original Maturity more than 3 months and upto 12 months (refer note (iii) below)	119,699.64	13,629.04
Fixed Deposits having Original Maturity more than 3 months and upto 12 months (refer note (iii) below)	135,323.10	220,387.20
<b>Total</b>	<b>276,497.92</b>	<b>258,419.63</b>

**Notes:**

(i) Includes interest accrued on deposits	240.84	653.03
(ii) Includes deposits pledged against bank guarantee	1,606.82	1,835.50
(iii) Includes interest accrued on deposits	3,767.95	4,367.65

**NOTE-12**

(₹ in Lakhs)

Other Financial Assets	As at March 31, 2020		As at March 31, 2019	
Earnest Money & Security Deposits				
- Considered good	142.48		182.58	
- Considered Doubtful	14.44		14.44	
	156.92		197.02	
Less: Impairment Allowance	(14.44)	142.48	(14.44)	182.58
Advance Recoverable from Staff*		24.57		46.43
<u>Claim Recoverable from clients</u>				
- Considered Doubtful	13.01		13.01	
Less: Impairment Allowance	(13.01)	-	(13.01)	-
Recoverable from Clients		1,602.38		1,477.76
Other Recoverables		14.12		14.12
Unbilled revenue**		9,415.82		17,471.05
Interest recoverable		357.29		357.29
Recoverable from Holding Company		-		11.58
Receivable from others		2,742.06		5,363.12
<b>Total</b>		<b>14,298.72</b>		<b>24,923.94</b>

\* Includes interest accrued on advance

2.61

10.27

\*\* Unbilled revenue includes value of work done pertaining to construction done and billed in subsequent months

**NOTE-13**

(₹ in Lakhs)

Current Tax Assets (Net)	As at March 31, 2020		As at March 31, 2019	
Advance Income Tax		9,968.96		14,025.11
Less: Provision for Taxation		8,987.99		13,456.62
<b>Total</b>		<b>980.97</b>		<b>568.49</b>

**NOTE-14**

(₹ in Lakhs)

Other Current Assets	As at March 31, 2020		As at March 31, 2019	
Advances to Suppliers & Others		19,457.09		21,177.94
Prepaid Expenses		62.07		61.34
Balances with Government Authorities		21.16		944.17
Others		18.52		12.75
<b>Total</b>		<b>19,558.84</b>		<b>22,196.19</b>

**NOTE-15**

(₹ in Lakhs)

Equity Share Capital	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
<b>Authorised:</b>				
Equity Shares of ₹ 100/- ( Previous Year ₹ 100) each	500,000	500.00	500,000	500.00
<b>Issued, Subscribed &amp; Paid up:</b>				
Fully paid up Equity Shares of ₹ 100/- ( Previous Year ₹ 100 ) each	180,014	180.01	180,014	180.01
<b>Total</b>	<b>180,014</b>	<b>180.01</b>	<b>180,014</b>	<b>180.01</b>

**NOTE-15A**

Equity Share Capital	Equity Shares		Equity Shares	
	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	180,014	180.01	180,014	180.01
Add/(Less) : Shares issued/(buy back) during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>180,014</b>	<b>180.01</b>	<b>180,014</b>	<b>180.01</b>

**NOTE-15B****Shareholders holding more than 5% of fully paid-up equity shares:** (₹ in Lakhs)

Name	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
NBCC (India) Limited*	180,014	100%	180,014	100%

\* Includes 42 (no.) Shares held by the nominees of NBCC (India) Limited

**NOTE-15C**

The Company has only one class of Equity Shares having a par value of ₹ 100 per share. Each shareholders is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**NOTE-15D**

During the year 2003-04, 1,20,009 Equity Shares of 100/- each were issued as fully paid Bonus Shares with rights pari passu with existing Equity Shares.

During the year 2008-09, 80006 Equity Shares of 100/- each were issued as fully paid Bonus Shares with rights pari passu with existing Equity Shares.

During the year 2017-18, 60,004 Equity Shares of 100/- each were issued as fully paid buy back Shares with rights pari passu with existing Equity Shares.

## NOTE -15 E

Other Equity	As at March 31, 2020	As at March 31, 2019
General Reserve	3,335.53	3,335.53
Capital Redemption Reserve	60.00	60.00
Retained Earnings	7,440.11	10,294.66
Other Comprehensive Income (Remeasurement of Defined Benefit Plans)	(37.57)	-
<b>Total</b>	<b>10,798.07</b>	<b>13,690.19</b>

### Reserves and Surplus

#### Nature and purpose of Other Reserves

##### Retained Earnings

Retained Earnings represent the undistributed profits of the Company.

##### General Reserve

General Reserve represents the statutory reserve, this is in accordance with Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declared dividend, however under Companies Act, 2013 transfer of any amount to General Reserve is at the discretion of the Company.

##### Capital Redemption Reserve

This reserve represents reserve created on buy-back of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## NOTE -16

Other Non-Current Financial Liabilities	As at March 31, 2020	As at March 31, 2019
Lease Liabilities (Non Current)	6.28	-
<b>Total</b>	<b>6.28</b>	<b>-</b>

## NOTE-17

( ₹ in Lakhs)

Provisions- Non Current	As at March 31, 2020	As at March 31, 2019
Provisions for Employee Benefits :		
Leave Encashment	887.23	960.94
Leave travelling allowance	1.40	1.11
<b>Total</b>	<b>888.63</b>	<b>962.05</b>

For movements in each class of Provision and Employee Benefits note refer note 36 & 38 respectively.

**NOTE-18**

(₹ in Lakhs)

Trade Payables	As at March 31, 2020	As at March 31, 2019
Due to Micro, Small and Medium Enterprises		
- Trade Payables for Works & Services	479.39	760.04
Due to others		
- Trade Payables for Works & Services	35,113.15	38,440.48
Amount withheld	38,003.14	29,579.16
<b>Total</b>	<b>73,595.68</b>	<b>68,779.69</b>

**NOTE-19**

(₹ in Lakhs)

Other Current Financial Liabilities	As at March 31, 2020	As at March 31, 2019
Book Overdraft	8,744.03	5,971.70
Current maturities of Lease Liabilities	1.26	-
Earnest Money & Security Deposit	20,336.96	17,728.11
Dividend	-	1,124.01
Amount payable to Holding Company	41.63	-
Other Payables	7,140.21	18,746.91
<b>Total</b>	<b>36,264.09</b>	<b>43,570.74</b>

**NOTE-20**

(₹ in Lakhs)

Other Current Liabilities	As at March 31, 2020	As at March 31, 2019
Taxes Payable	2,436.70	3,480.47
Dividend Distribution Tax Payable	-	231.04
Advance fees from Clients	499.56	699.70
Deposit from Clients	207,246.63	202,825.34
Deferred Revenue	7,117.88	8,116.78
<b>Total</b>	<b>217,300.77</b>	<b>215,353.34</b>

**NOTE-21**

(₹ in Lakhs)

Provisions-Current	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
Gratuity	52.41	36.20
Leave Encashment	145.47	52.75
Leave travelling allowance	1.06	0.84
Provision for Performance Related Pay (PRP)	829.05	616.95
Research & Development Fund	16.77	16.77
Sustained Development Fund	12.91	12.91
Provision for other contingencies	3,076.07	3,076.07
<b>Total</b>	<b>4,133.74</b>	<b>3,812.49</b>

For movements in each class of Provision and Employee Benefits note refer note 36 & 38 respectively.



**NOTE-22**

(₹ in Lakhs)

Revenue from Operations	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Value of Services</b>		
Value of Work Done	212,509.19	204,946.25
<b>Total</b>	<b>212,509.19</b>	<b>204,946.25</b>

**NOTE-23**

(₹ in Lakhs)

Other Operating Revenues	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Sale of Tender Documents	31.86	26.58
Provisions Written Back	-	1,347.85
Miscellaneous Receipts	0.43	6.75
<b>Total</b>	<b>32.29</b>	<b>1,381.18</b>

**NOTE-24**

(₹ in Lakhs)

Other Income	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Banks Interest Gross	632.93	773.03
Interest received on behalf of client*	16,388.79	15,097.31
Less: interest passed to Clients*	(16,388.79)	(15,097.31)
	<b>632.93</b>	<b>773.03</b>
Interest from Advance to Staff	1.94	3.32
<b>Total</b>	<b>634.87</b>	<b>776.35</b>

\* Includes interest income earned on client's fund and passed to client amounting to Rs. 844.60 lakhs during the year ended on March 31, 2020 calculated on estimation/provisional basis.

**NOTE-25**

(₹ in Lakhs)

Work and Consultancy Expenses	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Work Expenses (with material)	200,972.73	194,317.88
<b>Total</b>	<b>200,972.73</b>	<b>194,317.88</b>

**NOTE-26**

(₹ in Lakhs)

Employee Benefits Expense	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Salaries and Incentives	3,356.48	3,104.87
Contributions to Provident and Other Fund	454.48	484.19
Gratuity fund contributions*	4.66	38.82
Leave Encashment	339.58	205.31
Travelling Allowance	1.36	1.95
Staff Welfare Expenses	25.14	49.18
Contribution for Medical Benefit	56.08	63.96
<b>Total</b>	<b>4,237.78</b>	<b>3,948.28</b>

\*Refer Note 38 & Note 47 for expenses recognized in Statement of Profit and Loss

The Company has not made provision for contribution to medical and welfare trust during the FY 2019-20 (Previous Year: Nil ) as trusty has decided suffiecient amount of fund available in both medical & welfare trust and there is no requirment of the additional contribution to respective funds.

## NOTE -26A

### Remuneration of Key Managerial Personnel

Remuneration to the Managing Director, Director (Engineering), Chief Financial Officer and Company Secretary during the year is Rs. 122.15 Lakhs (Previous Year Rs. 64.97 Lakhs ) as detailed below excluding reimbursement of expenses:-

( ₹ in Lakhs)

Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Salaries and Incentives*	104.48	56.54
Contributions to Provident and Other Fund	8.54	6.95
Gratuity fund contributions**	0.19	-
Leave Encashment	8.86	1.39
Travelling Allowance	0.01	-
Contribution for Medical Benefit	0.08	0.09
<b>Total</b>	<b>122.15</b>	<b>64.97</b>

\*Profit related pay is calculated on estimation basis.

\*\*Gratuity expenses of KMPs are calculated without considering actuarial assumptions.

## NOTE-27

( ₹ in Lakhs)

Finance Cost	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Interest cost on lease liability	0.70	-
<b>Total</b>	<b>0.70</b>	<b>-</b>

## NOTE-28

( ₹ in Lakhs)

Depreciation and amortisation	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Depreciation on property, plant and equipment*	160.23	38.80
Amortisation on intangible assets	1.33	4.83
<b>Total</b>	<b>161.56</b>	<b>43.63</b>

\* The Depreciation on property, plant and equipment comprises depreciation on right-of-use assets of Rs. 6.41 lakhs for the year ended on March 31, 2020.

**NOTE-29**

(₹ in Lakhs)

Other Expenses	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Advertisement	13.03	23.77
Auditor's Remuneration	21.00	25.00
Bank Charges & Guarantee Commission	9.44	18.43
CSR Expenditure	129.25	134.16
Director's Sitting Fee	0.15	-
Exchange Loss	(0.07)	0.07
Insurance	0.96	1.13
Provision for expected credit loss on trade receivables	569.87	-
Legal & Professional Charges	153.53	126.63
Miscellaneous Expenses	52.86	69.03
Postage & Telephone	10.45	11.53
Printing & Stationery	33.77	35.50
Rates & Taxes	29.79	5.52
Rent**	24.37	36.54
Repairs & Maintenance		
(i) Plant & Machinery/Vehicles	22.37	13.66
(ii) Buildings	62.35	12.14
(iii) Others	25.86	20.04
Travelling & Conveyance	181.14	196.84
Water, Electricity & Allied charges	39.11	40.19
<b>Total</b>	<b>1,379.23</b>	<b>770.18</b>

\*\*Rent includes the lease rental payments made on all leases with a term of not more than twelve months and the underlying asset is of low value.

**NOTE-29A**

(₹ in Lakhs)

Payment to Auditors	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Audit fee	12.00	12.00
Tax Audit	4.50	4.50
Quarterly Limited Review	4.50	8.50
<b>Total</b>	<b>21.00</b>	<b>25.00</b>

**NOTE-30**

(₹ in Lakhs)

Write Offs:	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Accrued Interest Written off	-	74.59
<b>Total</b>	<b>-</b>	<b>74.59</b>

During the FY 2018-19, the company had recorded FDR of Rs 410.75 lakhs in the books of accounts during the year by transferring the same to 'Interest accrued'. The balance amount of Rs 74.59 lakhs in interest accrued a/c has been written off.

## NOTE-31

(₹ in Lakhs)

Tax Expenses	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Tax expense comprises of:		
Current Income Tax	1,149.81	1,581.61
Deferred Tax*	1,638.77	1,183.37
Taxation in Respect of Earlier Year	(127.23)	202.87
<b>Total</b>	<b>2,661.35</b>	<b>2,967.85</b>

\*During the year ended March 31, 2020, the effective corporate tax rate has been reduced from 34.944% to 25.168% on account of insertion of new section 115BAA of Income Tax Act, 1961. By virtue of this tax rate reduction, the net deferred tax asset available to company has been decreased and corresponding tax expense has been increased significantly. The profit of company is decreased for the year ended on March 31, 2020 by Rs. 1,082.60 lakhs.

**Note -31A Income tax expense directly recognised in equity**

The company has recognised the dividend distribution tax of Rs. 1128.33 lakhs directly in other equity for the final dividends and interim dividends distributed during the FY 2019-20.

**Note -31B: Uncertainty over income tax treatment****a. Income Tax Obligation Under Mauritius Jurisdiction**

The company is evaluating the possibility of income tax obligation on income earned from the project undertaken in Mauritius. However, if there would be any tax obligation as per the Double Taxation Avoidance Agreement with Mauritius, company would claim the tax credit in Indian Income Tax law in accordance with Double Taxation Avoidance Agreement. Presently, the company is paying income tax under Indian Income tax laws on the income earned from the project undertaken in Mauritius. Consequently, the company has not recognised any amount in respect of possible tax obligation and simultaneously tax credit would be available as the same effect will be nullified and Indian income tax has already been paid in repetitive years.

**b. Appeal pending before Income Tax Appellate Tribunal of FY 2013-14 (AY 2014-15)**

The income tax return of FY 2013-14 (AY 2014-15) went under scrutiny assessment as per the section 143 of Income Tax Act, 1961. The company had claimed the net refund of Rs. 232.60 lakhs in income tax return of said year. The assessing officer had passed adhoc order and reduced the refund to zero. The company went before the CIT (Appeals) against the order of assessing officer. The CIT (Appeals) maintained the order of assessing officer and accepted the no refund order of assessing officer. The company had filed appeal before the Income Tax Appellate Tribunal against the order of CIT (Appeals). The case has still undecided. However, the company has made a contingent liability of Rs. 42 lakhs. The company believes that the orders of CIT (Appeals) will not be maintainable and it is probable that it would successfully defend the ground of appeal before Income Tax Appellate Tribunal. Hence, the company has not recognised any amount in respect of such uncertainty.

**c. Scrutiny Assessment of FY 2017-18 (AY 2018-19)**

The income tax department send the Intimation u/s 143(1) of Income Tax Act, 1961 showing additions to taxable income against the taxable income presented in income tax return of said year. The company

has provided the explanation to income tax department for additional taxable income as per the intimation. However, the income tax department has not considered the explanation and further, demand is raised by Income Tax Department of Rs. 394.56 lakhs pertaining FY 2017-18 (AY 2018-19) during FY 2019-20. The case has been selected for scrutiny assessment. The company believes that it would successfully defend the company's tax treatment before the jurisdictional officer on the basis of interpretations of tax law, facts of the case and prior experience of scrutiny assessment cases. Hence, the company has not recognised any amount in respect of such uncertainty.

#### **d. Expense claimed on provisional/estimation basis**

During the FY 2019-20, the company has interest payable of Rs. 844.60 to client on their fund (See Note no. 24). The said liability is calculated on estimation/provision basis which is disallowable by income tax department. In order to save future penalty/interest, the company will be paying current tax and simultaneously creating deferred tax asset. The final deduction will be claimed whenever the actual interest will be claimed by the client. Hence, there will always be uncertainty over income tax base of Rs. 844.60 lakhs and consequently on current tax expense as well as deferred tax expense on it.

#### **NOTE -31C: RECONCILIATION OF EFFECTIVE TAX RATE**

The major components of Income Tax Expense and the reconciliation of Expected Tax Expense based on the Domestic Effective Tax Rate of the Company and the reported Tax Expense in Profit or Loss are as follows:

(₹ in Lakhs)

<b>Tax Reconciliation</b>	<b>For the year ended on March 31, 2020</b>	<b>For the year ended on March 31, 2019</b>
Accounting Profit before Tax from Continuing Operations	6,424.35	7,949.22
<b>Accounting Profit before Income Tax</b>	<b>6,424.35</b>	<b>7,949.22</b>
At India's Statutory Income Tax Rate	25.168%	34.944%
Income Tax	1,616.88	2,777.78
Effect of Non-Deductible Expenses	8.78	53.26
Effects due to change in deferred tax rate	1,082.60	(66.06)
Taxation in Respect of Earlier Year (On account of permanent difference)	(46.91)	202.87
<b>Tax Expense</b>	<b>2,661.35</b>	<b>2,967.85</b>
<b>Actual Tax Expense</b>	<b>2,661.35</b>	<b>2,967.85</b>
<b>Effective Tax Rate</b>	<b>41.43%</b>	<b>37.34%</b>

**NOTE-32**

( ₹ in Lakhs)

Other Comprehensive Income	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Items that will not be reclassified to profit or loss :</b>		
Re-measurement gains (losses) on defined benefit plans	(50.21)	-
Income tax effect of the above	12.64	-
<b>Total</b>	<b>(37.57)</b>	<b>-</b>

**NOTE-33**

**Earning per Share (EPS) is computed in accordance with Indian Accounting Standard (Ind AS-33) on "Earning per Share"**

( ₹ in Lakhs)

Earnings per Equity Share	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Profit attributable to Equity Holders for basic/diluted earnings (Continuing Operations)</b>	3,763.00	4,981.37
<b>Total number of outstanding equity shares :</b>		
At the beginning of the year (no.)	180,014	180,014
At the end of the year (no.)	180,014	180,014
Weighted average number of Equity shares for basic EPS (no.)	180,014	180,014
Face Value per Equity Share ( ₹ )	100.00	100.00
Earnings per Equity Share:		
(1) Basic (in ₹ )	2,090.39	2,767.21
(2) Diluted (in ₹ )	2,090.39	2,767.21

**NOTE-34**

**I. Contingent Liabilities, Contingent Assets and Commitments (To the extent not provided for)**

( ₹ in Lakhs)

A. Particulars	As at March 31, 2020	As at March 31, 2019
<b>ESI</b> - Claims from Director, Employees State Insurance Corporation, Kanpur falling under ESI Act for the period w.e.f 01.01.1997 to 31.07.2004 not acknowledged as debt	1.83	1.83
<b>Bank Guarantee</b> - Outstanding Performance bank guarantees issued by Banks for Construction projects on behalf of the company.	1,606.82	1,835.50

<b>Demand in respect of taxes not accepted by company</b>		
<b>Service Tax</b>		
i) Demand by Asstt. Commissioner of Central Excise under section 73 for the period Jan 2004 for Contravening provisions of Section 68 read with section 66 of Finance Act 1994 and rule 6(1) and 6(2) of the Service tax rule 1994 and penalty under section 76 of the Act. Appeal Pending before Custom, Excise & Service Tax Appellate Tribunal, R K Puram, Delhi on 29.12.2017. Amount already deposited Rs. 0.46 lakhs against demand of Rs. 2.64 lakhs. HSCC has filled the appeal with Tribunal on 29.12.2017. Now the company has opted and applied under the Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. The company has paid the requisite amount as per under this scheme.	-	2.64
ii) Disallowance of Cenvat Credit for the period Oct 2009 to Sep 2010. Appeal remand back to Commissioner of Central Tax (Appeal) dt. 28.11.2017. Amount already deposited Rs. 0.40 lakhs, Penalty Rs. 5.29 lakhs, now commissioner has reduced the amount to Rs. 1.45 Lakhs for which appeal is filled before the CESTAT, Allahabad on 31.01.2019. The order of the CESTAT is decided in the favour of company.	-	1.45
iii) Disallowance of Cenvat Credit for the period April 2010 to March 2012. Appeal Pending before Custom, Excise & Service Tax Appellate Tribunal, Allahabad on 28.02.2018. Amount already deposited Rs. 3.18 lakhs. Penalty Rs. 10.05 lakhs. Last date of hearing was 30.08.2018 and order is yet to be received from the Tribunal. The case has been decided in favour of the company	-	10.05
<b>Provident Fund</b>		
Demand raised by Regional Provident Fund Commissioner (RPFC) in respect of Contractual employees through contractors engaged by the company during 2004-05 to 2008-09. Appeal Pending before PF Tribunal. Amount already deposited Rs. 5.15 Lacs. However, case is still pending on account of lockdown although last date of hearing was 16.04.2020	6.86	6.86
<b>Demand raised by Income Tax Department:</b>		
Income Tax demand for Asstt. Year 2014-15- Appeal pending before ITAT filed on 20.09.2018 w.r.t. disallowance of tds on govt funds. Now the appeal has been filled in ITAT in the month of Sep-2018 and date of hearing is yet to decide.	42.00	42.00
<b>Contigent Assets:</b>		
The company has filed certain cases against the various party before the arbitrator/court/other authorities. There is high probability of winning the cases and it is probable that said benefit may arise.	479.56	446.56

- B.** The company is contingently liable in respect of employees who have been suspended and no provision has been made in respect of liability that may arise after the decision of the disciplinary inquiry as the amount is unascertained.

**C. Capital Commitments**

The company has purchased a building space which are still pending for registration and the cost of registrations charges would approximately be Rs. 500 lakhs.

**II. Contingent Liabilities not provided for Ministries/Client**

- A.** Claims by Suppliers/contractors aggregating to Rs. 15812.98 Lakhs towards supply of material and works contracts (31 March 2019 Rs. 8073.74 lakhs) are under court/arbitration against various clients and interest on above is Rs. 5617.14 lakhs upto March 31, 2020, where HSCC is co-defendant. However, the management does not foresee any liability on the company in these cases.
- B.** As on March 31, 2020 outstanding amount of Foreign Letters of Credit Rs. 516.94 Lakhs (31 March 2019 Rs. 811.64 Lakhs) opened in favour of suppliers for and on behalf of ministries /clients. However, the management does not foresee any liability on the company in these cases.

**NOTE -35**

**Dividend and Reserves**

( ₹ in Lakhs)

Distribution Made, Declared and Proposed	As at March 31, 2020	As at March 31, 2019
<b>Cash Dividends on Equity Share Paid</b>		
Interim Dividend of FY 2019-20 paid (including Dividend Distribution Tax)	3,014.36	-
Final Dividend of FY 2018-19 paid (including Dividend Distribution Tax)	3,603.19	-



**Disclosure under Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets":**

**NOTE - 36**

**Movements in each class ( Current & Non Current ) of provision during the financial year, are set out below:**

( ₹ in Lakhs )

Particular	Gratuity	Leave Encashment	Leave travel concession	Provision for PRP	Provision for other contingencies	Research & Development Fund	Sustained Development Fund	Corporate Social Responsibility Fund
<b>As at April 1, 2018</b>	<b>288.03</b>	<b>937.30</b>	-	<b>367.81</b>	<b>3,076.07</b>	<b>16.77</b>	<b>12.91</b>	-
Provision made during the year	35.76	49.18	1.95	369.61	-	-	-	134.16
Less: Reversal made during the year	-	-	-	(0.01)	-	-	-	-
Less : Paid during the year	(287.59)	27.20	-	(120.46)	-	-	-	(134.16)
<b>As at March 31, 2019</b>	<b>36.20</b>	<b>1,013.68</b>	<b>1.95</b>	<b>616.95</b>	<b>3,076.07</b>	<b>16.77</b>	<b>12.91</b>	-
Provision made during the year	52.41	339.59	1.35	212.11	-	-	-	129.25
Less: Reversal made during the year	-	-	-	-	-	-	-	-
Less : Paid during the year	(36.20)	(320.57)	(0.85)	-	-	-	-	(129.25)
<b>As at March 31, 2020</b>	<b>52.41</b>	<b>1,032.70</b>	<b>2.46</b>	<b>829.05</b>	<b>3,076.07</b>	<b>16.77</b>	<b>12.91</b>	-

**NOTE - 37****Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:**

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the group, the following are the details:

(₹ in Lakhs)

S.No.	Particulars	As at March 31, 2020	As at March 31, 2019
(i)	The principal amount remaining unpaid as at the end of year	479.39	760.04
(ii)	Interest due on above principal and remaining unpaid as at the end of the year	-	-
(iii)	The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

**NOTE - 38****Disclosure under Indian Accounting Standard (Ind AS) - 19 on Employee Benefit as under :****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 on superannuation, resignation, termination, disablement or on death in accordance with Gratuity Act 1972. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Gratuity Fund Trust". The Company has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. The liability for the same is recognized on the basis of amount payable to Life Insurance Corporation of India being calculated by them on actuarial valuation using projected unit credit method on annual basis. The liability for the same is recognised on the basis of actuarial valuation and accordingly transferred to Gratuity Trust. The provision for the year ended March 31, 2020 is ₹ 52.41 Lakhs {March 31, 2019: ₹ 36.20 Lakhs}.

### Earned Leave

The Company has long term benefit plan for Earned Leave Encashment. Provision for Encashment of Earned Leave equivalent to maximum of 300 days (basic pay plus dearness allowance) is provided at the year end and charged to Statement of Profit & Loss. The liability for the year 2019-20 is accounted for on the basis of Actuarial Valuation. The cumulative liability for Earned Leave Encashment as on March 31, 2020 is ₹ 668.04 lakhs {March 31, 2019: ₹ 722.11 Lakhs}.

The company has changed the rules for encashment of earned leave during the FY 2019-20. Now, earned encashable leaves and earned available leaves has been merged to single earned leave account. Further, Earned leave can be encashed without any ceiling leaving a minimum balance of 30 days in the account. Earlier, Earned leave could be encashed subject to ceiling of 30 days only.

The above said changes in rule doesn't enhances benefit payable to employees. However, this changes has a impact of higher leave availment rate of 25% (earlier 5%) in actuarial assumptions. The impact on Balance Sheet is much higher the current portion of leave encashment provision in current year comparable to previous year's amount of current portion of leave encashment provision.

### Sick Leave

The Company has long term benefit plan for Sick Leave Encashment. The encashment of half pay leave on superannuation will be allowed in addition to encashment of earned leave subject to overall limit of 300 days. The cash equivalent payable for Sick leave would be equal to leave salary as admissible for half pay plus DA and to make up the shortfall in earned leave. No commutation of Sick leave shall be allowed for this purpose. The liability for the year 2019-20 is accounted for on the basis of Actuarial Valuation. The cumulative liability for Sick Leave Encashment as on March 31, 2020 is ₹ 364.66 lakhs {31 March 2019: ₹ 291.58 Lakhs}.

### Travelling Allowance

The cumulative liability for Travelling Allowance to be paid to the employees as on March 31, 2020 is ₹ 2.46 lakhs {31 March 2019: ₹ 1.95 lakhs} based on actuarial valuation.

#### a) The amounts recognized in the Balance Sheet is as under:

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Present value of obligations as at the end of year	2019-20	904.62	668.04	364.66	2.46
	2018-19	-	722.11	291.58	1.95
Fair value of plan assets as at the end of the year	2019-20	852.21	-	-	-
	2018-19	-	-	-	-
Net (Assets)/Liability recognized in balance sheet	2019-20	52.41	668.04	364.66	2.46
	2018-19	-	722.11	291.58	1.95

**b) Expense recognized in Statement of Profit and Loss is as under:**

( ₹ in Lakhs)

Particulars	Period	Gratuity*	Earned Leave	Sick Leave	Travelling Allowance
Current Service Cost	2019-20	2.23	67.17	28.62	0.55
	2018-19	-	64.34	22.67	1.95
Interest Cost on Defined Benefit Obligation	2019-20	58.69	55.82	22.60	0.15
	2018-19	-	47.92	24.54	-
Interest Income on Plan Assets	2019-20	(63.08)	-	-	-
	2018-19	-	-	-	-
Fund Management Charges	2019-20	4.35	-	-	-
	2018-19	-	-	-	-
Net Actuarial (Gain) / Loss recognized in the period	2019-20	-	143.52	21.86	0.65
	2018-19	-	116.92	(72.24)	-
<b>Expenses recognized in Statement of Profit and Loss</b>	2019-20	2.20	266.51	73.08	1.35
	2018-19	-	229.18	(25.04)	1.95

\*Refer Note 47 for expenses recognized in Statement of Profit and Loss. Gratuity expense in Statement of Profit and Loss includes gratuity insurance payable to trust of Rs. 2.46 lakhs (March 31, 2019: ₹ 2.62 lakhs)

**c) Expenses recognized in Other Comprehensive Income is as under:**

( ₹ in Lakhs)

Particulars	Period	Gratuity
Actuarial (Gains)/Loss on Defined Benefit Obligation	2019-20	50.21
Actuarial (Gains)/Loss on Asset	2019-20	-
<b>Actuarial Gain/(Loss) recognized in Other Comprehensive Income</b>	<b>2019-20</b>	<b>50.21</b>

**d) Reconciliation of Opening and Closing balances of Defined Benefit Obligation is as under:**

( ₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Present Value of Obligations as at beginning of year	2019-20	828.44	722.11	291.58	1.95
	2018-19	-	619.90	317.40	-
Acquisition Adjustment	2019-20	-	-	-	-
	2018-19	-	-	-	-
Interest Cost	2019-20	58.69	55.82	22.60	0.15
	2018-19	-	47.92	24.54	-
Current Service Cost	2019-20	2.23	67.17	28.62	0.55
	2018-19	-	64.34	22.67	1.95

Actuarial (Gains)/Losses arising from					
Changes in Demographic Assumptions	2019-20	-	0.08	0.04	0.00
	2018-19	-	-	-	-
Changes in Financial Assumptions					
Experience Adjustments	2019-20	-	50.49	23.80	0.16
	2018-19	-	89.43	32.65	-
	2019-20	50.21	92.95	(1.98)	0.49
	2018-19	-	27.49	(104.89)	-
Past Service Cost	2019-20	-	-	-	-
	2018-19	-	-	-	-
Benefits Paid	2019-20	(34.96)	(320.57)	-	(0.85)
	2018-19	-	(126.98)	(0.78)	-
<b>Present value of obligations as at end of year</b>	2019-20*	<b>904.62</b>	<b>668.04</b>	<b>364.66</b>	<b>2.46</b>
	2018-19	-	<b>722.11</b>	<b>291.58</b>	<b>1.95</b>

\*Unpaid liability of Rs.4.28 lakhs of resigned employees is added in total Present value of obligations of Earned Leaves

**e) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets is as under:**  
(₹ in Lakhs)

Particulars	Period	Gratuity
Fair Value of plan assets as on beginning of year	2019-20	828.44
Interest Income	2019-20	63.08
Re-measurement Gain/(Loss) – return on plan assets excluding amounts included in net interest expense)	2019-20	-
Contributions from the employer	2019-20	-
Fund Management Charges	2019-20	(4.35)
Benefits paid	2019-20	(34.96)
<b>Fair value of Plan Assets at the end of year</b>	<b>2019-20</b>	<b>852.21</b>

**f) Actuarial Assumptions are as under:**

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance	
Discount Rate	2019-20	7.25%	6.91%	6.91%	6.91%	
	2018-19	-	7.75%	7.75%	7.75%	
Expected rate of Future Salary Increase	2019-20	7.00%	7.00%	7.00%	NA	
	2018-19	-	7.00%	7.00%	NA	
Retirement Age	2019-20	60	60	60	60	
	2018-19	-	60	60	60	
Cost per Employee (In ₹)	2019-20	NA	NA	NA	14,110	
	2018-19	-	NA	NA	14,604	
Ages		<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>	<b>Withdrawal Rate</b>	
	2019-20		3.00%	3.00%	3.00%	
	Up to 30 Years From	2018-19	1% to 3%	3.00%	3.00%	3.00%
	31 to 44 years	2019-20	depending on	2.00%	2.00%	2.00%
	Above 44 years	2018-19	age	2.00%	2.00%	2.00%
		2019-20		1.00%	1.00%	1.00%
	2018-19		1.00%	1.00%	1.00%	
<b>Leave</b>						
Leave Availment Rate	2019-20	NA	2.50%	2.50%	NA	
	2018-19	-	2.50%	2.50%	NA	
Leave Lapse rate while in service	2019-20	NA	Nil	Nil	NA	
	2018-19	-	Nil	Nil	NA	
Leave Lapse rate on exit	2019-20	NA	Nil	60.00%	NA	
	2018-19	-	Nil	60.00%	NA	
Leave encashment Rate while in service	2019-20	NA	25.00%	Nil	NA	
	2018-19	-	5.00%	Nil	NA	
Mortality rates inclusive of provision for disability :	2019-20	100% of IALM (2006-08)	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)	
	2018-19	-	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)	

### Risks Associated with Plan Provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow:

<b>Salary Increases</b>	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
<b>Investment Risk</b>	If Plan is funded then assets & liabilities would mismatch & actual investment return on assets would be lower than the discount rate assumed at the last valuation date which can impact the liability.
<b>Discount Rate</b>	Reduction in discount rate in subsequent valuations can increase the plan's liability.
<b>Mortality &amp; disability</b>	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
<b>Withdrawals</b>	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### g) Maturity Profile of Defined Benefit Obligation is as under for the year of March 2020:

( ₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Duration of defined benefit obligation					
Duration (years)					
1	2020-21	211.99	128.42	17.05	1.06
2	2021-22	76.94	31.09	43.87	0.56
3	2022-23	84.06	27.94	47.65	0.46
4	2023-24	38.04	24.84	24.06	0.38
5	2024-25	18.25	20.99	31.81	-
Above 5	2025-26 Onwards	475.35	434.77	200.21	-
<b>Total</b>		<b>904.62</b>	<b>668.04</b>	<b>364.66</b>	<b>2.46</b>

### h) Summary of Membership Data:

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Number of Employees	2019-20	189	188	188	184
	2018-19	-	176	176	176
Total Monthly Salary ( ₹ in Lakhs )	2019-20	132.68	131.29	131.29	NA
	2018-19	-	117.23	117.23	NA
Average Past Service (Years)	2019-20	10.44	10.43	10.43	10.37
	2018-19	-	10.62	10.62	10.62
Average Age (Years)	2019-20	39.16	39.11	39.11	38.86
	2018-19	-	39.68	39.68	39.68
Average remaining Working Life (Years)	2019-20	19.38	20.89	20.89	21.14
	2018-19	-	20.32	20.32	20.32

**i) Major Categories of Plan Assets (as percentage of total plan assets) is as under:**

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Fund Managed by Insurer	2019-20	100%	-	-	-
	2018-19	-	-	-	-

**j) Sensitivity analysis is as under:**
**Impact of the Change in Discount Rate**

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Impact due to Increase of 0.50%	2019-20	(28.77)	(30.92)	(14.51)	(0.11)
Impact due to Decrease of 0.50%	2019-20	30.94	33.88	15.67	0.12

**Impact of the Change in Salary Increase**

(₹ in Lakhs)

Particulars	Period	Gratuity	Earned Leave	Sick Leave	Travelling Allowance
Impact due to Increase of 0.50%	2019-20	19.61	33.68	(14.51)	NA
Impact due to Decrease of 0.50%	2019-20	(20.20)	(31.04)	15.67	NA

\*Changes in Defined Benefit Obligation due to 0.5% Increase/Decrease in Mortality Rate & Withdrawals Rate, if all other assumptions remain constant is negligible.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**NOTE - 39**
**Related party transactions  
Holding Co.**

NBCC (India) Limited.

**KEY MANAGERIAL PERSONNEL (KMP)**

- Sri. Pawan Kumar Gupta**, Chairman (Add. Director)  
(w.e.f. October 7, 2019 till date)
- Sri Shivdas Meena**, Chairman  
(w.e.f April 05, 2019 to October 7, 2019)
- Sri Anoop Kumar Mittal**, Chairman  
(w.e.f February 01, 2019 to March 31, 2019)
- Sri Gyanesh Pandey** (Managing Director)
- Sri. Suresh Chandra Garg**, Director (Engineering)  
(w.e.f. January 15, 2020)
- Sri. S.K.Jain**, Director (Engineering)  
(upto April 16, 2018)
- Smt. D. Thara**, Government Nominee Director  
(w.e.f. January 01, 2020)



8. **Smt. Nandita Gupta**, Government Nominee Director  
(w.e.f. February 1, 2019 to December 31, 2019)
9. **Smt. Priti Pant**, Government Nominee Director  
(w.e.f April 23, 2018 to February 01, 2019)
10. **Smt. Vijaya Srivastava**, Government Nominee Director  
(upto February 01, 2019)
11. **Sri Navdeep Rinwa**, Government Nominee Director  
(upto April 23, 2018)
12. **Smt. Vinod Panthi**, Independent Director  
(w.e.f. August 1, 2019 till date)
13. **Smt. Jyoti Kiran Shukla**, Independent Director  
(w.e.f April 27, 2020)
14. **Sri Mahesh Chand Bansal**, Chief Financial Officer  
(w.e.f August 07, 2019 till date)
15. **Sri Chandra Shekhar Gupta**, Chief Financial Officer  
(w.e.f May 25, 2019 to August 06, 2019)
16. **Sri Saurabh Srivastava**, Chief Financial Officer  
(w.e.f. February 8, 2019 to May 8, 2019)
17. **Smt. Sonia Singh**, Company Secretary  
(w.e.f November 18, 2019 till date)

(₹ in Lakhs)

Nature of transactions	As at March 31, 2020		As at March 31, 2019	
	Holding Company	Key Managerial Personnel	Holding Company	Key Managerial Personnel
Outstanding balances				
Amount Receivable/(Payable)	(41.63)	-	11.58	-
Prepaid expense	221.25	-	276.56	-

(₹ in Lakhs)

Nature of transactions	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Holding Company	Key Managerial Personnel	Holding Company	Key Managerial Personnel
Building Maintenance Charges	55.31	-	-	-
Secondment Charges	80.43	-	18.82	-
Purchase of Fixed Assets	-	-	6,834.99	-
Dividend Paid	5,489.22	-	1,124.01	-
Managerial Remuneration	-	122.15	-	64.97
Reimbursement of expenses	35.50	-	-	-
Sitting Fees to Independent Director	-	0.15	-	-

**Details relating to the Managerial Remuneration stated above**

(₹ in Lakhs)

S. No.	Particulars	For the year ended March 31, 2020			
		Short Term Employees Benefit	Post Employment Benefits	Long Term Employee Benefits	Total
1.	Sri Gyanesh Pandey, Managing Director	66.98	6.71	6.91	80.60
2.	Sri Suresh Chandra Garg, Director (Engineering)	7.23	1.05	1.28	9.56
3.	Sri Saurabh Srivastava, Chief Financial Officer	2.69	0.53	0.35	3.57
4.	Sri Chandra Shekhar Gupta, Chief Financial Officer	4.73	-	-	4.73
5.	Sri Mahesh Chand Bansal, Chief Financial Officer	20.18	-	-	20.18
6.	Smt. Sonia Singh, Company Secretary	2.75	0.44	0.33	3.52
	<b>Total</b>	<b>104.56</b>	<b>8.72</b>	<b>8.87</b>	<b>122.15</b>

(₹ in Lakhs)

S. No.	Particulars	For the year ended March 31, 2019			
		Short Term Employees Benefit	Post Employment Benefits	Long Term Employee Benefits	Total
1.	Sri Gyanesh Pandey, Managing Director	47.86	6.07	3.75	57.68
2.	Sri. S.K.Jain, Director (Engineering)	1.64	0.24	0.56	2.44
3.	Sri Saurabh Srivastava, Chief Financial Officer	4.11	0.64	0.10	4.85
	<b>Total</b>	<b>53.61</b>	<b>6.95</b>	<b>4.41</b>	<b>64.97</b>

**NOTE -40****Disclosure as per Indian Accounting Standard (Ind AS) 108 Segments**

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Company has determined its only business segment as project management service.

Since the Company's business is from project management services and there are no other identifiable reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement.

**Geographical Segment**

The operations of the Company are mainly carried out within the country and therefore, geographical segments are not disclosed.

**Revenue as per customers (more than 10% of revenue):**

During the year ended March 31, 2020 revenue of approximately 54.50% (previous year : 69.24%) are derived from a single external customer in the Project Management Consultancy Segment.

## NOTE -41

Disclosure relating to Corporate Social Responsibility

Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
<b>Annual CSR Allocation</b>	<b>129.25</b>	<b>134.16</b>
Actual Amount Spent	129.25	134.16
<b>I. Construction/acquisition of any assets</b>	-	-
<b>II. On purposes other than (i) above</b>		
Donation to PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) Fund of COVID-19.	129.25	-
Donation to Swachh Kumbh Kosh, Prayagraj Mela Pradhikaran	-	84.16
Donation For Treatment Of Gaucher Disease At AIIMS (AIIMS Patient Treatment A/C)	-	50.00
<b>Total</b>	<b>129.25</b>	<b>134.16</b>

## NOTE -42

### FINANCIAL ASSETS AND LIABILITIES

#### Fair value disclosures

##### (i) Fair Value Hierarchy

Financial Assets and Financial Liabilities measured at fair value in the Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3..

##### (ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

The Company does not have any financial instruments which are measured at Fair value either through statement of profit and loss or through other comprehensive income.

**(iii) Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Lakhs)

Particulars	Note Reference	As at March 31, 2020		As at March 31, 2019	
		Amortised cost	Fair Value	Amortised cost	Fair Value
<b>Financial Assets</b>					
Trade Receivables	<b>Note -9</b>	8,120.94	8,120.94	8,534.19	8,534.19
Cash and Cash	<b>Note -10</b>	8,057.49	8,057.49	19,663.88	19,663.88
Other Bank Balances	<b>Note -11</b>	276,497.92	276,497.92	258,419.63	258,419.63
<u>Other Financial Assets:</u>					
Current	<b>Note -12</b>	14,298.72	14,298.72	24,923.94	24,923.94
Non-Current	<b>Note -6</b>	42.70	42.70	32.73	32.73
<b>Total Financial Assets</b>		<b>307,017.77</b>	<b>307,017.77</b>	<b>311,574.38</b>	<b>311,574.38</b>

(₹ in Lakhs)

Particulars	Note Reference	As at March 31, 2020			As at March 31, 2019		
		FVTPL	Amortised cost	Fair Value	FVTPL	Amortised cost	Fair Value
<b>Financial Liabilities</b>							
Trade Payables	<b>Note -18</b>	-	73,595.68	73,595.68	-	68,779.69	68,779.69
Other Financial Liabilities	<b>Note -19</b>	-	36,262.83	36,262.83	-	43,570.74	43,570.74
<u>Lease Liabilities:</u>	<b>Note -16</b>						
Current		-	1.26	1.26	-	-	-
Non-Current		-	6.28	6.28	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>109,866.05</b>	<b>109,866.05</b>	<b>-</b>	<b>112,350.42</b>	<b>112,350.42</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

**NOTE - 43**

**Financial Risk Management**

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Financial Statements.

## (A) Credit Risk

The Company is exposed to credit risk from its Operating Activities ( Primarily Trade Receivables ) and from its Investing Activities including Deposits with Banks and Financial

### Institutions and other Financial Instruments.

#### (i) Credit Risk Management

The Company assesses and manages credit risk of Financial Assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of

Financial Assets.

A: Low Credit Risk on financial reporting date

B: Moderate Credit Risk

C: High Credit Risk

The Company provides for Expected Credit Loss based on the following:

Asset group	Basis of categorisation	Provision for expenses credit loss
Low Credit Risk	Cash and Cash Equivalents, other Bank Balances and other Financial Assets	12 month expected credit loss
Moderate Credit Risk	Trade Receivables	Life time expected credit loss
High Credit Risk	Trade Receivables and other Financial Assets	Life time expected credit loss or fully provided for

In respect of Trade Receivables, the company recognises a provision for lifetime Expected Credit Loss.

Based on business environment in which the Company operates, a default on a Financial Asset is considered when the counter party fails to make payments within the agreed time period as per contract or decided later based upon the factual circumstances on case to case basis. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in Statement of Profit and Loss.

( ₹ in Lakhs)

Credit rating	Particulars	As at March 31, 2020	As at March 31, 2019
A: Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	298,896.83	303,040.19
B: Moderate Credit Risk	Trade receivables	9,633.76	9,460.44
C: High credit risk	Trade receivables and other financial assets	524.85	541.56

### Concentration of Trade Receivables

The Company's Major Exposure to Credit Risk for Trade Receivables are from various Government Departments/ Ministries

### Credit Risk Exposure

#### Provision for Expected Credit Losses

The Company provides for Expected Credit Loss based on 12 month and lifetime Expected Credit Loss basis for following Financial Assets –

#### A: Low Credit Risk

##### As at March 31, 2020

( ₹ in Lakhs)

Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Cash and Cash Equivalents	<b>Note -10</b>	8,057.49	-	8,057.49
Other Bank Balances	<b>Note -11</b>	276,497.92	-	276,497.92
Other Financial Assets	<b>Note -6, 12</b>	14,341.42	-	14,341.42

##### As at March 31, 2019

( ₹ in Lakhs)

Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Cash and Cash Equivalents	<b>Note -10</b>	19,663.88	-	19,663.88
Other Bank Balances	<b>Note -11</b>	258,419.63	-	258,419.63
Other Financial Assets	<b>Note -6,12</b>	24,956.67	-	24,956.67

#### B: Moderate Credit Risk

Expected Credit Loss for Trade Receivables under simplified approach

##### As at March 31, 2020

( ₹ in Lakhs)

Ageing	Note reference	Upto 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount	<b>Note -9</b>	4,824.50	2,126.73	1,597.45	1,085.07	9,633.75
Expected Credit Losses (Loss Allowance Provision)		-	305.90	437.47	769.45	1,512.82
Carrying Amount of Trade Receivables (Net of Impairment)		<b>4,824.50</b>	<b>1,820.82</b>	<b>1,159.98</b>	<b>315.62</b>	<b>8,120.93</b>

##### As at March 31, 2019

( ₹ in Lakhs)

Ageing	Note reference	Upto 1 year	Between 1 and 2 years	Between 2 and 3 years	Above 3 years	Total
Gross Carrying Amount	<b>Note -9</b>	6,018.58	2,115.00	933.74	393.12	9,460.44
Expected Credit Losses (Loss Allowance Provision)		-	390.05	313.91	222.28	926.25
Carrying Amount of Trade Receivables (Net of Impairment)		<b>6,018.58</b>	<b>1,724.95</b>	<b>619.83</b>	<b>170.83</b>	<b>8,534.19</b>

### C: High Credit Risk

Expected Credit Loss for Trade Receivables under simplified approach

#### As at March 31, 2020

(₹ in Lakhs)

Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Trade Receivables	Note -9	496.62	496.62	-
Other Financial Assets	Note -6,12	28.23	28.23	-

#### As at March 31, 2019

(₹ in Lakhs)

Particulars	Note reference	Carrying Amount	Impairment	Carrying Amount net of Impairment Provision
Trade Receivables	<b>Note -9</b>	513.33	513.33	-
Other Financial Assets	<b>Note -6,12</b>	28.23	28.23	-

Reconciliation of Loss Provision – Trade Receivables (High and Moderate Risk)

(₹ in Lakhs)

Reconciliation of Loss Allowance	Loss allowance
<b>Loss allowance on March 31, 2018</b>	<b>2,729.48</b>
Impairment Loss Recognised	-
Reversal	(1,289.90)
<b>Loss allowance on March 31, 2019</b>	<b>1,439.58</b>
Impairment Loss Recognised	569.87
Reversal	-
<b>Loss Allowance on March 31 2020</b>	<b>2,009.44</b>

### (B) Liquidity Risk

The Company's principal sources of liquidity are Cash and Cash Equivalents which are generated from Cash Flow from Operations. The Company has no outstanding Bank Borrowings. The Company Consider that the Cash Flows from Operations are sufficient to meet its current liquidity requirements.

#### Maturities of Financial Liabilities

The tables below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

(₹ in Lakhs)

As at March 31, 2020	Note reference	Up to one year	More than one year	Total
Lease Liabilities*	<b>Note -16</b>	1.26	6.28	7.54
Trade Payable	<b>Note -18</b>	73,595.68	-	73,595.68
Earnest Money & Security Deposits	<b>Note -19</b>	20,336.96	-	20,336.96
Amount payable to Holding Company	<b>Note -19</b>	41.63	-	41.63
Book Overdraft	<b>Note -19</b>	8,744.03	-	8,744.03
Other Payables	<b>Note -19</b>	7,140.21	-	7,140.21
<b>Total</b>		<b>109,859.77</b>	<b>6.28</b>	<b>109,866.05</b>

\* For detailed maturity profile of lease liability refer note 46

As at March 31, 2019	Note reference	Up to one year	More than one year	Total
Trade Payable	<b>Note -18</b>	68,779.69	-	68,779.69
Earnest Money & Security Deposits	<b>Note -19</b>	17,728.11	-	17,728.11
Dividend Payable	<b>Note -19</b>	1,124.01	-	1,124.01
Book Overdraft	<b>Note -19</b>	5,971.70	-	5,971.70
Other Payables	<b>Note -19</b>	18,746.91	-	18,746.91
<b>Total</b>		<b>112,350.42</b>	<b>-</b>	<b>112,350.42</b>

### Foreign Currency Risk

#### Unhedged foreign currency exposures

#### Particulars of unhedged foreign currency exposures as at the reporting date

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Amount (₹ in Lakhs)	Foreign currency	Amount (₹ in Lakhs)	Foreign currency
Trade Receivable	666.42	USD 884,721	747.51	USD 1,076,376

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

USD sensitivity	As at March 31, 2020	As at March 31, 2019
<b>INR/USD- increase by:</b>	33.32	37.38
(31 March 2020 5%)		
(31 March 2019 5%)		
<b>INR/USD- decrease by:</b>	(33.32)	(37.38)
(31 March 2020 5%)		
(31 March 2019 5%)		

\*Holding all other variables constant

#### (C.) Market Risk

The Company is not exposed to any market risk.

#### NOTE -44

##### Capital Management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- - Maintain an optimal capital structure to reduce the cost of capital.



In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt (net debt comprises of borrowings less cash and cash equivalents). Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio. (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	180.01	180.01
Other Equity	10,798.07	13,690.19
<b>Total Equity</b>	<b>10,978.08</b>	<b>13,870.20</b>

The Company has no outstanding debt as at the end of the respective years. Accordingly company has NIL Capital gearing ratio as at March 31, 2020 and March 31, 2019.

## NOTE -45

Note on Revenue Recognition Under Ind AS 115

### 1. Disaggregation of Revenue

Revenue recognised mainly comprises of sale of service through Project Management Consultancy. Set out below is the disaggregation of the Company's revenue from contracts with customers: (₹ in Lakhs)

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(A) Sale of service</b>		
(a) Project Management consultancy service	212,509.19	204,946.25
<b>(B) Other ancillary revenue</b>		
(a) Sale of Tender Documents	31.86	26.58
<b>Total revenue</b>	<b>212,541.05</b>	<b>204,972.84</b>

\* The Company operates in single segment i.e. sale of service- Project management consultancy

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31 March, 2020 and 31 March 2019: (₹ in Lakhs)

S.No.	Types of Services by Nature	Types of Services by Contract Type	Types of Services by timing	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Project Management Consultancy	Cost plus contracts	Over the period of time	212,509.19	204,946.25
				<b>212,509.19</b>	<b>204,946.25</b>

## 2. Assets and Liabilities Related to Contracts with Customers

The following table provides information about receivables, contract assets and contract liabilities from contract with customers: (₹ in Lakhs)

Description	As at March 31, 2020	As at March 31, 2019
	Current	Current
<b>Contract liabilities related to sale of service</b>		
Advance from customers	207,746.19	203,525.04
Revenue received in advance	7,117.88	8,116.78
	<b>214,864.07</b>	<b>211,641.82</b>
<b>Contract Assets related to sale of service</b>		
Trade receivables	10,130.38	9,973.77
Less: Allowance for expected credit loss	(2,009.44)	(1,439.58)
<b>Net receivables</b>	8,120.94	8,534.19
Unbilled revenue	9,415.82	17,471.05
	<b>17,536.76</b>	<b>26,005.25</b>

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the contracts is recognized upon satisfaction of Performance obligation

Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Revenue in excess of billing is recorded as unbilled revenue and is classified as a contract asset. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Invoicing in excess of revenue recognised is classified as revenue received in advance. Any amount previously recognised as revenue received in advance is recognised to revenue on satisfaction of the performance obligation over the construction period.

## 3. Revenue Recognised in Relation to Contract Liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to the carried forward contract liabilities (₹ in Lakhs)

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue recognised that was included in contract liabilities at the beginning of the year	96,213.91	182,202.02
Performance obligations satisfied in previous years	-	-
<b>Total</b>	<b>96,213.91</b>	<b>182,202.02</b>

#### 4. Significant Changes in Contract Assets and Liabilities

(₹ in Lakhs)

<b>Contract liabilities - Advance from customers</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Opening balance of Contract liabilities - Advance from customers</b>	203,525.04	179,166.30
Less: Amount of revenue recognised against opening contract liabilities	(93,498.87)	(194,858.94)
Add: Net Addition in balance of contract liabilities for current year	97,720.02	219,217.68
<b>Closing balance of Contract liabilities - Advance from customers</b>	<b>207,746.19</b>	<b>203,525.04</b>

<b>Contract liabilities - Revenue received in advance</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Opening balance of Contract liabilities - Revenue received in advance</b>	8,116.78	10,515.75
Less: Amount of revenue recognised against opening contract liabilities	(2,715.04)	(3,035.72)
Add: Net Addition in balance of contract liabilities for current year	1,716.14	636.75
<b>Closing balance of Contract liabilities - Revenue received in advance</b>	<b>7,117.88</b>	<b>8,116.78</b>

<b>Contract Assets - Unbilled Revenue</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Opening balance of Contract Assets - Unbilled Revenue</b>	17,471.05	35,355.42
Less: Amount of revenue recognised against opening contract assets	(11,910.81)	(35,355.42)
Add: Net Addition in balance of contract assets for current year	3,855.58	17,471.05
<b>Closing balance of Contract Assets - Unbilled Revenue</b>	<b>9,415.82</b>	<b>17,471.05</b>

#### 5. Remaining Performance Obligation

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date. Remaining performance obligation estimates are subject to change and are affected by several factors, such as changes in the scope of contracts, periodic revalidations, terminations and adjustment for revenue that has not materialized.

#### NOTE -46

##### Note on Leases under Ind AS 116

##### Nature of Right-of-Use Assets

- Leasehold Land comprises plots no. E-6A, E-13 and E-14 at Sector – 1, Noida, allotted to HSCC (India) Limited for a period of 90 years from the date of Lease deed starting from 1996 valuing Rs. 57.49 lakhs and from 2006 valuing Rs. 389.16 lakhs respectively.
- The company leases office facilities which is being used as registered office of the company. The lease term is of 3 years with an option to extend with mutual consent of lessor and lessee.

##### Amount recognised in Statement of Profit or Loss

(₹ in Lakhs)

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>
Depreciation charge for right-of-use assets by class of underlying asset	6.41
Interest on lease liabilities	0.70
Expenses relating to short-term leases*	24.37
<b>Total Expenses</b>	<b>31.48</b>

\*Short term leases expenses comprise the lease of different site offices for a period less than or equal 12 months. These lease arrangements, which are cancellable, are generally renewable by mutual consent.

**Total cash outflows for leases**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020
Cash outflows against lease liabilities	1.86
Cash outflows for short-term leases	24.37
<b>Total cash outflows</b>	<b>26.23</b>

**Movement in Lease Liability**

(₹ in Lakhs)

Particulars	As at March 31, 2020
Balance as at March 31, 2019	8.71
Additions	-
Accretion of interest	0.70
Deletions	-
Payment of Lease Liability	(1.86)
<b>Balance as at March 31, 2020</b>	<b>7.55</b>
Non Current	6.28
Current	1.26
<b>Balance as at March 31, 2020</b>	<b>7.55</b>

**Contractual maturities of lease liabilities**

Particulars	As at March 31, 2020
Within 1 year	1.26
1-3 years	2.87
More than 3 years	3.41
Balance as at March 31, 2020	7.55

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**Extension Option**

As described in nature of right of use assets of registered office premises, the lease term is of 3 years with an option to extend with mutual consent of lessor and lessee. The company assesses that it will be using such premises for a period of five year from the end of current reporting period (i.e. March 31, 2020) as the office premises is being used as the registered office of the company. Hence, there is a reasonable certainty of extension option which have been accounted for in lease liability whose cash outflow is Rs. 4.81 lakhs. This extension option has further been exercised whose cash outflow would be 1.86 lakhs per year as per the current rate of lease agreement.

**Transitional Provision**

This note explains the impact of the adoption of Ind AS 16 Leases on the company's financial statements:

On April 1, 2019, the company has adopted Ind AS 116, Leases, applied to all lease contracts outstanding as at April 1, 2019. The transition was effected using modified retrospective transition method. Accordingly, comparatives have not been restated.

**Measurement of right-of-use assets and lease liability**

On adoption of Ind AS 116, the company has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the

lessee's incremental borrowing rate as of April 1, 2019. The lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 8.55%. The company has recognised the lease liability of Rs. 8.71 lakhs on the date of initial application.

The company has recognised Right of Use Asset equal to leases liability recognised on the date of initial application in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. Hence, The company has recognised the Right of Use Asset of Rs. 8.71 lakhs on the date of initial application.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. On transition to Ind AS 116 "Leases", the company has recognised the carrying value of right-of-use assets presented in property, plant and equipment amounting to Rs. 373.55 lakhs as on date of initial application with no corresponding lease liability, as Right of Use Asset comprises prepayment before the initial date of application.

The company presents Right-of-Use Assets in "Property, Plant and Equipment" and lease liability under "Other Financial Liabilities".

### Reconciliation of measurement of lease liabilities

(₹ in Lakhs)

Particulars	As at April 1, 2019
Lease commitments as per Ind AS 17 as on 31 March 2019 (future lease rent of building)	35.53
Less: short-term leases not recognised as a liability	(24.37)
Less: Total interest Expenses	(2.45)
<b>Lease liability as on 1 April 2019</b>	<b>8.71</b>
Of Which are:	
Non Current	7.55
Current	1.16
<b>Lease liability as on 1 April 2019</b>	<b>8.71</b>

### The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

### NOTE -47

#### Correction of error in Gratuity Expenses

The company has discovered an error in booking of gratuity expenses due to misinterpretation of actuarial reports. Gain/loss of remeasurement of defined benefit plans was booked in statement of profit or loss instead of other comprehensive income. It is impracticable to determine the cumulative amount of an error in terms of actuarial gain/loss on account of non-availability of complete information. Hence, the company has corrected the error prospectively and consequently comparative information is not restated.

The company had also booked current service cost of gratuity paid in advance in Employee benefit expense instead of prepaid expense which led to overstatement of expenditure in FY 2018-19. In context of concept of materiality, the company has corrected error prospectively and consequently the company has underbooked the current year expense of "Gratuity fund contributions" under Employee Benefit Expenses in FY 2019-20.

**NOTE -48**

- I. During the test check by Comptroller and Auditor General (CAG) of transactions of company's account during the FY 2017-18 at Indian Overseas Bank, Noida, significant transactions amounting to Rs. 2926 lakhs were noticed which can be termed as "Transactions of Doubtful Reliability." Provision of Rs. 2926 lakhs was made from the reserves as at 01st April 2017 as transactions pertain to the period prior to FY 2016-17.

The details of transaction are as under:

- (i) An amount of Rs 301 lakhs (Rs. 242 lakhs and Rs. 59 lakhs) was detected in 4th quarter of FY 2016-17 on account of fraudulent transfer. However, the fraud were occurred in FY 2014-15 and FY 2015-16 respectively.
- (ii) An amount of Rs 352.00 lakhs was included in 'interest receivable' under the head other current financial assets, even though the same was received in October 2014.
- (iii) An amount of Rs 11.00 lakhs being the sale tax deposited during 2013-14 by the company on its client behalf was accounted as recoverable from client.
- (iv) A fixed deposit of Rs 197.00 lakhs which was opened in April 2014 and encashed in July 2014, earned an interest of Rs 6.00 lakhs. It was observed that in the bank ledger of the company, Rs 197.00 lakhs was debited (received) twice against a single encashment.
- (v) An amount of Rs 783.00 lakhs was credited in bank account from a Client on 12 April 2014 and the same was shown in the company's accounts under the head deposits from Clients. Thereafter, multiple debit and credit entries of this amount were made in the client ledger during 2014-15 on the pretext of rectifications and reversals. The client ledger which is of liability nature was showing debit balance of Rs 712.00 lakhs in the company's books on 31 March 2018.
- (vi) A fixed deposit (FD) of Rs 1,282.00 lakhs in Company's account at UCO Bank was encashed in August 2013 along with interest of Rs 110 lakhs. An entry for receipt of encashment proceedings was made 31 March 2014 in Company's account at Indian Overseas Bank, however, in the same voucher, amount received on FD encashment was reversed. Thus, nullify the receipt of FD encashment.

The Company had engaged a firm of chartered accountants in April 2017 for checking all bank payments and verification of bank fixed deposit receipts related to financial year 2013-14 and 2014-15 and the report from firm of chartered accountants has not been submitted. The firm of chartered accountant has not completed the assigned work and subsequently withdrawn himself from engagement.

Further, NBCC (India) Limited (Holding Company) has appointed forensic/management auditor during the year ended March 31, 2020. The forensic/management auditor has not submitted audit report.

During the year ended March 31, 2020, The bank has paid Rs. 59.55 lakhs to company which belongs to unidentified transactions. However, the amount of provision has been kept intact amounting to Rs. 2926 lakhs and is subject to final results of forensic/management audit.

- II. During the F.Y. 2019-20, in the process of reconciliation of various head of accounts four unidentified transaction were noticed which were confirmed with the banks as mentioned below:

S. No.	Name of payee	Date of payment	Amount (Rs. In lakhs)
1	M/s MS Enterprises	16-Sep-16	22.97
2	M/s MS Enterprises	16-Sep-16	26.98
3	M/s MS Enterprises	20-Sep-16	68.87
4	M/s MS Enterprises	20-Sep-16	70.25
	<b>Total</b>		<b>189.07</b>

A complaint has been lodged with SSP, Gautam Budh Nagar on May 13, 2019. Subsequently, the aforesaid amount of Rs. 189.07 lakhs has been paid by bank to company during the year ended March 31, 2020. The amount is lying still unadjusted.

#### NOTE -49

There are projects which have been completed and handed-over to the Ministry/ Clients but financial closure of these Projects in the books of the Company have not been done. Further, there are Projects which have been completed but handing over and taking over process for the same has not yet taken place. The impact of this on the profit or loss, if any will be accounted in the year in which the financial closure takes place.

#### NOTE -50

Amount lying in Interest receivable from Banks, Retention Money, Client Deposit Funds, Trade Receivables, Trade Payables, EMD, Security Deposit (receivable & payable both), balances of ministries, Clients and Government dues with respect to direct taxes, indirect taxes and other state taxes are not confirmed & reconciled. The un-reconciled balances, if any, may have an impact on profit & loss and balance sheet of the company. The same will be accounted for in the year in which the financial reconciliation of all the above items takes place.

#### NOTE -51

##### Unreconciled Bank Balances

Bank Reconciliation doesn't include the unmatched and untraceable entries, hence the unmatched and untraceable entries may have impact on Profit & Loss and Balance Sheet of the company and will be accounted in the year in which the un-reconciled transaction will be identified. Bank reconciliation of following bank balance is still pending.

S. No.	Name of the Bank	Branch	Project Name	A/c No.
1	Indian Overseas Bank	Sector-1, Noida	Ayush, New Delhi	172502000000644
2	Indian Overseas Bank	Sector-1, Noida	HSCC Bank A/C	172502000000151

#### NOTE -52

##### Uncertainties relating to the global health pandemic from COVID-19

A global challenge has emerged in the form of global health pandemic COVID-19. This global health pandemic may cause multiple contingencies in future as well as provides opportunity to companies engaged in healthcare and its related services. The company is involved in rendering comprehensive range of professional services as consulting and executing agency for construction activities in healthcare & other social sectors in India. The company is also a zero debt company and only non fund based facilities are availed. There is no impact of COVID-19 on the business of the company in accordance with assessment made by the company.

#### NOTE -53

Previous year figures have been regrouped and/or reclassified, wherever, necessary to conform to those of the current year grouping and/or classification. Negative figures have been shown in brackets.

**As per our Report of even date attached**

**For Datta Singla & Co.**  
Chartered Accountants  
(ICAI Firm Reg. No: 006185N)

Sd/-  
**Sandeep Datta**  
Partner  
Membership No. 092413

**Place: Noida**  
**Date: 24.06.2020**

**For and on behalf of the Board of Directors**

Sd/-  
**(Gyanesh Pandey)**  
Managing Director  
**(DIN : 03555957)**

Sd/-  
**(Sonia Singh)**  
Company Secretary  
**(M.No.: ACS-24442)**

Sd/-  
**(Suresh Chandra Garg)**  
Director (Engineering)  
**(DIN : 08684289)**

Sd/-  
**(Ravi Kumar Jain)**  
AGM (F &A)

Sd/-  
**(Mahesh Chand Bansal)**  
Chief Financial Officer

Sd/-  
**(Ajay Suri)**  
DGM (F &A)

Sd/-  
**(Tejpal Garg)**  
DGM (F &A)

HINDI PAKHWADA - 16.09.2019 TO 30.09.2019



INDEPENDENCE DAY - 15.08.2019





**PARLIAMENT COMMITTEE VISIT - 12.03.2019**



**YOGA DAY - 21.06.2019**



PICNIC - FAMILY GET-TOGETHER - 15-16 JUNE 2019



VIGILANCE AWARENESS WEEK 2019



## HSCC 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 (UP)

### PROJECT-CUM-SITE OFFICES:

#### ASSAM

Lokpriya Gopinath Bordoloi  
Regional Institute of mental Health  
1st Floor, Ex-Police Line, Near Kali Mandir,  
P.O.: Tezpur, Distt: Sonitpur (Assam)  
PIN - 784001

#### CHHATTISGARH

House No. B-19/7, Near Pani Ki Tanki  
Near Rajendar Nagar,  
Raipur (Chhatisgarh)  
PIN - 492001

### MAJOR SITE OFFICES:

National Cancer Institute, AIIMS Jhajjar, Haryana  
Cochin Cancer & Research Centre, Ernakulam, Kerala  
100 bedded Hospital, ESIC, Siliguri

Redevelopment of Lady Harding Medical College & associated Hospitals, New Delhi

Upgradation of Nursing College - RAK, Delhi

New Paid Ward at AIIMS, New Delhi

Hostel Block at AIIMS, New Delhi

Housing work, AIIMS, Raebareilly

Surgical Block at AIIMS, New Delhi

Mother & Child Block at AIIMS, New Delhi

New OPD Block at AIIMS, New Delhi

Satellite Unit of Post Graduate Institute of Medical & Educational Research, Sangrur

NRHM-Uttar Pradesh, NRHM-Kerala and NRHM-Himachal Pradesh

Construction of Super speciality Block in Neuro Sciences, NIMHANS, Bangalore

National Institute of Animal Biotechnology, Hyderabad.

Vaccine processing facilities for Institute of Veterinary Biological Products, Pune

750 Bedded Hospital (Phase I - 400 bedded), IIT, Kharagpur

Residential & Hostel Complex for New AIIMS, Bhubaneswar

Supr Speciality Block, OPD & Academic Block at Kolkata Medical College, Kolkata

Upgradation of Govt. Hospital, Naharlagun, Arunachal Pradesh

Medical College at Nahan, Hamirpur & Chamba, Himachal Pradesh

Regional Institute of paramedic & Nursing Sciences (RIPANS), Aizwal

UG seats from 100 to 150 intake P.A. for RIMS, Imphal

### PMSSY Upgradation Phase III Projects

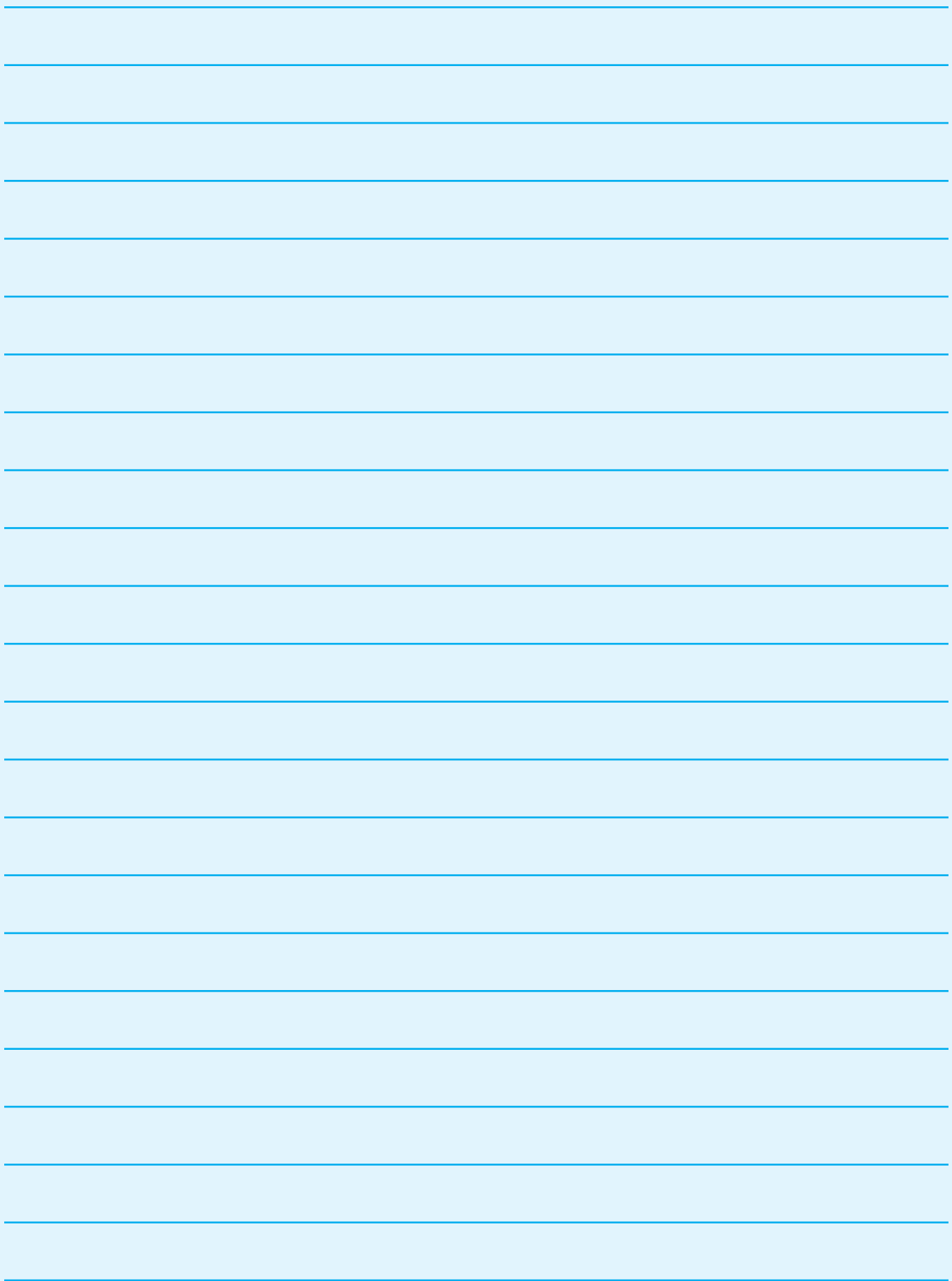
- Rewa	- Berhampur	- Udaipur	- Gwalior	- Patiala
- Bikaner	- Jabalpur	- Burla	- Aurangabad	- Vijayawada
- Dibrugarh	- Jhansi	- Kota	- Guwahati	- Shimla
- Allahabad	- Latur	- Panaji (Goa)	- Darjeeling	

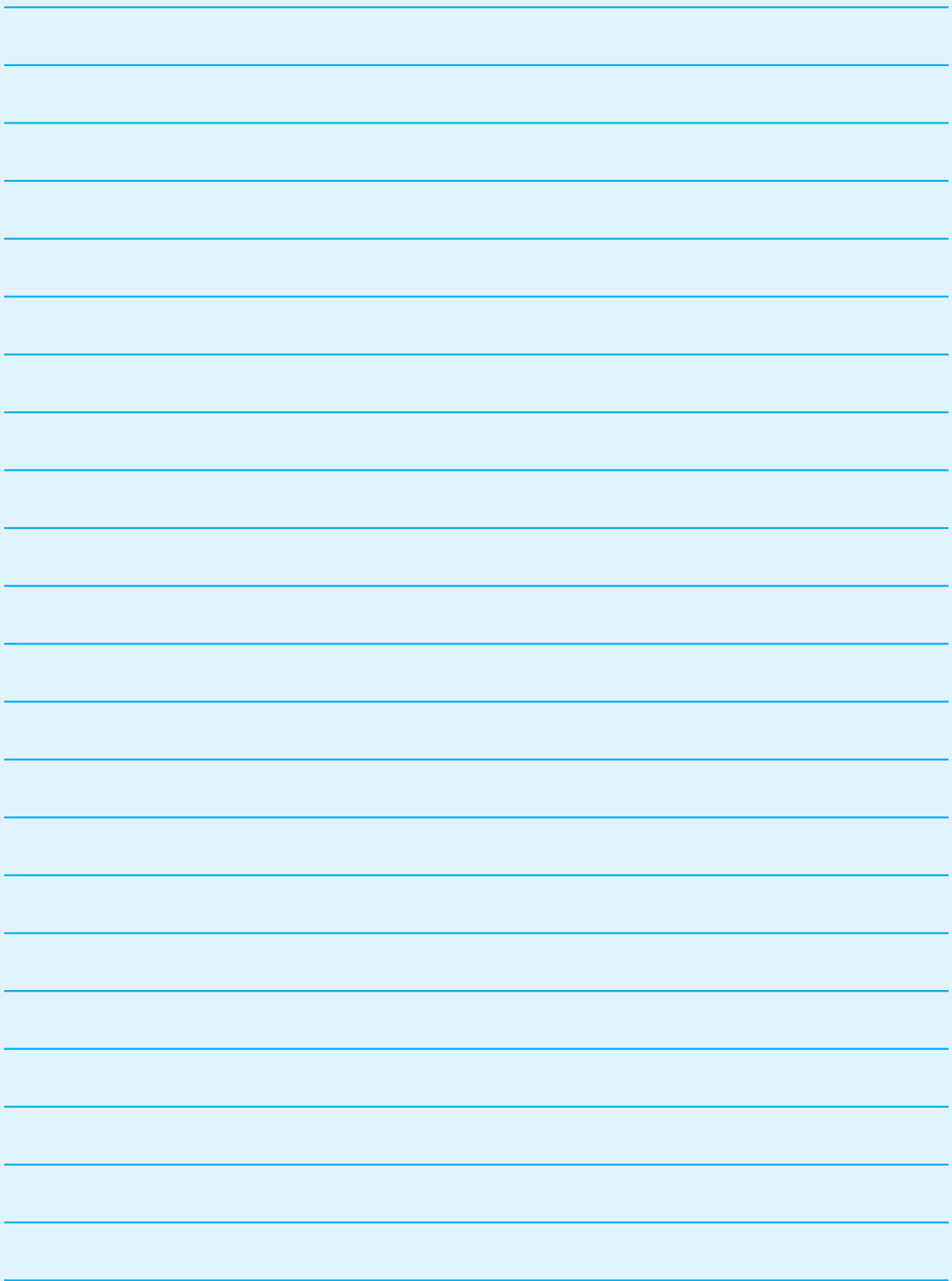
New AIIMS at Nagpur, Kalyani and guntur

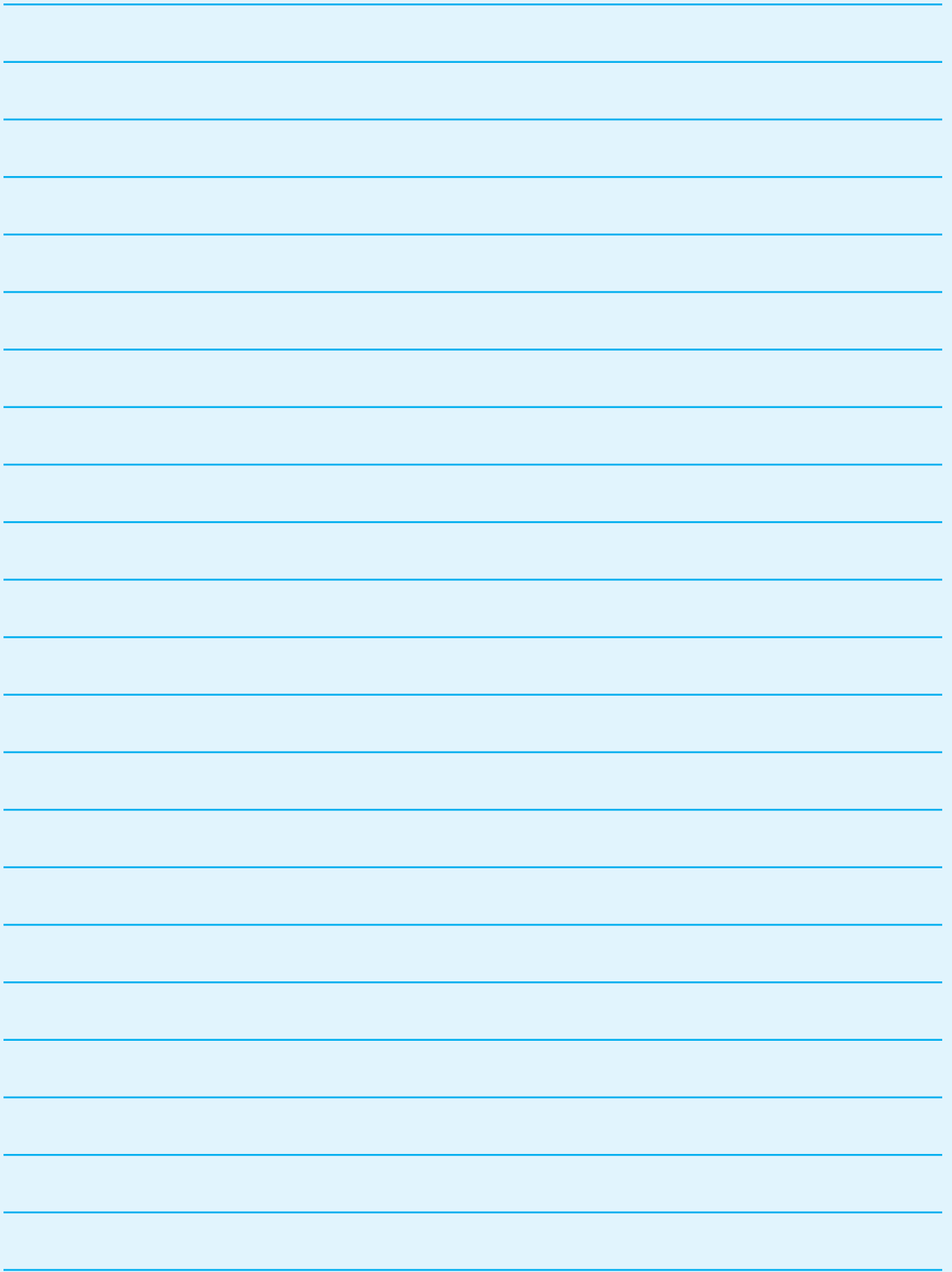
Mizoram Institute of Medical Education and Research, Falkawn, Mizoram

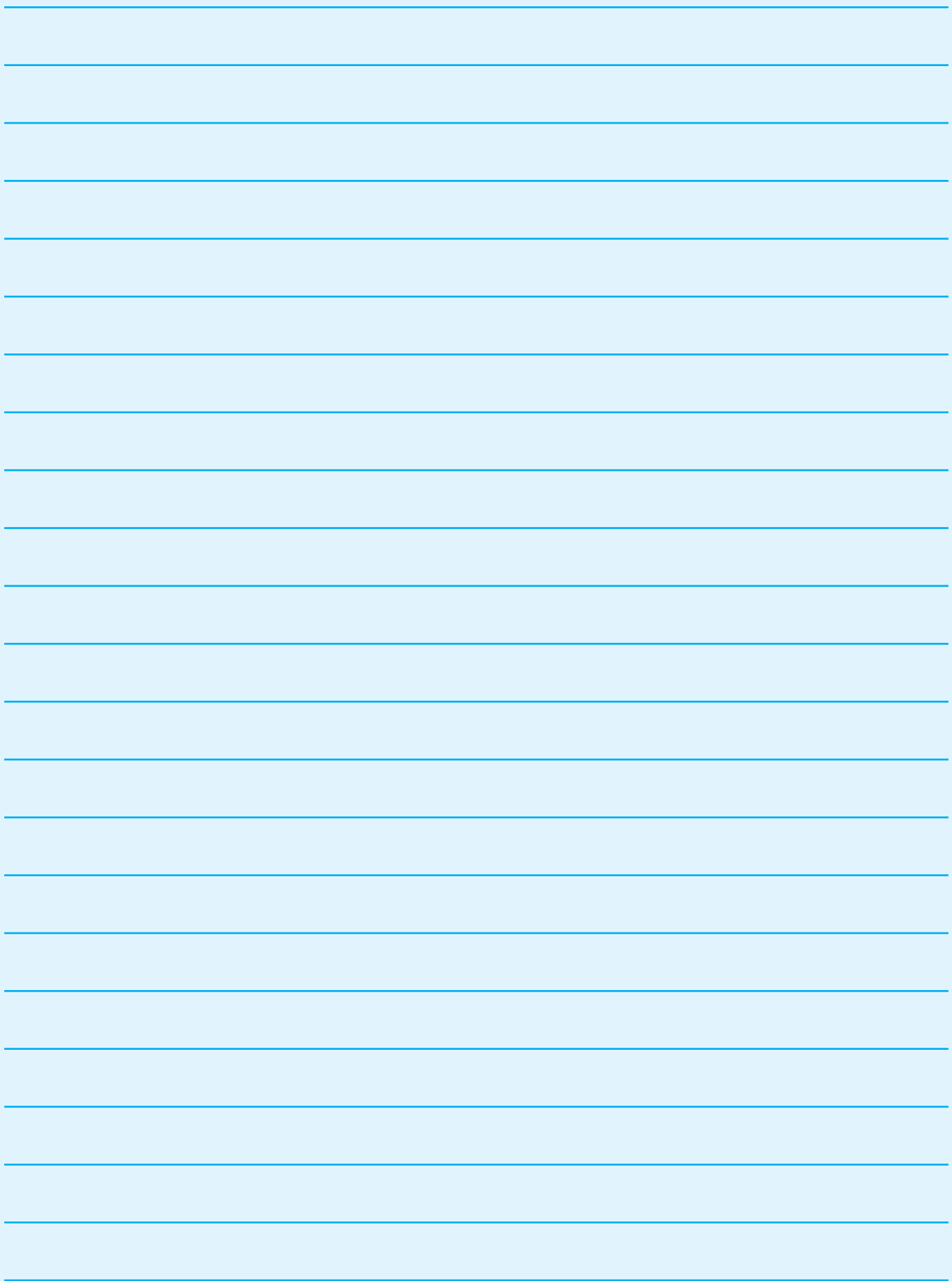
100 intakes Medical College, Pali, Rajasthan

Housing & Hostel for Dr. R.P. Medical College, Kangra

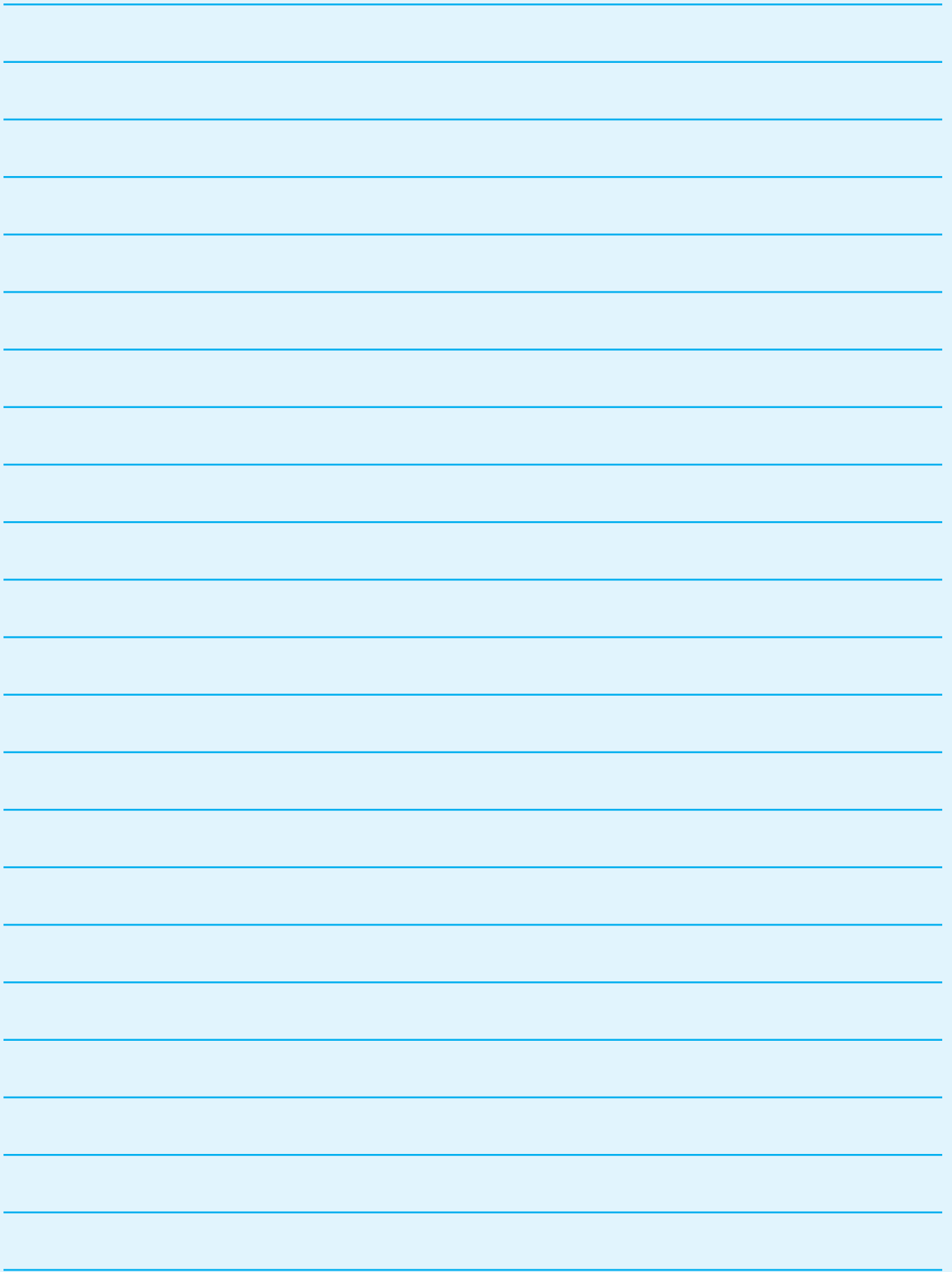


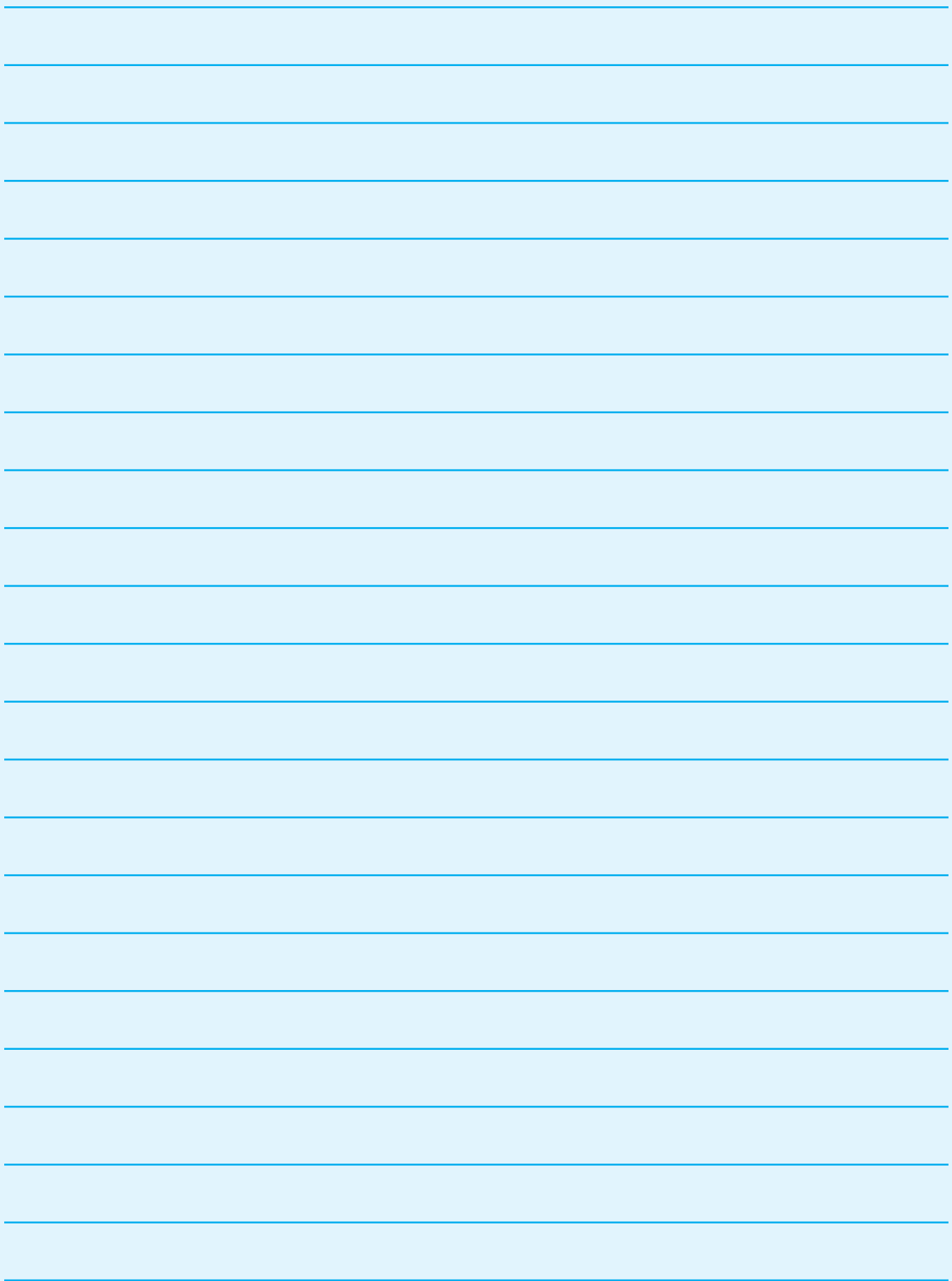
















A Miniratna Co.

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