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HSCC (India) Ltd.

(A Govt. of India Enterprise)
(A Mini Ratna Category-I Company)

**34th Annual Report
2016-17**



34th ANNUAL GENERAL MEETING (AGM)

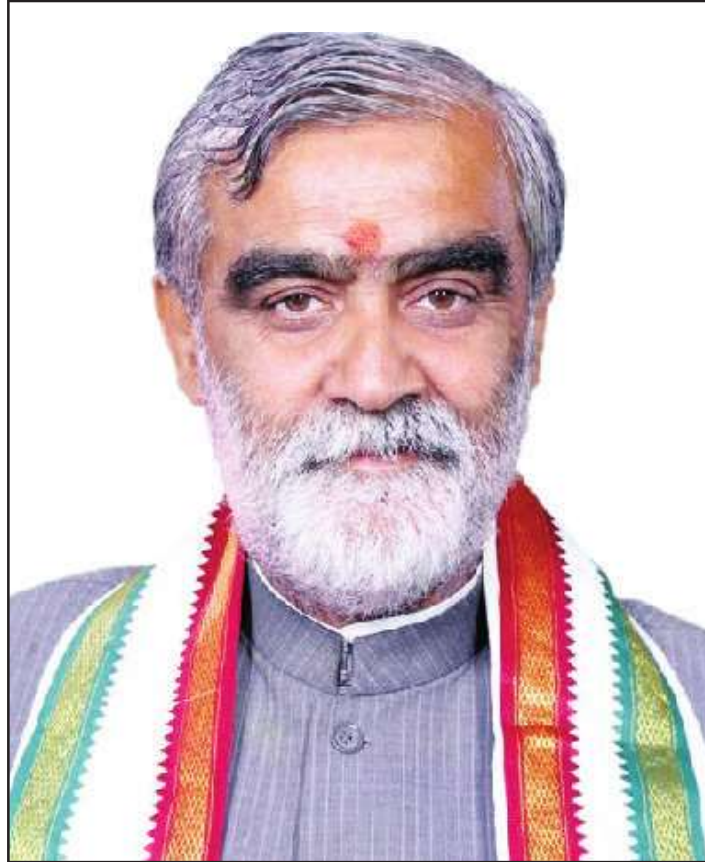


The 34th AGM of HSCC (India) Ltd was held on 13th December 2017. The AGM was attended by Shri Sanjeeva Kumar, (AS, MOH&FW), Dr. A.K. Gadpayle, (ADG, MOH&FW), Shri Navdeep Rinwa (JS, MOH&FW), Shri Sudhir Kumar (JS, MOH&FW), Smt. Vandana Jain, (JS, MOH&FW), Shri Gyanesh Pandey (CMD, HSCC), Shri S.K. Jain, Director (Engg.), Shri Saurabh Srivastava, CGM (F&A) and Shri L.C. Gupta and partners (Statutory Auditors).



Shri Jagat Prakash Nadda

Hon'ble Union Minister
for
Health & Family Welfare



Shri Ashwini Kumar Choubey

Hon'ble Minister of State
for
Health & Family Welfare



Smt. Anupriya Patel

Hon'ble Minister of State
for
Health & Family Welfare



Smt. Preeti Sudan
Hon'ble Secretary
for
Health & Family Welfare

BOARD OF DIRECTORS



Shri Gyanesh Pandey
Chairman & Managing Director



Smt. Vijaya Srivastava
Special Secretary & Financial Advisor
Ministry of Health & Family Welfare



Shri Navdeep Rinwa
Joint Secretary
Ministry of Health & Family Welfare



Shri S. K. Jain
Director (Engineering)

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CHAIRMAN'S SPEECH



To Esteemed Shareholders,

On behalf of the Board of Directors of HSCC, it gives me immense pleasure to welcome all of you at this 34th Annual General Meeting of your Company. I take this opportunity to extend sincere thanks to you for joining us today and your unstinted support, provided to the Company during the year.

The Director's Report and the Annual Audited Accounts for the year 2016-17 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 F.Y. 2016-17 we set new records with strong top line growth and high quality earnings, reflecting the robustness of its Corporate Strategy of creating fast growth drivers. This performance is particularly remarkable when viewed against the backdrop of the extremely challenging business context in which it was achieved, namely, a slowdown in the economy and high levels of inflation.

I am glad to report that your Company has posted impressive performance for the year ended on 31st March 2017.

I am pleased to place before the shareholders that during Financial Year 2016-17, the Total Income has achieved at Rs. 1619.25 Crore as compared to Rs. 1106.98 Crore in the previous year posting 46.28% growth. The Company earned Consultancy Fees of Rs. 79.35 Crore as compared to Rs.97.78 Crore for previous year.

The Company posted pre-tax profit of Rs. 56.16 Crore as against Rs. 86.87 Crore during previous year. The Company earned Net Profit of Rs. 37.61 Crore as compared to Rs. 54.62 Crore earned in previous year. During the year interest component returned to related clients & employee expenses increased.

With your support, our Company has outperformed excellently, consequently, HSCC has achieved the status of one of the fastest growing PSU in India.

I am pleased to inform you that Company has recommended 470.08% dividend on paid up capital amounting to Rs. 11.28 Crore out of Current year's profit for the year 2016-17. This is the 33rd consecutive year the Company declared the dividend. Upon paying this year's dividend, cumulative dividend paid to Government of India would be Rs. 68.09 Crore around 28 times of current paid up equity capital of the Company.

Performance of Healthcare Sector

Future of Healthcare sector especially the hospital in India is very bright in comparison with the global trend. India is lagging much behind in terms of requirement of infrastructure for building, equipment, manpower and their training, which are also the areas to address for the Company.

The per capita expenditure on manpower of government on healthcare is also increasing wherein out of pocket expenditure has to reduce like other developed countries and thereby resulting into major addition to infrastructure On-going Projects.

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

Key Major Projects Secured 2016-2017

- National Cardio Vascular Institute for AIIMS, New Delhi at Jhajjar, Haryana
- Cochin Cancer & Research Centre, Ernakulam, Kerala.
- 100 bedded Hospital for ESIC at Siliguri.
- ENT Hospital at Mauritius

Awards and Recognition

HSCC has been widely acknowledged with following awards and recognition:

- Award for Best government initiative in Healthcare from Sh. Ravi Shankar Prasad, Hon'ble Union Minister of Law & Justice, Electronics & Information Technology, Govt of India in the presence of Sh. Rajpal Singh Shekhawat, Hon'ble Minister of Industry, NRI, Govt. Enterprise, DMIC, Govt of Rajasthan on 26.05.2017 in 3rd Digital India Summit held in New Delhi.
- Award for Best leadership in Healthcare at Smart Elets Healthcare Conclave – 2016

Mini Ratna Status

HSCC has achieved the status of Mini Ratna-Category I Public Sector Undertaking with effect from 31.12.2015 from Mini Ratna-Category II PSU rated in 2002.

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

control, optimum utilization of resources and system improvements. The Company has achieved "Excellent" Rating under the Memorandum of Understanding (MOU) for the year 2015-16 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 2016-17, 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.

In F.Y. 2016-17, HSCC has contributed total Rs. 191.43 Lakhs on account of Corporate Social Responsibility. Company has contributed Rs. 33.45 Lakhs for 5 Cochlear Implant to Hearing Impaired Children with special needs through M/ s Artificial Limb Manufacturing Corporation of India. (A Government of India Undertaking under the Ministry of Social Justice and Empowerment). HSCC has made contribution of Rs. 107.98 Lakh to "Clean Ganga Fund" for river development and rejuvenation of River Ganges. HSCC has also contributed Rs. 50 Lakhs for SAI centre at Haryana to Sports Authority of India (SAI).

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 expending 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.

In F.Y 2016-17 the Audit Committee, Remuneration Committee and Corporate Social Responsibility (CSR) committee are reconstituted considering the change of director.

Acknowledgment

In conclusion, On behalf of the Board of Directors and on my own behalf, I extend sincere thanks for the valuable guidance, support and cooperation extended to the Company by the Ministry of Health & Family Welfare, the Ministry of External Affairs and other 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 – the Ministry of Health & Family Welfare, the Ministry of External Affairs, the Ministry of Ayush, AIIMS, PGI, 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)
Chairman and Managing Director

Place : New Delhi
Dated : 30.11.2017

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.

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

NOTICE

No. HSCC/AGM/34th/2017

Dated: 11.12.2017

Notice is hereby given that the **34th ANNUAL GENERAL MEETING of the Members of the HSCC (INDIA) LIMITED will be held at 5:00 PM on Wednesday, the 13th December, 2017 at the Room No. 249A at A Wing, Second Floor at MOH&FW, Nirman Bhawan, New Delhi to transact the following business:**

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at 31.03.2017 the statement of Profit & Loss Account and Cash Flow Statement of the Company for the year ended as on that date, Report of Statutory Auditors thereon, Secretarial Audit Report, Replies on comments in Audit Report by the management, Comment of the Comptroller & Auditor General of India, Reply to CAG comment by management and the Directors' Report.
2. To declare dividend for the Financial Year 2016-17

BY ORDER OF THE BOARD

Sd/-
(Saurabh Srivastava)
CGM (F&A)

Place: New Delhi

To,

1. All Shareholders of the Company.
2. Board of Directors of the Company.
3. Statutory Auditors of the Company.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY EXECUTED NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING OF THE COMPANY.
2. Relevant documents referred to in the accompanying Notice and the explanatory statement are open for inspection by the members at the Registered Office of the Company during business hours up to and including the date of the Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy, to attend and vote instead of himself/herself and a proxy need not be a Member of the Company.
4. M/s L. C. Kailash and Associates, Chartered Accountants, New Delhi is appointed as Statutory Auditors of the Company by Comptroller and Auditor General of India.

PERFORMANCE AT A GLANCE

The company has yet again posted excellent results for the year ending 31.03.2017 with highest turnover of Rs. 161925 Lakhs and profit after tax of Rs. 3761 lakhs.

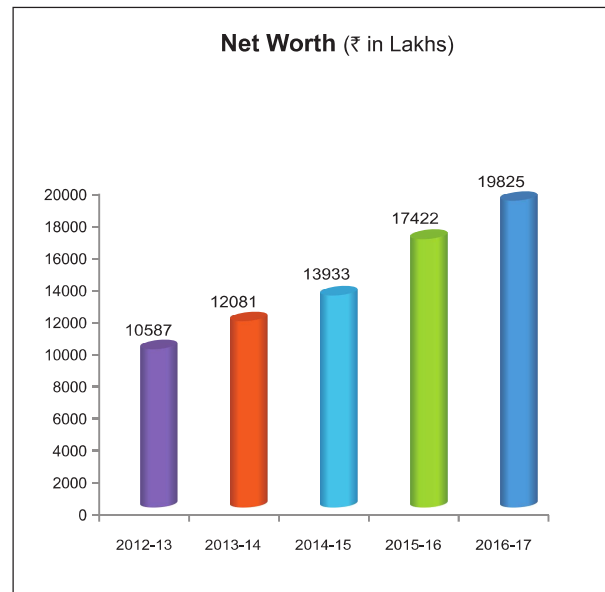
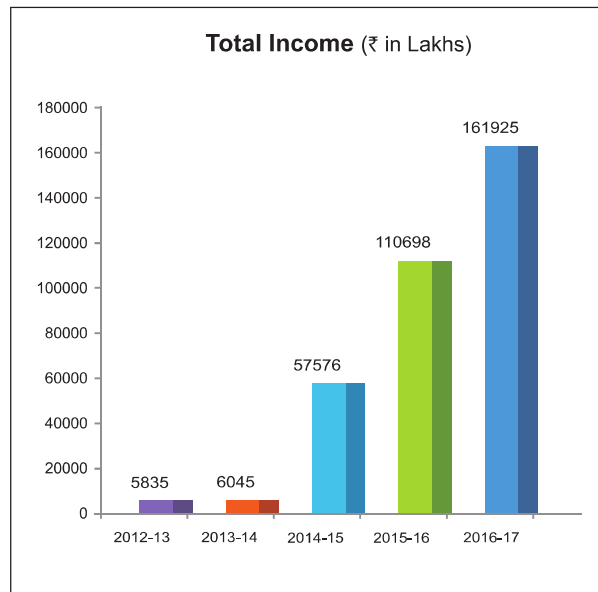
The Company incorporated in 1983 with the paid up capital of Rs. 40 lakhs and later on issued bonus shares of Rs. 200 lakhs out of Reserves & Surplus resulting in increase of paid up capital to Rs. 240 lakhs. The Net Worth has touched to Rs. 19825 Lakhs as on 31.03.2017.

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

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

(₹ in Lakhs)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Income	5835	6045	57576	110698	161925
Profit Before Tax	3600	3714	3795	8687	5616
Net Profit	2257	2398	2454	5462	3761
Net Worth	10587	12081	13933	17422	19825
Dividend	468	492	492	1638	1128
Total Order Book (Fee)	24928	30089	10835	27933	30874
Rating Against MOU	Excellent	Excellent	Very Good	Excellent	Very Good (Expected)



FINANCIAL SUMMARY

THE DECADES FINANCIAL RESULTS AT A GLANCE

(Figures Rs. in Lakhs)

Particulars	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
FINANCIAL PERFORMANCE										
Paid-up Capital	160	240	240	240	240	240	240	240	240	240
Reserve & Surplus	5695	6341	6999	7632	8708	10347	11841	13693	17182	19585
Net Worth	5855	6581	7239	7872	8948	10587	12081	13933	17422	19825
Net Fixed Assets	707	675	632	615	600	685	693	649	635	707
Working Capital	5105	5811	6440	7117	8568	10200	12053	14165	17519	24083
Capital employed	5855	6581	7072	7731	9168	10885	12746	14814	18154	24790
OPERATING STATISTICS										
Consultancy Fee*	1740	1936	2097	2311	2929	3380	3919	49004	102180	151116
Interest & Other Income	1356	1337	1218	1034	1529	2455	2126	8572	8518	10809
Total Income*	3096	3273	3315	3346	4458	5835	6045	57576	110698	161925
Expenditure	1711	1696	2002	1993	2048	2203	2287	53782	101948	156236
Gross Margin	1385	1577	1313	1353	2409	3632	3758	3794	8750	5689
Depreciation	45	44	39	36	58	32	44	69	63	73
Profit before Tax	1340	1533	1274	1317	2352	3600	3714	3725	8687	5616
Profit after Tax	836	970	787	830	1472	2257	2398	2384	5462	3761
Provision for taxation	503	563	487	487	880	1343	1316	1341	3225	1855
Dividend	208	208	173	173	300	468	492	492	1638	1128
MANPOWER										
Employees (in Nos)	132	139	135	132	124	123	143	153	162	176
(On regular Pay Scales)										
RATIOS										
PBT/Total Income (%)	43%	47%	38%	39%	53%	62%	61%	6%	8%	3%
Net Profit/Total Income (%)	27%	30%	24%	25%	33%	39%	40%	4%	5%	2%
Net Profit/Net Worth (%)	14%	15%	11%	11%	16%	21%	20%	17%	31%	19%
Total Income Per Employee	23	24	25	25	36	47	42	376	683	920
Earning Per Share (EPS) (Rs.)	523	404	328	346	613	940	999	993	2276	1567
Book Value Per Share (Rs.)	3659	2742	3016	3280	3728	4411	5034	5805	7259	8260

*Consultancy fee for 2016-17 include Value of workdone of Rs. 143182 lakhs and consultancy fee of Rs. 7934 lakhs

DIRECTORS' REPORT

To,

The Shareholders
HSCC (India) Limited

REGISTRATION AND OTHER DETAILS

i) CIN	:	U 74140 DL 1983 GOI 015459
ii) Registration Date	:	30.03.1983
iii) Name of the Company	:	HSCC (India) Limited.
iv) Category	:	Public Sector Undertaking
v) Registered Office	:	205, East End Plaza, Plot No. 4, D.D.A.-L.S.C., Centre-II, Vasundhra Enclave, Delhi – 110096
vi) Corporate Office	:	E-6(A), Sector-1, NOIDA- 201301
vii) Listed Company	:	No.

AUDITED STATEMENT OF ACCOUNTS

The Directors of your Company have the pleasure in presenting the 34th Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2017.

FINANCIAL PERFORMANCE

The Financial Performance of the Company for the financial year 2016-17 along with the comparative figures for 2015-16 is indicated below:-

(₹ in Crores)

Particulars	2016-17	2015-16	Increase in 2016-17 (%)
Total Income	1619.25	1106.98	46.27
Total Expenditure	1563.56	1017.41	53.68
Gross Margin	55.69	89.57	-37.83
Exceptional & Extraordinary items	(0.47)	2.71	-117.34
Profit Before Tax	56.16	86.86	-35.35
Taxation (net)	18.55	32.25	-42.48
Profit After Tax	37.61	54.61	-31.13
Dividend	11.28	16.38	-31.13
Net Worth	198.25	174.22	13.79
Earnings per Share(Rs.)	1566.95	2275.47	-31.13

CAPITAL STRUCTURE

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

DIVIDEND

Considering the performance of the Company for the financial year 2016-17, The Board of Directors has recommended Dividend @ 470.08 % of the Paid-up Equity Share Capital of the Company amounting to Rs.11.28

Crores. This is subject to the approval of Members at the Annual General Meeting. This works out to 30% of the Post Tax Profit, which is in line with the guidelines issued by Department of Economic Affairs, Ministry of Finance. This is the 33rd consecutive year in which the Company has declared dividend and with this the cumulative dividend till 2016-17 to MOH&FW, Govt. of India would be Rs. 68.09 Crores.

APPROPRIATION TO GENERAL RESERVE

After making provisions for dividend the Board of Directors recommends transfer of Rs.200 lakhs (Previous Year Rs.200 lakhs) out of the Net Profit appearing in the Profit & Loss Account to the General Reserve. Cumulative Reserve & Surplus as on 31.3.2017 stands at Rs.195.85 Crores (Previous Year Rs.171.82 Crores).

FUNDS ON BEHALF OF MINISTRY/CLIENT

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

On behalf of Ministry / Clients –	As on 31.03.17	As on 31.03.16
A. Current Assets	Rs. In Crores	Rs. In Crores
- Cash & Cash Equivalents	1424.80	1247.29
- Short Term Loans & Advances	195.43	156.25
- Other Current Assets	383.45	277.12
	2003.68	1680.66
 B. Current Liabilities		
- Other Current Liabilities	2003.68	1680.66

PERFORMANCE HIGHLIGHTS

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

During the year 2016-17 HSCC was awarded the work of rendering Consultancy Services for Design & Engineering, Project Management and Procurement of Medical Equipments, Drugs & Pharmaceuticals, etc. for various prestigious & challenging projects.

During the year 2016-17, HSCC has achieved Total Turnover of Rs.1619.25 Cr and has achieved Net Worth of Rs. 198.25 Cr.

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

MEMORANDUM OF UNDERSTANDING

The Company has been signing MOU with Ministry of Health & Family Welfare for more than a decade. The Company has been rated 'Excellent' by DPE for the year 2015-16 and expects to be rated 'Very Good' based on the results for the year 2016-17.

STRATEGIC DISINVESTMENT

As per Office Memorandum of Department of Investment & Public Asset Management (DIPAM), the Company is in process of strategic disinvestment with similarly placed CPSE.

BUY BACK OF SHARES

As per Office Memorandum of Department of Investment & Public Asset Management (DIPAM), the Company is in process of Buyback of up to 25% of fully paid up equity share capital.

FOREIGN EXCHANGE

(₹ in Crores)

	2016-17	2015-16
A. Expenditure		
- Travelling	0.06	0.10
- Import of Capital Goods on C.I.F. basis (On behalf of Clients)	25.36	27.40
B. Income	Nil	Nil

HUMAN RESOURCES

HSCC being the knowledge based Company, its real strength lies in its manpower. The manpower strength of the Company as on 31st March, 2017 was 176 on regular pay scales and 119 on fixed tenure basis including 51 SC/ST/OBC Category employees and 2 differently abled employees. The employee management relationship was excellent throughout the year. The Company has maintained the level of minorities' employment in the organization. In line with changing market requirements, the knowledge and skill of HSCC employees are continuously upgraded. During the year employees of the Company were deputed to various training programs to further develop their skill in various areas of operations of the Company.

WELFARE ACTIVITIES

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

IMPLEMENTATION AND PROMOTION OF OFFICIAL LANGUAGE

The Company continued to make efforts to fulfill the targets prescribed by Govt. of India in the Official Language Act and Rules framed there in with regard to increase the use of Hindi Rajbhasha in office during the year 2016-17. Employees were motivated to use their working knowledge of Hindi in day-to-day official work. All the Standard Forms, Files, etc. are bilingual. Significant progress has been made in the field of correspondence, noting and drafting in Hindi. All Hindi letters are being replied in Hindi only. To popularize the use of Hindi, the Company organized a Hindi Pakhwada from 12.09.2016 to 23.09.2016 during which



Hindi Pakhwada Organised at Corporate Office

various competitions based on knowledge of Official Language were organized. Besides, the Company is also a member of the Town Official Language Implementation Committee, NOIDA under the Ministry of Home Affairs, Government of India and is also represented at various competitions, meeting, seminars etc.

VIGILANCE

The Company being a Consultancy Organization, there is no separate Vigilance Unit in the Company. Shri R.K.Agarwal, DGM (Electrical) is acting as Vigilance Officer (VO) Part Time for a period of three years w.e.f 14.11.14. During the year, Vigilance Cell has functioned as an effective part of management. Annual reports, Quarterly Progress Reports, Private Foreign Visits, Monthly report and 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 to. Existing systems and procedures were reviewed for further improvements and all out efforts were made to ensure transparency in the working of the Company. To maintain high moral standard of employees the Company observed Vigilance Awareness Week from 31th October, 2016 to 05th November, 2016. The pledge was administered to all employees.

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. 102 lakhs per annum or Rs. 8.5 lakhs per month.

CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

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

Shri Navdeep Rinwa from 16.01.2017 onwards
Joint Secretary, MOH&FW

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

Shri K. C. Samria from 05.08.2014 to 16.01.2017
Joint Secretary, MOH&FW

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

Shri Gyanesh Pandey from 26.07.2012 onwards
CMD, HSCC

Sh. S. K. Jain from 16.04.2013 onwards
Director (Engg.)

Smt. Vijaya Srivastava, from 19.02.2015 onwards
SS & FA, MOH&FW

Shri Navdeep Rinwa from 16.01.2017 onwards
Joint Secretary, MOH&FW

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in preparation of the Annual Accounts, the applicable Accounting Standards has been followed.
- That the Accounting Policies adopted by the Company are consistently followed that are reasonable and prudent to give true and fair view of the state of affairs of the Company at the end of financial year and of the Profit or Loss of the Company for that period.

- That proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of this Act for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Annual Accounts have been prepared on a going concern basis.
- That the directors had devised proper systems to ensure compliance with provision of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

During the year Company has spent Rs 1.91 Crores (including Rs. 0.83 crores for previous period) (previous year Rs 1.14 Crores) against the required amount to be spent on Corporate Social Responsibility (CSR) i.e. 2% average profit of last three financial years i.e. Rs.1.08. Crores (previous year Rs. 0.74 Crores) as per section 135 of the Companies Act, 2013.

The Company has Rs.0.23 Crores as reserve in the CSR Fund Account. The avenues to spend is being explored and be spent in subsequent year.

INTERNAL AUDITORS

M/s Prem Gupta & Co., Chartered Accountants, have been appointed as internal cum concurrent auditor for the Financial Year 2016-17 at a fees of Rs. 2,85,000/- including conveyance plus Tax as applicable. This is their Fourth year of appointment.

AUDITORS

M/s L.C.Kailash and Associates., Chartered Accountants, New Delhi have been appointed by the Office of the Comptroller & Auditor General of India as Statutory Auditors of the Company for the financial year 2016-17. The remuneration fixed by the Company for them for the financial year 2016-17 is Rs. 8,00,000/- (Rupees Eight Lakhs only) plus Service Tax as applicable. This is the Second year of their appointment.

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

The Comments of CAG along with Management replies are enclosed at **Annexure V** as addendum to Directors' Report.

The Secretarial Audit Report for the financial year ended on 31st March.2017 by Company Secretary in practice M/s Parveen Rastogi & Co. is enclosed as **Annexure-VI** as a addendum to Directors' Report.

MGT-9 is enclosed as **Anexure-VII** to Directors' Reports.

ACKNOWLEDGMENT

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

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

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

The Directors also 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.

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

**NOIDA
DATE: 30.11.2017**

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

ANNEXURE - I

(Addendum to Directors' Report)

SUMMARY OF MAJOR ON-GOING PROJECTS

A. Architectural Planning, Design Engineering & Project Management Services



All India Institute of Ayurveda Sarita Vihar, New Delhi

- National Cardio Vascular Institute for AIIMS, New Delhi at Jhajjar, Haryana
- Cochin Cancer & Research Centre , Ernakulam, Kerala
- 100 beded Hospital for ESIC at Siliguri
- ENT Hospital at Mauritius
- Housing & Guest House at Dwarka and Tuglakabad for Powergrid corporation of India
- Night Shelter at Patna & Guwahati Medical Colleges for Powergrid corporation of India
- National Cancer Institute at AIIMS Jhajjar (Hospital Work)
- 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
- Construction of Housing work at 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 at Sangrur (OPD & Main Work)
- NRHM- Chattisgarh, NRHM- Uttarpradesh, NRHM- Kerala & NRHM- Himachal Pradesh
- Construction of Super Speciality Block in Neuro Sciences at NIMHANS Bangalore

- National Institute of Animal Biotechnology, Hyderabad.
- Vaccine processing facilities for Institute of Veterinary Biological Products, Pune
- Construction of 750 Bedded Hospital (Phase I – 400 bedded) for IIT, Kharagpur
- Residential & Hostel Complex for New AIIMS, Bhubaneswar.
- Construction of Super Speciality Block, OPD & Academic Block at Kolkata Medical College, Kolkata under PMSSY.
- Upgradation of Govt. Hospital at Naharlagun, Arunachal Pradesh
- Medical College at Nahan, Hamirpur & Chamba, Himachal Pradesh
- Regional Institute of Paramedical & Nursing Sciences (RIPANS), Aizwal.
- Upgradation of LGBRIMH at Tezpur (Main Building)
- Implementation for increase of UG seats from 100 to 150 intake P.A. for RIMS, Imphal
- Nurses Hostel & Auditorim work at LGBRIMH-Tezpur
- PMSSY Upgradation Ph III Projects at
 - 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 at Pali, Rajasthan.
- Housing & Hostel for Dr. R.P. Medical College, Kangra



NCI, Jhajjar, Haryana



PMSSY, Jabalpur, M.P.

B. Procurement Management Services

- Medical Equipment for Super Speciality & Emergency Block, Safdurjung Hospital, New Delhi.
- Medical Equipment for Kalpana Chawala Government Medical College, Karnal, Haryana.
- Medical Equipments for Yangon & Sittway Myanmar
- Medical Equipments for CNCI, Kolkata



SSB, Block, Safdarjung, New Delhi

ANNEXURE - II

(Addendum to Directors' Report)

CORPORATE GOVERNANCE REPORT

COMPANY PHILOSOPHY

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

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

The Company's Board of Directors as on 31.03.17 has two functional directors and two part- time official directors. The details are given below:-

Director	Whole-Time/ Part- Time	Member of Board of other companies
Shri Gyanesh Pandey	Whole-time, Chairman and Managing Director	Nil
Shri S.K. Jain	Director (Engineering)	NIL
Smt. Vijaya Srivastava	Part- time Official Director	HLL Life Care Limited HLL Biotech Limited HLL Infratech Services Limited
Shri Navdeep Rinwa	Part-time Official Director	NIL

B. TENURE

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

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

Government Nominee Directors representing Ministry of Health & Family Welfare, Government of India retire from the Board on ceasing to be officials of the Ministry of Health & Family Welfare or until further order from Govt. of India.

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

C. BOARD MEETINGS

During April, 2016 to March, 2017, five meetings (144th to 148th) of the Board of Directors were held with minimum one meeting in each quarter on 29.06.2016, 19.09.2016, 29.11.2016, 27.01.2017 and 15.03.2017.

Meetings and Attendance

Director	No. of Board Meetings held during their respective Tenure	Attended	Attended last Annual General Meeting
Shri Gyanesh Pandey	5	5	Yes
Smt. Vijaya Srivastava	5	3	Yes
Shri Navdeep Rinwa	2	2	No
Shri S.K. Jain	5	5	Yes
Shri K.C. Samria	3	1	No

D. GENERAL BODY MEETING

Annual General Meeting

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

Financial Year	Date	Time	Location
2015-16	29.11.2016	12:00 P.M.	Committee Room No. 155, A Wing, First Floor at MOH&FW, Nirman Bhawan, New Delhi.
2014-15	02.11.2015	12:30 P.M.	Committee Room No. 155, A Wing, First Floor at MOH&FW, Nirman Bhawan, New Delhi.
2013-14	19.09.2014	12:30 P.M.	Committee Room No. 155, A Wing, First Floor at MOH&FW, Nirman Bhawan, New Delhi.

E. SHAREHOLDING PATTERN OF DIRECTORS

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

Directors	No. of Shares of HSCC
Shri Gyanesh Pandey, Chairman and Managing Director	6
Shri Navdeep Rinwa, Joint Secretary, MOH&FW	6
Smt. Vijaya Srivastava , SS & FA, MOH&FW	6
Shri S.K. Jain, Director (Engineering)	6

Further, these shares are held on behalf of the President of India

F. SHAREHOLDERS' GRIEVANCE COMMITTEE

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

G. AUDIT COMMITTEE

The Composition of the Audit Committee is as under:-

1. Smt. Vijaya Srivastava (SS & FA, MOH&FW) - Chairperson
2. Shri K.C. Samria (Joint Secretary, MOH&FW) - Member
3. Shri S.K. Jain (Director (Engg.), HSCC) - Member

During April, 2016 to March, 2017, three meetings (11th to 13th) of the Audit Committee meeting were held on 29.06.16, 19.09.2016 and 16.01.17 at Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.

Shri Navdeep Rinwa, JS, MOH&FW was appointed in place of Shri K.C. Samria, JS, MOH&FW vide letter dated 16.01.17 and 27.01.17. Audit Committee was reconstituted in 148th Board Meeting held on 15.03.2017. The new members of Audit Committee are:

1. Smt. Vijaya Srivastava (SS & FA, MOH&FW) - Chairperson
2. Shri Navdeep Rinwa (Joint Secretary, MOH&FW) - Member
3. Shri S.K. Jain (Director (Engg.), HSCC) - Member

MEETINGS AND ATTENDANCE

Members	No. of Audit Meetings held during their respective Tenure	Attended
Smt. Vijaya Srivastava	3	3
Shri Navdeep Rinwa	0	0
Shri K.C.Samria	3	1
Shri S.K.Jain	3	3

H. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

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

- 1 Smt. Vijaya Srivastava (SS & FA, MOH&FW) - Chairperson
- 2 Shri K.C. Samria (Joint Secretary, MOH&FW) - Member
- 3 Shri S.K. Jain (Director (Engg.), HSCC) - Member

During April, 2016 to March, 2017, one meeting (5th) of the Corporate Social Responsibility (CSR) Committee meeting were held on 15.03.2017 at the Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.

Shri Navdeep Rinwa, JS, MOH&FW was appointed in place of Shri K.C. Samria, JS, MOH&FW vide letter dated 16.01.17 and 27.01.17. Corporate Social Responsibility (CSR) Committee was reconstituted in 148th Board Meeting held on 15.03.2017. The new members of Corporate Social Responsibility (CSR) Committee are:

1. Smt. Vijaya Srivastava (SS & FA, MOH&FW) - Chairperson
- 2 Shri Navdeep Rinwa (Joint Secretary, MOH&FW) - Member
- 3 Shri S.K. Jain (Director (Engg.), HSCC) - Member

MEETINGS AND ATTENDANCE

Members	No. of CSR Meetings held during their respective Tenure	Attended
Smt. Vijaya Srivastava	1	0
Shri Navdeep Rinwa	1	1
Shri K.C. Samria	0	0
Shri S. K. Jain	1	1

REMUNERATION COMMITTEE

The Composition of the Remuneration Committee is as under:-

- 1 Smt. Vijaya Srivastava (SS & FA, MOH&FW) - Chairperson
- 2 Shri K.C. Samria (Joint Secretary, MOH&FW) - Member

During April, 2016 to March, 2017, one meeting (4th) of the Remuneration Committee meeting were held on 29.06.2016 at the Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.

Shri Navdeep Rinwa, JS, MOH&FW was appointed in place of Shri K.C. Samria, JS, MOH&FW vide letter dated 16.01.17 and 27.01.17. Remuneration Committee was reconstituted in 148th Board Meeting held on

15.03.2017. The new members of Audit Committee are:

- | | | | |
|---|--|---|-------------|
| 1 | Smt. Vijaya Srivastava (SS & FA, MOH&FW) | - | Chairperson |
| 2 | Shri Navdeep Rinwa (Joint Secretary, MOH&FW) | - | Member |

MEETINGS AND ATTENDANCE

Members	No. of Remuneration Committee held during their respective Tenure	Attended
Smt. Vijay Srivastava	1	1
Shri Navdeep Rinwa	0	0
Shri K. C. Samria	1	1

I. REMUNERATION OF DIRECTORS

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

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

The part-time non-official directors of the Company also do not draw any remuneration from the Company, they were only paid sitting fee of Rs. 5000/- per meeting attended by them from April'2015 onwards in accordance with the approval of the Board of Directors.

During the year, the Company has not paid any Sitting Fee to Non-official Part time Directors.

J. DISCLOSURES

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

ANNEXURE - III

(Addendum to Directors' Report)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

HSCC is a Government of India Enterprise under administrative control of Ministry of Health & Family Welfare which was setup in March 1983. The share capital of the Company is Rs. 240 lakhs and net worth is Rs.19825 lakhs. Since inception the total business of the Company has been managed without any borrowing either from the Government or from other sources. HSCC has been declared 'Mini Ratna' Company in September 1999.

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

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

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

Strength:

- Debt free & Profit making Company since inception
- GOI backing and support
- Wide range of consulting services under single roof
- Extensive experience 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 & 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

In order to develop into a world class Consultancy Organisation, 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 earning of the Company was Rs. 1619.25 Crore including Interest & Other Income of Rs.108.09 Crore as compared to the previous year's figure of Rs.1106.98 Crore and Rs.85.18 Crore respectively. The Company's Profit before Tax during the year was Rs. 56.16 Crore as compared to the previous year figure of Rs.86.87 Crore .

Cost of operation has increased by 20.48% as compared to the previous year. The increase in the expenditure is mainly due to increase in employee cost.

SEGMENT REPORTING

a) Business segments

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" the Company's business segments include construction activity, consultancy, supply of equipment, medicine etc. Hence, all its operation falls under single segment within the meaning of Accounting Standard AS-17 "Segment Reporting".

b) Geographical segments

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

HUMAN RESOURCES DEVELOPMENTS

HSCC being the knowledge based Company, its real strength lies in its manpower. The manpower strength of the Company as on 31st March, 2017 was 176 on regular pay scales and 151 on fixed tenure basis. The employee management relationship was excellent throughout the year. In line with changing market requirements, the knowledge and skill of HSCC employees are continuously upgraded. During the year employees of the Company were deputed to various training programs, to further develop their skill in various areas of operations of the Company. The Company continues to motivate the employees by providing various social benefits for the employees and their families.

CODE OF CONDUCT

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

SUBMISSION OF QUARTERLY REPORT TO DEPTT. OF PUBLIC ENTERPRISES

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

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 2016-17, Rs. 33.45 Lakhs (Rupees Thirty Three Lakhs and Forty Five Thousand only) towards 05 Cochlear Implant through M/s ALIMCO, Rs.107.98 Lakhs (Rupees One Hundred and Seven Lakhs and Ninety Eight Thousand only) towards Contribution to "Clean Ganga Fund" set up by Central Government for rejuvenation of River Ganga under Swachh Bharat Kosh and Rs.50.00 Lakhs (Rupees Fifty Lakhs only) towards Sports Authority of India for up gradation of SAI training centre, Hissar, Haryana under SAI, CSR project.

ANNEXURE - IV

(Addendum to Directors' Report)

REPLIES TO COMMENTS IN AUDITORS' REPORT

OPINION

- (a) (i) Note no. 20(II)(b) regarding acceptance by the company of joint moral responsibility with the client for the reported lapses in one of the projects (CRI, Kasauli) and to bear half of the assessed cost (infructuous expenditure on building construction works). There had not been further development during the year on this issue, the amount of liability if any has not yet been ascertained and provided for in the books of accounts.

Reply- Disclosed in Note No. 20(II)(b), which is self explanatory.

- (ii) Note no. 20 (II)(c) regarding deposit by the company Rs. 1704.77 lakhs, out of the deposit from other projects of MOH & FW. In view of pending settlement with MOH & FW no provision for the same has been made in the books of accounts.

Reply- Disclosed in Note no 20(II)(c), which is self-explanatory

- (iii) Note no. 20 (IX) regarding Trade Payables (Creditors), Lease Deposits, Sundry Debtors, EMD and Security Deposits given by the company and various other balances on behalf of the ministries/ clients are subject to reconciliation and confirmation.

Reply- Disclosed in Note No. 20(IX), which is self explanatory.

- (iv) Note no. 20 (XI) regarding old credit balances of Rs 2345.79 lakhs (previous year Rs. 1387.81 lakhs) are lying unpaid/ unadjusted in the Deposit Accounts of the clients for more than 4 years. The confirmation of balances from Ministry/ Clients is not available.

Reply- Disclosed in Note No. 20(XI), which is self explanatory.

- (v) Note no. 20 (X) still balances are lying in Trade Payable Account that are unclaimed/ unsettled and are not ascertainable with the client's work and the outcome of liability, if any, is not known. The impact of the above qualifications, in view of uncertainties, in Profit & Loss account, Assets and Liabilities of the Company is presently not quantifiable.

Reply- Disclosed in Note No. 20(X), which is self explanatory.

- (b) (i) The Company is maintaining project financials of 135 projects (Civil work and Procurement) being undertaken by it on behalf of Ministry/ Clients. These financials are incorporated in the books of the company as Assets and Liabilities and shown separately as Accounts held "on behalf of Ministry/ Clients". The Bank Accounts and Fixed Deposits maintained with the banks on behalf of Ministry/ Clients are not being monitored by the Company on regular basis and accounting of Interest and Fixed Deposit is done by the Company based on data/ statement provided by the respective banks from time to time.

Reply- System is in place for calculation of interest & FD monitoring. Noted for further strengthening of system.

- (ii) Out of Project Financials of 135 projects, the statement of expenditure in respect of procurement projects of the client are not available for all the projects. In the absence of such details, the impact of deficiency, if any, existing in the funds deposited by these clients is not ascertainable.

Reply- Details of various heads of account including fund deposited are reflected through trial balance. SOE is prepared as a summary statement for all receipts & payments. However concern for preparation of SOE is noted for further compliance.

(iii) There are certain un-reconciled balances under the head Deposit from Client's Account (Account Code SL 53) in which the credit balance of Rs. 4029.13 Lakhs shown in Schedule No 5 under the account head "Other Long Term Liabilities" and debit balance of Rs. 2710.08 Lakhs shown in schedule No. 15 under the account head "Short Term Loan and Advances" as recoverable from Clients, the impact, if any, on the Profit or Loss and the Assets and Liabilities is not ascertained due to inadequate financial control and real time analysis and verification of Fixed Deposits and interest thereon.

Reply- Reconciliation is being done.

(c) Financial frauds amounting to Rs. 301.12 Lakhs had been detected in the fourth quarter of the financial year 2016-17 by the management and reported to us. The exact amount of fraud is unascertained till the completion of our audit. However, FIR had been lodged by the management with the Noida Police. Refer Note No. 20(IV).

Reply- Disclosed in Note No. 20(IV), which is self explanatory.

EMPHASIS OF MATTER

a Note no:- 20 (VI) to the Financial Statements. As per Board's Approval at 145th meeting held on 6-09-2016, the interest income in respect of contracts which are silent about the interest earned on Fixed Deposit made out of clients fund has been credited to the clients account. Thus there is shortfall in the income of the company by Rs. 1530 Lakhs as compared to the previous year.

Reply- Disclosed in Note No. 20(VI), which is self explanatory.

b. No liability towards Leave Travel Concession to employees and their dependents to visit home town has been provided by obtaining actuarial valuation.

Reply – Actual amount of payment for Leave Travel Concession for employees is insignificant hence no actuarial valuation is made for LTC.

c. The internal control system, which requires checking and verification of all transactions including that of interest on fixed deposits made by the company in FDR's and Liquid funds and timely adjustment of expenses, income and bank transactions in the books of accounts, is found to be weak causing undue delay in preparation of Annual Financial Statements of the Company.

Reply- System is in place for calculation of interest & FD monitoring. Noted for further strengthening of system.

d. Internal Financial control over financial statements (Refer Annexure 2 to the Independent Auditors' Report) is weak and need to be strengthened.

Reply- Noted for further strengthening of the system.

e. There are projects which have been completed and handed over to the Ministry/ Clients but financial closure of these accounts 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 taken place. The impact of this on the profit or loss will be accounted in the year in which the financial closure takes place.

Reply- The above is self explanatory.

f. Two plots No. E-13 & E-14 at Sector -1, Noida measuring 2518.13 square meters were allotted to HSCC (India) limited and the supplementary lease deed was executed with New Okhla Industrial Development Authority (Noida) on 22nd April, 2013. 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. The lease agreement has already expired on 21-04-2017 and the Company has neither applied for extension of time nor constructed the building.

Reply- We are in the process of getting extension. Further we have not received any notice from NOIDA authorities in this regard.

g. Left over balances of USD to the tune of USD 2955 was retained by the employees out of USD 5050 given to them for official visit to Mauritius which was concluded in the 1st week of November, 2016, neither left over USD deposited in the bank account nor returned to the Company till middle of August, 2017.

Reply – Employees have submitted their T.A. bills and recovery of balance amount being done.

ANNEXURE - V

(Addendum to Directors' Report)



कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-IV, नई दिल्ली
Office of the Principal Director of Commercial
Audit & Ex-officio Member, Audit Board-IV, New Delhi

CONFIDENTIAL

No. 603-PDCA/MAB-IV/HS/A/cs/HSCC/17-18/5248
Dated 30.11.2017

To,

The Chairman & Managing Director,
HSCC (India) Ltd.,
E-6(A), Sector-1,
Noida (U.P.)-201301.

Subject :- Comments of the Comptroller & Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the financial statement of HSCC (India) Limited for the year ended 31st March, 2017.

Sir,

I am to enclose herewith the Comments of the Comptroller & Auditor General of India under section 143 (6) (b) of the Companies Act, 2013, on the financial statement of **HSCC (India) Limited** for the year ended 31st March, 2017.

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

sd/-

(L. Siddhartha Singh)

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

Encl. : As above

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, 2017.

The preparation of financial statements of **HSCC (India) Limited** for the year ended 31 March 2017 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 the 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 26th September, 2017.**

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of **HSCC (India) Limited** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

1. Comments on Profitability

Statement of Profit & Loss

Tax Expenses **Rs. 18,55,16,023/-**

The above is understated by Rs.0.37 crore due to inadmissible deduction of Rs.1.08 crore claimed under section 80G of Income Tax Act, 1961 on account of contribution paid to National Mission for Clean Ganga. The amount was paid for corporate social responsibility activities for which no tax exemptions have been extended under Income Tax Act, 1961. Consequently profit for the year is also overstated by Rs.0.37 crore.

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

**sd/-
(L. Siddhartha Singh)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-IV**

Place : New Delhi

Date : 30.11.2017

Comments of the Comptroller & Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 and Management Replies thereto on the accounts of HSCC (India) Limited for the Financial year 2016-17.

Provisional Comments	Management Replies
<p style="text-align: center;">Statement of Profit & Loss</p> <p>Tax Expenses Rs. 18,55,16,023/-</p> <p>The above includes current year tax liability of Rs. 20,76,33,040/-. On review of current year tax calculations it was observed that from the gross income, the company has taken deduction of chapter VI A under sec-80G on account of contribution to National Mission For Clean Ganga.</p> <p>It was further observed that in the financial year 2016-17 Company paid Rs. 1,07,98,000/- to the fund of National Mission For Clean Ganga on account of CSR activities and took deduction under sec 80G. As per Gol instruction, donations (other than CSR contributions under Companies Act 2013) to Clean Ganga fund will be 100% deductible under section 80G.</p> <p>Thus, wrong deduction u/s 80 G has resulted in understatement of tax liability to the extent of Rs. 37,36,970/- (Rs. 1,07,98,000 X 34.608%). This has resulted in overstatement of profit and understatement of current year tax expenses by Rs. 37.37 lakh.</p>	<p>Under National Mission for Clean Ganga of the Government of India one of the fund is created called as Clean Ganga Cess. One of the objects of under Clean Ganga Cess is "to maintain minimum ecological flows in the river Ganga with the aim of ensuring water quality and environmentally sustainable development. The object to ensure the quality of water is to establish drinking water facility for the people of the country. Such expenditure incurred by the Madras Refinery Ltd was allowed as expenditure by CIT (Appeal) in 2004, refer ITR 170 page no. 266 (Madras). In view of the above object "Clean Ganga Cess" under Swatch Bharat Kosh, the amount given/ contributed is not only for ensuring the water quality but also to maintain the ecological flow in the river Ganga keeping this in view the amount contributed to Clean Ganga Cess has been considered as allowable expenditure under IT Act for which we are sure.</p>

ANNEXURE - VI

(Addendum to Directors' Report)

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 2016-17

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel Rules, 2014)]*

To,

The Members,
HSCC (INDIA) LIMITED
CIN: U74140DL1983GOI015459
205 (2ND FLOOR), EAST END PLAZA, PLOT NO.4,
LSC, CENTRE - II, VASUNDHARA ENCLAVE,
NEW DELHI – 110 096

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate 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 31st March, 2017 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** for the financial year ended on 31st March, 2017 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 to the Company during the Audit period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder; **(Not Applicable to the Company during the Audit period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit period as the Company is Unlisted);**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not Applicable to the Company during the Audit period as the Company is Unlisted);**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit period as the Company is Unlisted);**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the Audit period as the Company is Unlisted);**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit period as the Company is Unlisted);**
- 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 to the Company during the Audit period as the Company is Unlisted);**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit period as the Company is Unlisted); and**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit period as the Company is Unlisted);**
- (vi) As informed to us, the following other Acts/laws specifically applicable to the company as under:
1. Income Tax Act 1961 & Rules made thereunder
 2. Employees PF and Misc. Provisions Act, 1952
 3. Service Tax law
 4. VAT
 5. The Employees Pension Scheme, 1995
 6. Employees State Insurance Act, 1948
 7. The Payment of Wages Act, 1936
 8. The Maternity Benefit Act, 1961
 9. The Payment of Gratuity Act, 1972
 10. Applicable Accounting Standards

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.

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:

1. **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 respectively, provisions of Section 177 & 178 of the Companies Act, 2013 & rules made there under 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 provision of Section 135(1) of the Companies Act, 2013 with respect to the composition of CSR Committee as there were no Independent Directors during the year under review.**

In respect of other laws specifically applicable to the Company, We have relied on information/records produced by the Company during the course of our audit and the reporting is limited to that extent.

We further report that:

The Board of Directors of the Company is duly re-constituted. 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 meeting.

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 is a scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- There was no prosecution initiated against or show cause notice received by the company during the year under review.

We further report that during the audit period there were no instances of:

- Public / Right / Preferential issue of Shares/ Debentures / Sweat Equity, Bonus issue during the year under review.
- Redemption / Buy-Back of Securities.
- Merger / Amalgamation / Reconstruction etc.
- Foreign Technical Collaborations.

For **PARVEEN RASTOGI & CO.**
COMPANY SECRETARIES

Sd/-
Parveen Rastogi
C.P. No. 2883
M. No. - 4764

Place : New Delhi
Date : 04.09.2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2017

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

I REGISTRATION & OTHER DETAILS:

i	CIN	U74140DL1983GOI015459
ii	Registration Date	30.03.1983
iii	Name of the Company	HSCC (INDIA) LIMITED
iv	Category/Sub-category of the Company	Public Sector Undertaking
v	Address of the Registered office & contact details	205, East End Plaza, Plot No. 4, D.D.A. - L.S.C., Centre-II, Vasundhra Enclave, Delhi - 110096
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

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

Sl. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Consultancy for Hospital Service Sector	9983	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N/A				

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	NIL	54	54	0.02%	NIL	54	54	0.02%	-	-
b) Central Govt. or State Govt.	NIL	239964	239964	99.98%	NIL	239964	239964	99.98%	-	-
c) Bodies Corporates	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
d) Bank/Fl	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
e) Any other	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
SUB TOTAL:(A) (1)		240018	240018	100%		240018	240018	100%	-	-
(2) Foreign										
a) NRI- Individuals	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
b) Other Individuals	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
c) Bodies Corp.	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
d) Banks/Fl	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
e) Any other...	NIL	NIL	NIL	-	NIL	NIL	NIL	-	-	-
SUB TOTAL (A) (2)		0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		240018	240018	100%		240018	240018	100%	0	0
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
b) Banks/Fl	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
c) Cenntral govt	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
d) State Govt.	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
e) Venture Capital Fund	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
f) Insurance Companies	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
g) FIIS	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
h) Foreign Venture Capital Funds	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
i) Others (specify)	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0	0	0
(2) Non Institutions										
a) Bodies corporates										
i) Indian	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
ii) Overseas	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
c) Others (specify)	NIL	NIL	NIL	-	NIL	NIL	NIL	NIL	-	-
SUB TOTAL (B)(2):	0	0	0	-	0	0	0	0	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	-	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	-	0	0	0	0	0	0
Grand Total (A+B+C)		240018	240018	100%		240018	240018	100%	0	0

(ii) **Share Holding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year during the year			% change in Share holding during the year
		No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	President of India	239964	99.98%	-	239964	99.98%	-	-
2	Nominees on behalf of President of India	54	0.02%	-	54	0.02%	-	-
	Total	240018	100.00%		240018	100.00%		

Note : All the Shareholding are held by Central Government in the name of President of India and his 9 Nominees.

(iii) **Change in Promoters' Shareholding (specify if there is no change)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	N/a	N/a	N/a	N/a
	At the end of the year				

Note : All the Shareholding are held by Central Government in the name of President of India and his 9 Nominees.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No.		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	N/a	N/a	N/a	N/a
	At the end of the year (or on the date of separation, if separated during the year)				

Note : All the Shareholding are held by Central Government in the name of President of India and his 9 Nominees.

(v) **Shareholding of Directors & KMP**

Sl. No.		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	NOT APPLICABLE			
	At the end of the year				

Note : All the Shareholding are held by Central Government in the name of President of India and his 9 Nominees.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
For Each of the Directors & KMP	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year	NIL				
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)					
Change in Indebtedness during the financial year					
Additions					
Reduction					
Net Change					
Indebtedness at the end of the financial year					
i) Principal Amount					
ii) Interest due but not paid					
iii) Interest accrued but not due					
Total (i+ii+iii)					

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Shri Gyanesh Pandey		Shri S.K. Jain	
		CMD		Director (E)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	40.49	-	39.17	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1.15	-	1.45	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others (specify)				
5	Others, please specify	0.10	-	0.10	-
	Total (A)	41.74	-	40.72	-
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
	(a) Fee for attending board committee meetings	-	-
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Director Remuneration		
	Director Remuneration		
	Total (1)	-	-
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings"	-	-
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO	Total	
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) of the Income Tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	as % of profit					
	others, specify					
5	Others, please specify					
	Total	-	-	-	-	-

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)
A. COMPANY					
Penalty					
Punishment					
Compounding		NIL			
B. DIRECTORS					
Penalty					
Punishment					
Compounding		NIL			
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding		NIL			

INDEPENDENT AUDITORS' REPORT

To,

The Members of HSCC (India) Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of HSCC (India) Ltd ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The company's Board of Director is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts & Auditors) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Basis for Qualified Opinion

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

- (a) (i) Note no. 20(II)(b) regarding acceptance by the company of joint moral responsibility with the client for the reported lapses in one of the projects (CRI, Kasauli) and to bear half of the assessed cost (infructuous expenditure on building construction works). There had not been further development during the year on this issue, the amount of liability if any has not yet been ascertained and provided for in the books of accounts.
- (ii) Note no. 20 (II)(c) regarding deposit by the company Rs. 1704.77 lakhs, out of the deposit from other projects of MOH & FW. In view of pending settlement with MOH & FW no provision for the same has been made in the books of accounts.
- (iii) Note no. 20 (IX) regarding Trade Payables (creditors), Lease Deposits, Sundry Debtors, EMD and Security deposits given by the company and various other balances on behalf of the ministries/ clients are subject to reconciliation and confirmation.

- (iv) Note no. 20 (XI) regarding old credit balances of Rs 2345.79 lakhs (previous year Rs. 1387.81 lakhs) are lying unpaid/ unadjusted in the Deposit Accounts of the clients for more than 4 years. The confirmation of balances from Ministry/ Clients is not available.
- (v) Still balances are lying in Trade Payable Account that are unclaimed/ unsettled and are not ascertainable with the client's work and the outcome of liability, if any, is not known. The impact of the above qualifications, in view of uncertainties, in Profit & Loss account, Assets and Liabilities of the Company is presently not quantifiable.
- (b) (i) The Company is maintaining project financials of 135 projects (Civil work and Procurement) being undertaken by it on behalf of Ministry/ Clients. These financials are incorporated in the books of the company as Assets and Liabilities and shown separately as Accounts held "on behalf of Ministry/ Clients". The Bank Accounts and Fixed Deposits maintained with the banks on behalf of Ministry/ Clients are not being monitored by the Company on regular basis and accounting of Interest and Fixed Deposit is done by the Company based on data/ statement provided by the respective banks from time to time.
- (ii) Out of Project Financials of 135 projects, the statement of expenditure in respect of procurement projects of the client are not available for all the projects. In the absence of such details, the impact of deficiency, if any, existing in the funds deposited by these clients is not ascertainable.
- (iii) There are certain un-reconciled balances under the head Deposit from Client's Account (Account Code SL 53) in which the credit balance of Rs. 4029.13 Lakhs shown in Schedule No 5 under the account head "Other Long Term Liabilities" and debit balance of Rs. 2710.08 Lakhs shown in schedule No. 15 under the account head "Short Term Loan and Advances" as recoverable from Clients, the impact, if any, on the Profit or Loss and the Assets and Liabilities is not ascertained due to inadequate financial control and real time analysis and verification of Fixed Deposits and interest thereon.
- (c) Financial frauds amounting to Rs. 301.12 Lakhs had been detected in the fourth quarter of the financial year 2016-17 by the management and reported to us. The exact amount of fraud is unascertained till the completion of our audit. However, FIR had been lodged by the management with the Noida Police. Refer Note No. 20(IV).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matter mentioned in the Basis for Qualified Opinion, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at the reporting date and its profit and its Cash flow for the year ended on that date.

Emphasis of Matter

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

- Note no:- 20 (VI) to the Financial Statements. As per Board's Approval at 145th meeting held on 6 -09- 2016, the interest income in respect of contracts which are silent about the interest earned on Fixed Deposit made out of clients fund has been credited to the clients account. Thus there is shortfall in the income of the company by Rs. 1530 Lakhs as compared to the previous year.
- No liability towards Leave Travel Concession to employees and their dependents to visit home town has been provided by obtaining actuarial valuation.
- The internal control system, which requires checking and verification of all transactions including that of interest on fixed deposits made by the company in FDR's and Liquid funds and timely adjustment of expenses, income and bank transactions in the books of accounts, is found to be weak causing undue delay in preparation of Annual Financial Statements of the Company.
- Internal Financial control over financial statements (Refer Annexure 2 to the Independent Auditors' Report) is weak and need to be strengthened.
- There are projects which have been completed and handed over to the Ministry/ Clients but financial closure of these accounts 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 taken place. The impact of this on the profit or loss will be accounted in the year in which the financial closure takes place.
- Two plots No. E-13 & E-14 at Sector -1, Noida measuring 2518.13 square meters were allotted to HSCC (India) limited and the supplementary lease deed was executed with New Okhla Industrial Development Authority (Noida) on 22nd April, 2013. 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. The lease agreement has already expired on 21-04-2017 and the Company has neither applied for extension of time nor constructed the building.

- g. Left over balances of USD to the tune of USD 2955 was retained by the employees out of USD 5050 given to them for official visit to Mauritius which was concluded in the 1st week of November, 2016, neither left over USD deposited in the bank account nor returned to the Company till middle of August, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "1" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid standalone financial statements comply with the accounting standard specified u/s 133 of the act, read with rule 7 of the Companies (Accounts & Auditors) Rules, 2014.
 - e. As per the notification no:- G.S.R 829 (E) dated 21/10/2003 issued under section 620(1) of the Companies Act 1956 and read with section 465(2) of the Companies Act 2013, sub section (2) of section 164 of the Companies Act 2013 provisions are not applicable to Government Company.
 - f. With respect to the adequacy of Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our report in Annexure-2.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations as at 31st March, 2017 on its financial positions in its financial statements – (Refer note no 20(II), (III) & (XXVIII) to the financial statements).
 - (ii) The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in specified bank notes, as defined in the notification S.O. 3407(E) dt. 8th November, 2016 of the Ministry of Finance during the period from 8th November, 2016 to 30th December, 2016. Based on our audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the company.
3. As required under section 143 (5) of Companies Act 2013, we give in Annexure 3 a statement containing our reply to directions issued by the Comptroller and Auditor General of India.

For **L C KAILASH AND ASSOCIATES**
Chartered Accountants
Firm Regn. No. : 01811N

Sd/-
(L. C. GUPTA)
Partner
M. No. : 05122

Place: Noida
Date : 26.09.2017

ANNEXURE “1” TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our report of even date to the members of HSCC (India) LIMITED on the accounts for the year ended 31 March 2017 as specified in para 3 & 4 of the order referred to in sub-section (11) of section 143.

- i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and the nature of fixed assets. The Company got physical verification of fixed assets for the year 2016-17 conducted by a firm of Chartered Accountants and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- ii. Since no inventory is maintained by the Company as all contracts are awarded to the contractors with materials on turnkey basis, this Para of the Order is not applicable.
- iii. According to the information and explanation given to us the Company has neither granted any loan nor taken any loan, secured or unsecured loans to/from any companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 hence other Paras of this clause are not applicable.
- iv. The Company has not advanced loans, given guarantees or security or made any investment in contravention of section 185 and/ or section 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company.
- vi. Since the company is not carrying any manufacturing activity, the question of maintaining cost records under section 148(1) of the Companies Act, 2013 does not apply.
- vii. (a) Undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed statutory dues outstanding as on 31 March 2017 for a period of more than six months from the date they became payable except income tax demand from assessing authority under section 143(3) of Income Tax Act, 1961 for the Assessment Year 2013-14 of Rs. 42,87,870 which is unpaid and outstanding for more than six months from the date it became payable. Based on the information and explanation given to us the company has laid down system and procedures regarding deposit of PF and ESI dues related to contractor's workers.
- (b) According to the records of the company and information and explanations given to us there are no dues of sales tax, wealth tax, customs duty, excise duty, value added tax, cess which has not been deposited on account of dispute with appropriate authorities. However, dues of Income Tax, Service Tax and Other statutory dues which have not been deposited on account of dispute are as under:-

Nature of Dues	Amount (Rs in Lakhs)	Period to Which Relates	Where Dispute is Pending
Service Tax	5.29 plus equivalent amount of penalty and interest	October 2009 - September 2010	Commissioner of central Excise (Appeals)
Service Tax (Cenvat Credit)	10.05 plus Interest	April 2010- March 2012	Commissioner of central Excise (Appeals)
Service Tax (Penalty)	2.64 plus penalty of Rs. 2.64	January, 2004	Commissioner of Central Excise (Appeals)
Income Tax	1452.00	AY 2012-13	CIT (Appeals)
ESI	1.83	01-01-1997 to 31-07-2004	Employees State Insurance Corporation, Kanpur
Provident Fund	6.86	2004-05 to 2008-09	PF Tribunal
Electricity Dues with Paschimanchal Vidyut Vitran Nigam Limited	12.32	June 2013.	District Consumer Forum, Greater Noida

- (c) According to the information and explanations given to us, there are no amounts that are required to be transferred to Investors Education and Protection Fund during the year ended 31st March 2017.
- viii. The Company has not taken any loan from Financial Institutions or Banks or Government or Debenture holders since inception. Hence, Para of this Order is not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and terms loans, hence the para of this clause are not applicable.
- x. Two frauds involving many transactions have been reported which have been committed by its certain officers and employees of the company. The amount of fraud reported so far is Rs. 301.12 lakhs (Rs. 241.57 & Rs. 59.55 Lakhs) detected in the 4th quarter of the Financial Year 2016-17. The matter has been reported to Noida Police. In the process of reconciliation of bank accounts, certain unidentified entries/ fraudulent transaction were noticed in the Company's bank account with Indian Overseas Bank, Sector-1, Noida and the matter is under investigation.
- xi. In our opinion and according to information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. The company is not a Nidhi Company and hence reporting under of clause 3 (xii) of the CARO, 2016 order is not applicable.
- xiii. According to the information and explanations given to us the company's transactions with its related party are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable and details of related party transactions have been disclosed in note no 20(xxiii) of the note schedule forming part of the financial statements.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. According to information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.
- xvi. According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For **LC KAILASH AND ASSOCIATES**
Chartered Accountants
Firm Regn. No. : 01811N

Sd/-
(L. C. GUPTA)
Partner
M. No. 05122

Place: Noida
Date: 26.09.2017

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF HSCC (India) LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

We have audited the internal financial controls over financial reporting of HSCC (India) Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting needs improvement as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **L C KAILASH AND ASSOCIATES**
Chartered Accountants
Firm Regn. No. : 01811N

Place: Noida
Date: 26.09.2017

Sd/-
(L. C. GUPTA)
Partner
M. No. 05122

ANNEXURE “3” TO INDEPENDENT AUDITORS’ REPORT

Directions/ Sub- Directions indicating the areas to be examined by the statutory auditors during the course of audit of Annual Accounts of the HSCC (India) Ltd for the year 2016-17 issued by the Comptroller & Auditor General of India under section 143(5) of the Companies Act, 2013.

S.No	Directions/Sub-Directions	Action Taken	Impact on Financial Statement
A	Directions		
1.	Whether the Company has clear title/ lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company is holding two lease hold plots measuring total area of 2518.13 sq meters at E-13 and E-14 at Sector, 1 Noida. As per the lease agreement the extended period for constructing the building has expired on 21-04-2017. The company has neither applied for extension of time nor constructed the building.	Can not assess at this stage.
2.	Whether there are any cases of waiver/write off of debts/ loans/ interest etc, if yes, the reason there for and the amount involved.	According to the information and explanations given to us, there are no cases of waiver/ write off of debts/loans/interest etc.	NIL
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Not applicable, since the company does not carry any inventory due to nature of its business and no assets received as gift from government or other authorities.	NIL
B	Sub Directions : NIL		

For **L C KAILASH AND ASSOCIATES**
Chartered Accountants
Firm Regn. No. : 01811N

Place: Noida
Date: 26.09.2017

Sd/-
(L. C. GUPTA)
Partner
M. No. 05122

HSCC (India) Ltd.
Balance Sheet as at 31.03.2017

(Amount in ₹)

Particulars	Note No.	As at 31 st March, 2017	As at 31 st March, 2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
(a) Share Capital	2	24,001,800	24,001,800
(b) Reserves and Surplus	3	1,958,523,316	1,718,225,451
(c) Specific reserve	4	5,315,523	13,660,523
2 Non - Current Liabilities			
(a) Other Long Term Liabilities	5	492,216,169	453,280,637
(b) Long -Term Provisions	6	74,124,534	59,893,737
3 Current Liabilities			
(a) Trade Payables (Goods & Services)	7	4,100,791	3,784,904
(b) (i) Other Current Liabilities	8	317,869,711	210,135,887
(ii) Other Current Liabilities - Ministry / Clients		20,036,845,875	16,806,561,917
(c) Short -Term Provisions	9	109,750,682	173,296,542
TOTAL		23,022,748,401	19,462,841,398
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	10		
(i) Tangible		69194046	62,627,411
(ii) Intangible		712,784	832,006
(iii) Surveyed Discarded Assets		165,440	165,440
(iv) Capital WIP-Software		621,000	-
(b) Deferred Tax Assets (Net)	11	68,935,201	46,375,884
(c) Long-Term Loans and Advances	12	6,206,344	6,787,822
2 Current Assets			
(a) Trade Receivables	13	782,706,548	424,524,650
(b) (i) Cash and Cash Equivalents	14	1,535,551,034	1,558,738,317
(ii) Cash and Cash Equivalents (on behalf of Ministry / Clients)		14,247,974,375	12,472,937,549
(c) (i) Short-Term Loans and Advances	15	332,490,433	277,463,467
(ii) Short-Term Loans and Advances (on behalf of Ministry / Clients)		1,954,357,824	1,562,475,273
(d) (i) Other Current Assets	16	189,319,696	278,764,484
(ii) Other Current Assets (on behalf of Ministry / Clients)		3,834,513,676	2,771,149,095
TOTAL		23,022,748,401	19,462,841,398
The accompanying notes 1 to 20 are an integral part of the these Financial Statements.			

As per our report of even date

For and on behalf of the Board of Directors

For L. C. Kailash and Associates
Chartered Accountants
Firm Regn. No. : 01811N

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

Sd/-
(S. K. Jain)
Director (Engg.)
DIN: 06573103

Sd/-
Partner : L. C. Gupta
M. No. : 05122

Sd/-
(Saurabh Srivastava)
CGM (F&A)

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

Place : Noida
Date : 25.09.2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹.)

Particulars	Note No.	2016-17	2015-16
I. REVENUE FROM OPERATIONS:			
a Value of Work Done		15,111,652,106	10,218,042,198
b Interest Income of Client Funds		908,772,970	594,447,522
c Other Income	17	172,114,165	257,316,641
II. TOTAL REVENUE		<u>16,192,539,241</u>	<u>11,069,806,361</u>
III. EXPENSES:			
a Contract Expenses		14,318,204,253	9,240,240,153
b Interest Credited/Paid to Govt. Clients		908,772,970	594,447,522
c Employee Benefits Expense	18	323,870,307	222,439,753
d Administrative and other Expenses	19	77,433,017	110,645,913
e Depreciation and amortization Expense	10	7,320,057	6,295,172
IV. TOTAL EXPENSES		<u>15,635,600,604</u>	<u>10,174,068,513</u>
V. Profit before Exceptional and Extraordinary items (II -IV)		556,938,637	895,737,849
VI. Exceptional and Extraordinary item			
a) Exceptional Item			
Prior Period Income		8961852	524,895
Prior Period Expenses		-1529652	-16457135
Income Excess Accounted in earlier year		<u>-2758883</u>	<u>-11148894</u>
b) Extraordinary item		-	-
VII. Profit Before Tax (V - VI)		<u>561,611,954</u>	<u>868,656,715</u>
VIII. TAX EXPENSES:			
a Current Tax		207,633,040	340,485,522
b Previous Year Taxes		442,300	-
c Deferred Tax		<u>(22,559,317)</u>	<u>(17,983,557)</u>
		185,516,023	322,501,965
IX. Profit for the year (VII-VIII)		<u>376,095,931</u>	<u>546,154,750</u>
X. Earnings per equity share of Rs. 100 each	20(XXIV)		
Basic Earnings Per Share		1,566.95	2,275.47
Diluted Earnings Per Share		1,566.95	2,275.47
The accompanying notes 1 to 20 are an integral part of these financial statements.			

As per our report of even date

For and on behalf of the Board of Directors

For L. C. Kailash and Associates
Chartered Accountants
Firm Regn. No. : 01811N

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

Sd/-
(S. K. Jain)
Director (Engg.)
DIN: 06573103

Sd/-
Partner : L. C. Gupta
M. No. : 05122

Sd/-
(Saurabh Srivastava)
CGM (F&A)

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

Place : Noida
Date : 25.09.2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017 (Indirect Method)

Particulars	As on 31.03.2017	As on 31.03.2016
(A) Cash flow from operating activities		
Profit Before Tax	561,611,954	868,656,715
Adjustment for:		
Add: Depreciation	7,320,057	6,330,963
Add: Provision for EMD/SD/Debtors	232,910	41,926,169
Add: Interest Paid to Project Authorities	908,772,970	594,447,522
Add: Adjustment made in the Gross Block of Fixed Assets	2,870,894	-
Less: Unclaimed Balances written Back	1,131,759	-
Less: Provision no longer required	241,465	-
Less: Adjustment made in the Accumulated Depreciation	2,870,894	-
Less: Profit on sale of Fixed Assets	2,566	11,383
Less: Interest On Client Fund	908,772,970	594,447,522
Less: Provision Written Back (Dividend Tax)	-	57,594
Less: Interest Income	163,393,152	249,183,152
Operating Profit before working capital changes (I)	404,395,979	667,661,718
Adjustment for :		
Increase/(decrease) in other current liabilities-Ministry	2,153,481,043	4,721,800,296
Increase/(decrease) in Other Long term liabilities	38,935,532	(4,400,351)
Increase/(decrease) in Long Term Provisions	14,230,797	-
Increase/(decrease) in Provisions	212,343	4,485,384
Increase/(decrease) in other current liabilities	107,755,579	21,801,310
Increase/(decrease) in Trade Payables	983,592	(717,414)
Decrease in Corporate Social Responsibility Fund	(8,345,000)	(1,594,059)
Net increase/(decrease) in Current Liability	2,307,253,885	4,741,375,166
Increase/(decrease) in Trade receivables	357,940,433	155,543,847
Increase/(decrease) in short term loans & advances	55,181,966	108,730,352
Increase/(decrease) in short term loans & advances-on behalf of Ministry/clients	391,882,551	94,025,005
Decrease in Long term loans & advances	(503,568)	(271,210)
Increase/(decrease) in other current assets-on behalf of Ministry/clients	980,416,059	-
Decrease in other current assets	(104,830,473)	2,581,495,851
Net increase/(decrease) in Current Assets	1,680,086,967	2,939,523,845
Net Change in Working Capital (II)	627,166,918	1,801,851,321
Cash generated from Operating activities (I+II)	1,031,562,897	2,469,513,039
Less: Direct Tax Paid	209,987,606	368,740,746
Net Cash flow from Operating activities (A)	821,575,291	2,100,772,293
(B) Cash Flows from Investing Activities:		
Sale of Fixed Assets	15,872	38,696
Add: Interest received (Client Fund)	825,824,448	595,745,753
Add: Interest received (Own Fund)	1,224,810,382	240,477,897
Less: Interest Paid to Project Authorities	908,772,970	303,276,538
Less: Purchase of New Equipment	14,401,778	4,964,033
Net Cash Flows from Investing Activities (B)	1,127,475,954	528,021,775
(C) Cash Flows from Financing Activities:		
Dividend on equity shares paid	163,846,425	49,203,690
Add: Dividend Tax paid	33,355,277	10,016,714
Net Cash from Financing Activities (C)	(197,201,702)	(59,220,404)
Net increase/(decrease) in cash & cash equivalent (A+B+C)	1,751,849,543	2,569,573,664
Add: Cash at the beginning of the year	14,031,675,865	11,462,102,201
Cash at the end of the Year	15,783,525,409	14,031,675,865
Summary:		
Cash end of the year		
(a) Cash -in-Hand	4,873	30,204
(b) Balance With Banks		
- On Current Accounts	102,480,786	291,734,211
- On Deposit Accounts(< 1Yrs)	1,433,065,375	-
- On Deposit Accounts(> 1Yrs)	-	1,266,973,901
Total (A)	1,535,551,034	1,558,738,316
Other Bank Balance held on behalf of Ministries/Clients		
- On Saving Accounts	1,612,370,226	909,798,779
- On Deposit Accounts(< 1Yrs)	135,204,171	-
- On Deposit Accounts(> 1Yrs)	12,500,399,978	11,563,138,770
Total (B)	14,247,974,375	12,472,937,549
TOTAL (A+B)	15,783,525,409	14,031,675,865

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

As per our report of even date

For and on behalf of the Board of Directors

For L. C. Kailash and Associates
Chartered Accountants
Firm Regn. No. : 01811N

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

Sd/-
(S. K. Jain)
Director (Engg.)
DIN: 06573103

Sd/-
Partner : L. C. Gupta
M. No. : 05122
Place : Noida
Date : 25.09.2017

Sd/-
(Saurabh Srivastava)
CGM (F&A)

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

1. SIGNIFICANT ACCOUNTING POLICIES

I. COMPANY INFORMATION:

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.

II. BASIS OF PREPARATION

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

III. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates and assumptions and such differences are recognized in the period in which the result are known/materialised..

IV. REVENUE RECOGNITION

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

a) ON CONSTRUCTION CONTRACTS

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

b) ON PROCUREMENT

- i. The Revenue (fees) is recognized as income on the basis of bills raised in respect of fee receivable for work/stages completed as scheduled in the agreement with the client.
- ii. In the cases, where stages of Consultancy Fees bill to be raised has not been expressly stipulated in the agreement with clients, the same is recognized as income in the following manner:
On placement of supply order – 70% of total fee receivable.
On receipt of supplies/installation of equipments – balance 30% of total fees.

c) ON DESIGN ENGINEERING/STUDIES/DPR/MOU/TRAINING/ INFORMATION TECHNOLOGY

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

d) GENERAL

- i. Where there is a revision in the cost of the project, the revenue impact (fees) is reflected in the year of revision in the cost.
- ii. If mobilization advance is received against consultancy fees, the same is adjusted proportionately against various stages as scheduled in the agreement with client.
- iii. If advance fee is part of stage payment then it is recognized as income along with completion of next stage as defined in the agreement.

e) INTEREST

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

V. TANGIBLE & INTANGIBLE ASSETS

A. Fixed Assets

i. Tangible Assets

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

ii. Retired/Unusable Assets

Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately as "Discarded assets".

iii. Intangible Assets

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

B. Depreciation

a. Tangible Assets:

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

b. Intangible Assets:

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

VI. PRIOR PERIOD ITEMS

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

VII. PREPAID EXPENSES

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

VIII. EMPLOYEE BENEFITS (Retirement / Post retirement)

a. Short term Benefits:

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

I. Leave Travel Concession (LTC) for Home Town

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

b. Long term Plan (Defined Contribution):

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

I. Medical Facility

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

II. Pension Plan

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

III. Provident Fund

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

c. Long term plans: (Defined Benefit)

I. Gratuity

The Company also provides for retirement / post-retirement benefits in the form of gratuity, compensated absences. The Group's liability towards such defined benefit plans is determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. All actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the year in which they arise.

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

II. Leave Encashment

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

IX. PERFORMANCE RELATED PAY

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

X. FOREIGN CURRENCY TRANSACTIONS

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

XI. RESEARCH & DEVELOPMENT

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

XII. PROVISION FOR TAXATION

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

XIII. LIABILITIES / PROVISIONS NO LONGER REQUIRED

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

XIV. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

A provision for contingent liability is recognized when Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed and not recognized. Contingent assets are neither recognized nor disclosed.

XV. PROVISION FOR DOUBTFUL DEBTS

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

XVI. OPERATING LEASES

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

XVII. CLAIMS

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

XVIII. LIQUIDATED DAMAGES ON CONTRACTS

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

XIX. IMPAIRMENT

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
2. SHARE CAPITAL				
(a) Authorised : Equity Shares of Rs. 100/- each	500,000	50,000,000	500,000	50,000,000
(b) Issued, Subscribed and Paid up : Equity Shares of Rs. 100/- each (Includes fully paid up bonus shares issued during F.Y: 2003-04 1,20,009 (No.) and during 2008-09 80006 (No) totalling 200015 (No))	240,018	24,001,800	240,018	24,001,800
(c) Reconciliation of Number of Equity Shares Outstanding at the beginning and at the end of the year: At the beginning of the Year	240,018	24,001,800	240,018	24,001,800
At the end of the Year	240,018	24,001,800	240,018	24,001,800
Particulars	As at 31st March, 2017		As at 31st March, 2016	
(d) Shareholder holding more 5% shares of the company: Name of shareholder	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Name of Shareholder				
The President of India	240,018	100.0000%	240,018	100.0000%
(Includes 54 (no.) Shares held by the nominees of The President of India.)				
Particulars	As at 31st March, 2017		As at 31st March, 2016	
3 RESERVE AND SURPLUS				
(a) General Reserves				
At the beginning of the Year		299,553,727		279,553,727
Add:- Transfer from Surplus in Statement of Profit & Loss		20,000,000		20,000,000
		<u>319,553,727</u>		<u>299,553,727</u>
Total (A)		<u>319,553,727</u>		<u>299,553,727</u>
(b) Surplus-Balance in Statement of Profit and Loss				
At the beginning of the Year		1,418,671,724		1,089,718,676
Add:- Profit for the year		376,095,931		546,154,750
Appropriations:				
Less: (a) Transferred to General Reserves		20,000,000		20,000,000
(b) Proposed Dividend (30% of Net Profit)				
Previous year (30% of Net Profit)		112,828,780		163,846,425
(c) Tax on Proposed Dividend		22,969,285		33,355,277
Total (B)		<u>1,638,969,589</u>		<u>1,418,671,724</u>
Total (A+B)		<u>1,958,523,316</u>		<u>1,718,225,451</u>
4 SPECIFIC RESERVE				
a) Corporate Social Responsibility Fund				
Opening Balance	10,692,423		12,286,482	
Add: Contribution for the year	10,798,000		7,405,941	
Add: Short contribution for the year 2014-15	-		2,424,000	
Total	<u>21,490,423</u>		<u>22,116,423</u>	
Less: Current Year CSR Expenses				
Swachh Bharat Kosh	(10,798,000)		-	
Ramkrishna math	-		(500,000)	
National Mission for Clean Ganga	-		(2,500,000)	
ALIMCO	-		(6,000,000)	
Less: Earlier Year CSR Expenses				
ALIMCO	(3,345,000)			
SAI	(5,000,000)			
National Mission for Clean Ganga	-		(2,424,000)	10,692,423
Balance Fund		2,347,423		
b) Research & Development Fund		1,677,200		1,677,200
c) Sustained Development Fund		1,290,900		1,290,900
Total		<u>5,315,523</u>		<u>13,660,523</u>

(Amount in ₹)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
5 Other Long Term Liabilities		
Deposit from Clients	402,913,044	361,684,533
Retention Money -Contractors	50,205,638	54,530,451
Trade Payables on behalf of client	39,097,488	37,065,653
Total	<u>492,216,169</u>	<u>453,280,637</u>
6 Long Term Provision		
Provision for Employee Benefits (Leave Encashment)	74,124,534	59,893,737
Total	<u>74,124,534</u>	<u>59,893,737</u>
7 Current Liabilities :		
Trade Payable (Goods & Services)	4,100,791	3,784,904
Total	<u>4,100,791</u>	<u>3,784,904</u>
8 Other Current Liabilities :		
Advance Fee from Clients	74,075,516	20,489,059
Taxes Payable	82,462,829	69,209,707
Earnest Money Deposits	85,649,538	51,459,622
Employees Payable	9,129,966	1,564,348
Expenses Payable	51,450,528	67,413,151
Book Overdraft	15,101,334	-
Total	<u>317,869,711</u>	<u>210,135,887</u>
On behalf of Ministry /Clients		
Trade Payable	1,870,804,035	885,666,727
Retention Money	1,225,540,167	686,784,003
Deposit from clients:-		
Deposit Balance	8,906,323,613	9,813,508,660
Interest on deposits	3,326,864,944	2,250,062,029
Provisional Liability for Contract Expenses	3,882,664,712	2,572,301,446
Book Overdraft*	824,648,404	598,239,052
Total	<u>20,036,845,875</u>	<u>16,806,561,917</u>
* Book overdraft due to issuance of cheques which will be cleared against term deposits.		
9 Short Term Provisions		
Provision for Employee Benefits (Gratuity)	-	607,707
Provision for Employee Benefits (Leave Encashment)	3,572,773	2,752,723
Others:		
Provision for Taxation	957,689,295	750,056,255
Less: Advance Income Tax / TDS	987,309,451	777,321,845
	(29,620,156)	(27,265,590)
Provision for Dividend	112,828,780	163,846,425
Provision for Dividend Distribution Tax	22,969,285	33,355,277
Total	<u>135,798,065</u>	<u>197,201,702</u>
Total	<u>109,750,682</u>	<u>173,296,542</u>

Note No. : 10

(Amount in ₹)

FIXED ASSETS	DEPRECIATION FOR THE FINANCIAL YEAR 2016-17										
	GROSS BLOCK					DEPRECIATION					NET BLOCK
Particulars	As At 1- Apr-16	Additions during the year	Sales/Adj. during the year	As At 31-Mar-17	As At 1- Apr-16	For the Year 2016-17	Assets Written off	Adjustments during the year	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Tangible Assets: As per Co. Act-2013											
Buildings	31,158,405	2,848,639	-	34,007,044	16,527,770	1,733,030		-	18,260,800	15,746,244	14,630,635
Furniture and Fittings	13,579,603	7,337,660	1,980,143	18,937,120	11,042,588	1,328,060	105,546	1,866,660	10,398,442	8,538,678	2,537,015
Office Equipments	18,709,917	972,327	635,104	19,047,140	14,715,220	1,132,906	15,804	613,931	15,218,390	3,828,750	3,994,697
Motor Vehicles	1,148,477	-	-	1,148,477	778,032	106,068		-	884,100	264,377	370,445
Computers and Data processing units	16,840,231	2,361,332	308,647	18,892,916	14,589,602	2,143,671	62,727	245,920	16,424,626	2,468,290	2,250,629
Sub Total -A	81,436,633	13,519,958	2,923,894	92,032,696	57,653,212	6,443,735	184,077	2,726,511	61,186,359	30,846,338	23,783,421
Tangible Assets:											
Land - Lease Hold *	44,665,262	-	-	44,665,262	5,821,272	496,281		-	6,317,553	38,347,710	38,843,990
Intangible Assets:											
Software	2,093,381	260,820	-	2,354,201	1,261,375	380,041		-	1,641,416	712,784	832,006
Software - WIP	-	621,000	-	621,000	-	-		-	-	621,000	-
Sub Total -B	46,758,643	881,820	-	47,640,463	7,082,647	876,322	-	-	7,958,969	39,681,494	39,675,996
Current Year Grand Total	128,195,276	14,401,778	2,923,894	139,673,159	64,735,859	7,320,057	184,077	2,726,511	69,145,328	70,527,831	63,459,417
Previous Year's Total	125018735	4,964,033	1,787,492	128,195,276	60,102,924	6,942,182		1,698,028	64,735,859	63,459,417	

Note :-

* Leasehold Land is amortised proportionately over 90 years from the date of Lease deed from 1996 valuing Rs. 5749075/- and from 2006 valuing Rs. 3,89,16,187/-

Particulars	As at 31 st March, 2017 (Amount in ₹)	As at 31 st March, 2016 (Amount in ₹)
11. Deferred Tax Assets (Net)		
A. DEFERRED TAX ASSETS		
LEAVE ENCASHMENT	26,889,484	21,680,687
Provision for Doubtful Debts	25,542,787	25,545,747
Performance Related Pay	17,036,030	-
TOTAL (A)	69,468,301	47,226,434
B. DEFERRED TAX LIABILITIES		
Difference in WDV of block of assets as per IT & Co's Act (Excluding Land)	533,100	850,550
TOTAL (B)	533,100	850,550
NET DEFERRED TAX ASSETS (A-B)	68,935,201	46,375,884
12. Long Term Loans & Advances		
Secured - Considered Good:		
- Employee Advance:		
- Vehicle Advance - (Secured by charge over the Vehicle)	1,104,572	1,130,140
- House Building Advance (Secured by conveyance deed held by the company)	541,718	769,718
Security Deducted by Client	2,666,226	2,666,226
Security Deposit		
Considered good	1,893,828	2,221,738
Considered Doubtful	77,910	-
Less: Provision	(77,910)	-
Total	6,206,344	6,787,822
13. Trade Receivables		
Debts Outstanding for a Period exceeding six months:		
- Considered Good	380,545,019	175,889,691
- Considered Doubtful	72,272,054	72,513,519
Less : Provision for Doubtful Debts	(72,272,054)	72,513,519
	-	-
Other Debts - Considered Good	402,161,529	248,634,959
Total	782,706,548	424,524,650
14. CASH AND CASH EQUIVALENT		
(a) Cash -in-Hand	4,873	30,204
(b) Balance With Current Account in Banks	102,480,786	291,734,211
(c) Other Bank Balance		
- Fixed Deposit Receipts having maturity less than 12 months	1,336,212,125	1,012,851,246
(d) Fixed Deposit Receipts more than 12 months maturity	-	137,991,655
(e) Fixed Deposit Receipts pledged with Banks against Bank Guarantee	96,853,250	116,131,001
Total	1,535,551,034	1,558,738,317

Particulars	As at 31 st March, 2017 (Amount in ₹)		As at 31 st March, 2016 (Amount in ₹)	
14. Bank Balance held on behalf of Ministries/Clients				
(a) Balance With Saving Account in Banks		1,612,370,226		909,798,779
(b) Other Bank Balance				
- Fixed Deposit Receipts having maturity less than 12 months	135,204,171		10,917,736,577	
(c) Fixed Deposit Receipts more than 12 months maturity	12,500,399,978	12,635,604,149	645,402,193	11,563,138,770
Total		14,247,974,375		12,472,937,549

Disclosures on Specified Bank Notes (SBN's)

During the year, The Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 30, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 9, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below :

	SBNS	Other denominated notes	in Rs. Total
Closing Cash in hand as on 09.11.2016	-	2883	2883
(+) Permitted Receipts	-	-	-
(+) Amount withdrawl from Banks	-	180000	180000
(-) Amount deposited Banks	-	-	-
(-) Permitted Payments	-	153936	153936
Closing Cash in hand as on 30.12.2016	-	<u>28,947</u>	<u>28,947</u>

Particulars	As at 31 st March, 2017 (Amount in ₹)	As at 31 st March, 2016 (Amount in ₹)
15. Short Term Loans & Advances		
Unsecured considered good unless otherwise stated- * Employees Advance :		
- Tour Advance (It includes Rs. 1,99,462 equivalent to foreign currency USD 2955/-)	252,962	311,960
- Advance recoverable from employees	2,157,452	1,567,657
- Recoverable from Clients (Secured by the deposit in the client account to the extent of Rs. 20,33,33,738/-)	271,008,532	242,980,661
<u>Receivable from Clients</u>		
- Recoverable from Clients(Considered Doubtful)	44,194,632	1,645,510
Less : Provisions	1,301,053	1,301,053
	42,893,579	344,457
<u>Advances Recoverable in cash or in kind or value to be received and/or to be adjusted</u>		
- Considered Good		
- Advance to Suppliers	231,767	1,357,436
- Prepaid Expenses	608,776	244,299
-Others	4,337,342	16,263,813
	5,177,885	17,865,548
Considered Doubtful	155,000	-
Less: Doubtful	(155,000)	-
Cenvat Recoverable	11,000,023	14,393,184
Total	332,490,433	277,463,467
On Behalf of Ministry / Clients Contractors Advance:		
Mobilisation advance to contractor-Secured by Bank Gurantee	215,903,179	125,948,862
Secured Advance against Material	376,624,471	-
Progressive Contractors advance (adjustable against running bills)	974,374,290	1,266,526,411
	1,566,901,940	1,392,475,273
<u>Advances/Deposits</u>		
NAMP Receivables-Deposit with Court	170,000,000	170,000,000
Receivable from MOHFW	217,455,884	-
Total	1,954,357,824	1,562,475,273
* Amount Due from Directors/ Departmental Heads	150,346	305,444
16. Other Current Assets		
Interest accrued but not due		
- On Deposits with banks	99,463,633	84,158,895
- On staff Loans and advances	801,304	720,357
Interest Receivable	35,729,380	139,110,056
Value of work done (Suspense Consultancy)	46,536,787	48,054,640
Deposit against Service tax appeal	407,776	39,720
EX-Employee Recoverables	18,485	18,485
Amount Recoverable from Income Tax Deptt:		
A/Y-2005-06	5,835,000	5,835,000
A/Y-2006-07	330,850	330,850
Fringe Benefits Tax Receivable	196,481	496,481
Total	189,319,696	278,764,484
- On behalf of Ministries/ Clients		
- On Deposits with Banks		
Interest accrued but not due	281,796,171	198,847,649
Value of work done (Suspense)	3,552,717,505	2,572,301,446
Total	3,834,513,676	2,771,149,095

Particulars	As at 31 st March, 2017 (Amount in ₹)	As at 31 st March, 2016 (Amount in ₹)
17. Other Income		
Interest on deposits (HSCC Fund)	163,230,621	249,003,292
Interest on Staff Loans	162,531	179,860
Unclaimed balances written back	1,131,759	56,068
Provisions no longer required written back	241,465	983,394
Sale of Tender Documents	5,531,250	6,496,177
Profit on sale of Fixed Assets	2,566	11,383
Miscellaneous Income	1,813,973	586,467
Total	172,114,165	257,316,641
18. Employee Benefits Expenses		
Salaries, Wages, Ex-gratia / PRP and allowances	203,810,074	178,430,314
Contribution to Provident Fund and Pension Fund	79,635,514	12,988,571
Contribution to Gratuity Fund	5,011,242	607,707
Contribution for Group Insurance	60,313	67,972
Lease Rent for staff accomodations (Net of recoveries)	20,443,905	17,604,285
Staff welfare (Including Medical and Leave Travel Concession)	10,190,346	8,296,114
Subscription & Membership Fees	39,432	139,790
Contribution to Medical Fund Trust	2,909,827	2,685,000
Contribution to Welfare Fund Trust	1,769,654	1,620,000
Total	323,870,307	222,439,753
19 Administrative & Other Expenses		
Rent	2,054,625	2,551,176
Travelling and Conveyance:		
Directors	1100590	1,577,468
Others	11,717,396	9,697,850
Insurance Premium	110,051	177,335
Power and Fuel	4,140,668	3,497,282
Water Charges	181,614	98,953
Printing and Stationery	5,099,792	5,140,438
Postage & Telecommunication Expenses	2,360,871	2,235,432
Vehicle Running & Maint. Expenses (Net of Recovery Rs. 24000/-)	109,376	87,733
Vehicle / Taxi hire charges	4,881,512	4,507,668
Advertisement and Publicity	1,678,134	1,257,170
Legal & Professional Charges	10,710,106	10,942,994
Repair and Maintenance:		
- Building	6,008,301	5,576,454
- Others	320,997	445,674
Auditors' Remuneration - Refer Note no. 20 (XI)	1,485,000	520,000
Business Promotion	7,086,742	4,696,839
Directors Sitting Fees	-	170,000
Taxes & Fees	21,194	13,750
Computer Repairs & Maintenance	1,472,922	1,167,546
CSR Expenses	10,798,000	7,405,941
CSR Expenses (Previous year)	-	2,424,000
Recruitment and Training Expenses	1,847,264	775,035
Watch and Ward Expenses	2,475,753	2,651,254
Bank Charges	939,712	624,235
Miscellaneous Expenses	599,487	477,516
Provision for Bad & Doubtful Debts	232,910	41,926,169
Total	77,433,017	110,645,913

20. Notes Forming Part of the Financial Statement

I. Contingent Liabilities not provided for HSCC

(₹ In Lacs)

Particulars	F.Y. 2015-16	Additions	Deletion	F.Y. 2016-17
ESI - 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	Nil	Nil	1.83
Bank Guarantee: - Outstanding Performance bank guarantees as on 31.03.2017 issued by Banks for Construction projects on behalf of the company.	555.03	413.50	Nil	968.53
Demand raised by Service Tax Department:				
a) 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 Commissioner of Central Excise (Appeal) Penalty Rs. 2.64 lakhs	Nil	2.64	Nil	2.64
b) Disallowance of Cenvat Credit for the period Oct 2009 to Sep 2010. Appeal Pending before Commissioner of Central Excise (Appeal). Amount already deposited Rs. 0.40 lakhs. Penalty Rs. 5.29 lakhs	5.29	Nil	Nil	5.29
c) Disallowance of Cenvat Credit for the period April 2010 to March 2012. Appeal Pending before Commissioner of Central Excise (Appeal). Amount already deposited Rs. 3.18 lakhs. Penalty Rs. 10.05 lakhs	10.05	Nil	Nil	10.05
Provident Fund: 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. 3.15 lakhs with HSCC owned PF Trust and Rs. 2.00 lakhs with RPFC.	6.86	Nil	Nil	6.86
Demand raised by Income Tax Department:				
a) Income Tax demand for Asstt. Year 2014-15- Appeal pending before CIT (Appeal)	Nil	232.60	Nil	232.60
b) Income Tax demand for Asstt. Year 2012-13- CIT (Appeal) vide order dated 30.10.2015 allowed in favor of the company. Effect of the appellate order by Addl C I T on 30.03.2017.	1452.00	Nil	1452.00	Nil
Total (A)	2031.06	648.74	1452.00	1227.80
Others				
B Unsettled disputed staff dues	34.61	Nil	Nil	34.61
Total (A+B)	2065.67	648.74	1452.00	1261.41

II. Contingent Liabilities not provided for Ministries/CLIENT

- (a) Claims by Suppliers/contractors aggregating to Rs. 5663.34 lakhs towards supply of material and works contracts (Previous Year Rs. 2881.61 lakhs) are under court /arbitration against various clients, where HSCC is co- defendant. However, the Management does not foresee any liability on the Company in these cases.
- (b) Due to certain lapses in one of the Project (CRI, Kasauli) regarding Consultancy Services, the Company had earlier (in Oct. 2006) estimated the cost of modification of Rs 3 Crores and had agreed to meet 2/3rd of the said cost. But later on this decision was not confirmed by the Board of Directors. Further, the Board decided that the Company can accept the joint moral responsibility with the client for reported lapses in the Project. On this extraordinary liability, the Ministry of Health & Family Welfare (MOH&FW), Government of India engaged an agency to appraise and quantify the extent of reported infructuous expenditure on building construction works for which the Company provided consultancy services till 2004 i.e. when building was offered for taking over by CRI, the Company may have to pay and bear half of such assessed costs, if there be a demand in that behalf from MOH&FW, Government of India. The amount of liability has not yet been ascertained. Accordingly, the same will be charged to Profit & Loss Account in the year in which the liability is determined.
- (c) MOH&FW vide letter no. T-14020/27/2009-VBD, dated. 09/05/2013 referring order passed by the Hon'ble Supreme Court of India in the matter of SLP No 12397/2013 arising out of Judgment & Order dt. 21/12/2012 in FAO No. 623/2012 passed by Hon'ble Delhi High Court and said that M/s HSCC (India) Ltd. will deposit the payment towards the decretal amount in the Delhi High Court at this stage in respect of M/s ISSA Industries case for Bed nets.

To comply the above order of MOH&FW, HSCC deposited Rs 1700 lakhs on 15/05/2013 out of the deposits of MOH&FW available with HSCC from the projects of MOH&FW as the funds are not available with HSCC for this project as approved by the Board in their 128th meeting held on 10/5/2013 and by the Shareholders in their 2nd Extra ordinary General Meeting held on 13/05/2013. This amount is shown under Short Term Loans & Advances as NAMP Receivables in Note No. 15 – Short Term Loans & Advances of Notes to the Financial Statements. Balance Rs. 4.77 lakhs have been deposited from NAMP funds. As decided in EGM, MOH&FW has been requested to set up an inquiry to ascertain the person(s) / Organization(s) responsible for the lapses in the matter and also apportion the liability generation out of Arbitration / Courts order to the extent of their lapses / omissions / commissions to bring the justice in the matter. Especially this may be seen in view of the facts that lapses and reasons for arbitral award are not attributable to HSCC. Liability in this regard, if any, attracted to HSCC will be dealt accordingly in the year in which it is ascertained. HSCC as of now doesn't foresee any liability in this respect.

- III. No Provision for Income Tax demand raised by the assessing officer under section 143(3) of Income Tax Act, 1961 for Assessment year 2013-14 of Rs. 4287870/- has been made which is outstanding for more than six months.
- IV. In the process of reconciliation of various head of accounts along with the company's internal auditor, certain unidentified entries were noticed, which were subsequently confirmed from bank. The unidentified transactions had been made from the company's account maintained with Indian Overseas Bank (IOB), Sector-1, Noida. It was found that fraudulent transaction has been done by the company employee. The amount of transaction is Rs. 24152087.00 (Rupees two crore forty one lakh fifty two thousand and eighty seven only) during the period period 2014-15 and Rs. 5955407.00 (Rupees Fifty Nine lacs Fifty Five thousand Four hundred and Seven only) in November 2015 to unidentified parties, which found to be dubious.

The transactions came to the notice in the fourth quarter of financial year 2016-17. FIR has been registered with the Noida Police and departmental enquiry is in progress against the staff.

- V To ascertain the exact amount of interest to be credited to clients on the fixed deposits made out of the funds received from the clients, the said funds have been kept in separate Bank accounts as per terms and conditions of the agreement. During the year, Rs. 137989.78 lakhs (Previous Year Rs. 89700.34 lakhs) were received for execution of various civil projects.
- VI During the year, there is shortfall in interest income as compared to previous year to the tune of Rs. 15.30 Crs. In earlier year where the terms of the contract was silent on the matter of crediting interest income on client funds , the interest income was accounted as interest of the company. As per 145th Board resolution dated 06.09.16, the interest earned on all such deposits has been credited to the client accounts.

- VII** As on 31.03.17 Outstanding amount of Foreign Letters of Credit Rs. 3265.13 lakhs opened in favour of suppliers for and on behalf of ministries/clients (Previous Year Rs. 1067.96 lakhs). However, the management does not foresee any liability on the company in these cases.
- VIII** As identified from the available information, neither principal nor Interest is due to the units on behalf of client as on 31.03.2017.(Previous Year Rs. Nil) covered under Micro, Small and Medium Enterprises Development Act, 2006.
- IX** The company has sent confirmation letters to the trade receivables but only few replies have been received till date. Balances appearing in most of the parties' accounts under the head Trade Payables, Lease Deposits, Sundry Debtors, EMD and Security Deposit given by HSCC and various balances on behalf of Ministries/Clients are subject to confirmation.
- X** Unclaimed balances of Trade Payables on account of client works have been transferred to respective clients account in the year in which the accounts are settled with the clients.
- XI** Credit balances lying in the deposit account of clients (MOH&FW, MEA, State Govts., Govt. Autonomous Bodies, PSUs etc.) for more than 4 years are Rs. 2345.79 lakhs (Previous year Rs. 1387.81 lakhs) inclusive of Corpus Account Rs. 681.54 lakhs (Previous year Rs.865.68 lakhs) will be paid in the year in which accounts are settled with them.
- XII** The Company during the year has contributed Rs.29.10 lakhs and Rs 17.70 lakhs (Previous Year Rs.26.85 lakhs and Rs 16.20 lakhs) to approved Employees' Medical and Welfare Fund Trusts respectively for the welfare of its employees. However, company's liability as per actuarial valuation was not felt to be necessary as there is hardly any employee availing home town travel concession.
- XIII** Outstanding Expenses include Performance Related Pay (PRP) for the year 2016-17 Rs 120.47 lakhs (Previous Year Rs. 318.14 lakhs).

XIV Payment to Auditors:

The audit fees in the current year exclusive of service tax shown in the financial statements includes Rs. 4.85 lakhs pertaining to previous year as approved by the Board of Directors in the 145th meeting held on 06.09.2016.

- XV** In the opinion of the Board of Directors, the Current Assets and Loans & Advances as on 31.03.2017 have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the Balance Sheet.
- XVI** Physical Verification of Fixed Assets of the company for the year 2016-17 has been conducted by a firm of independent Chartered Accountants. The variation noticed on physical verification were meager and have been dealt with in the accounts.

XVII Information regarding foreign exchange used :

(₹ in lakhs)

Particulars	2016-17	2015-16
Expenditure in Foreign Currency on :		
- Travelling	6.03	9.88
- Value of imports on C.I.F. basis :		
Capital Goods (on behalf of clients)	2535.80	2740.22

XVIII Disclosure as per Accounting Standard -15 on "Employee Benefits"

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

(a) Defined Contribution Plan:

i. Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate Trust namely "HSCC Employees' Provident Fund Trust" which invests the funds in permitted securities. The contribution to the fund for the year is recognized as expense and is charged to Profit & Loss Account. The Provident

Fund Trust is required to pay minimum rate of interest on contributions to the members as specified by Government of India. Deficit to the Trust, if any, on account of payment of such minimum rate of interest is borne by the Company and is recognized in Profit & Loss Account as expense. During the year the Company had recognized Rs. 133.65 Lakhs as employer's contribution towards Provident Fund (Previous Year Rs. 95.85 Lakhs). Deficit amounting to Rs. 5.81 lakhs due to payment of Minimum rate of interest has been contributed by the company and as recognized in the profit and loss account as expense of the company. (Previous year Nil)

ii. Medical Facility

During the year the Company had contributed Rs. 29.09 lakhs towards the said Trust (Previous Year Rs. 26.85 lakhs) in the Profit & Loss Account which includes hospitalization of existing & retired employees.

(b) Long Term Plans

i. Gratuity

As per Actuarial Valuation as on 31st March, 2017 and recognized in the financial statements is as under:

S.No.	Particulars	31.03.2017	31.03.2016
1	Membership Data		
	Number of Members	172	163
	Average Age(Yrs)	40.30	40.17
	Average Monthly Salary(Rs)	53815.35	50204.39
	Average Past service(Yrs)	9.85	9.67
2	Actuarial Assumptions		
	Mortality Rate	LIC(2006-08) ultimate	LIC(2006-08) ultimate
	Withdrawal Rate	1%-3% depending on age	1%-3% depending on age
	Discount Rate	8% p.a	8% p.a
	Salary Escalation	7% p.a	7% p.a
3	Results of Valuation		
	PV of Past Service Benefit	438.37	385.39
	Current Service Cost	25.68	23.60
	Total Service Gratuity	1214.75	1101.01
	Accrued Gratuity	569.62	499.04
	LCSA	645.13	601.97
	Fund Value	415.95	404.81

During the year Company has made provision of Rs 50.11 lakhs towards contribution to gratuity as per policy with Life Insurance Corporation of India.

ii. Leave Encashment

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

I. Change in present value of obligation.

(₹ in Lakhs)

	Particulars	31.03.2017	31.03.2016
(a)	Present value of obligation as at the beginning of the period	626.46	550.71
(b)	Interest cost	50.11	42.68
(c)	Current service cost	84.74	71.21
(d)	Benefits paid	(29.99)	(55.92)
(e)	Actuarial (gain) / loss on obligation	45.63	17.78
(f)	Present value of obligation as at the end of period	776.95	626.46

II. Expenses recognized in Profit & Loss Account.

(₹ in Lakhs)

	Particulars	31.03.2017	31.03.2016
(a)	Current service cost	84.74	71.21
(b)	Interest cost	50.11	42.68
(c)	Net actuarial (gain) / loss recognized in the period	45.63	17.78
(d)	Expenses recognized in the statement of Profit & Loss	180.48	131.68

III. Movement in the liability recognized in Balance Sheet.

(₹ in Lakhs)

	Particulars	31.03.2017	31.03.2016
(a)	Opening net liability	626.46	550.71
(b)	Expenses as above	180.48	131.68
(c)	Benefits paid	(29.99)	(55.92)
(d)	Closing net liability	776.95	626.46

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

	Particulars	31.03.2017	31.03.2016
(a)	Discounting Rate (%)	7.54	8.00
(b)	Future salary increase (%)	5.50	5.50
(c)	Retirement Age (Years)	60	60

XIX. Segment Reporting

a) Business segments

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

b) Geographical segments

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

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

XXI Operating Profit

Operating Profit Rs 38,48,24,472/- is calculated by considering operating income minus operating expenses of the company as under:-

	Amount (Rs.)
Profit before exceptional and extra ordinary items	55,69,38,637/-
Less:- Other Income	17,21,14,165/-
Operating Profit	38,48,24,472/-

XXII. No Provision for Income Tax demand raised by the assessing officer under section 143(3) of Income Tax Act, 1961 for Assessment year 2013-14 of Rs. 4287870/- has been made which is outstanding for more than six months .

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

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

Details pertaining to Related Party Transactions are as follows:

- (a) Subsidiaries - Nil
- (b) Fellow Subsidiaries - Nil
- (c) Related Parties - Nil
- (d) Key Management Personnel

	Name	Nature of Relationship
(i)	Shri Gyanesh Pandey Chairman & Managing Director	Key Management Personnel
(ii)	Shri S.K. Jain Director (Engg)	Key Management Personnel

- (e) Remuneration to Key Management Personnel

Remuneration to the Chairman & Managing Director and Director (Engineering) during the year is Rs. 82.46 lakhs (Previous Year Rs. 80.19 Lakhs) as detailed below excluding reimbursement of expenses:-

(₹ in Lakhs)

Particulars (Paid / Payable)	2016-17 (Rs. In lakhs)			2015-16 (Rs. In lakhs)			
	CMD	Dir (Engg)	Total	CMD	Dir (Engg)	DGM (F&A) & Co Secy	Total
Salaries & Allowances	32.69	31.39	64.08	23.01	23.88	11.43	58.32
Contribution to Provident Fund	2.31	2.34	4.65	2.09	2.16	1.10	5.35
House Rent (Net)	5.41	4.80	10.21	5.46	4.82	2.34	12.62
Medical	0.08	0.64	0.72	0.05	0.54	0.30	0.89
Other Perquisites	1.15	1.45	2.60	1.10	1.38	0.23	2.71
Contribution to Staff Welfare Trust	0.10	0.10	0.20	0.10	0.10	0.10	0.30
Total	41.74	40.72	82.46	31.81	32.88	15.50	80.19

Further, the above excludes contribution to Gratuity Scheme and Group Insurance Scheme.

XXIV. Disclosure as per Accounting Standard -20 on “Earning per Share”

	Calculation of E.P.S.	2016-17	2015-16
A.	Net Profit for the year attributable to Equity Shareholders	376095931	546154750
B.	Number of Equity Shares outstanding during the year	240018	240018
C.	Basic Earnings per Share	1566.9488	2275.4741
D.	Diluted Earnings per Share	1566.9488	2275.4741
E.	Nominal value per Share (Rs.)	100	100

XXV. Pension

As per the directives of the Department of Public Enterprises office memorandum No 2(70)/08-DPE(WC)-GL-VIII/09 dated 02.04.2009 to all CPSE's regarding defined contribution scheme for superannuation benefit, total amount contributed towards pension fund w.e.f. 01.01.2007 Rs. 6,17,94,086/- have been made in the books of account after approval from administrative ministry. The same has been provided in the books of accounts based on specific calculation in the current year in which the scheme of pension funds approved by the administrative Ministry.

XXVI. In terms of the Office Memorandum F.No.3(3)-B(S)/2015 dated 05/01/2016 from the Ministry of Finance Department of Economic Affairs, the Board of Directors of the company has decided to pay an annual dividend of 30 % of Profit After Tax (PAT) to the equity shareholders for the year 2016-17 (Previous Year 30% of PAT). This year the amount of proposed dividend is Rs. 11,28,28,780/- (Previous Year Rs. 16,38,46,425/-).

XXVII. No liability is provided for in the books of Accounts on account of liquidated damages, except expenditure on defect liability, if any, liability arising on pending settlement and reconciliation of Accounts with the client in respect of the projects which have been completed or the projects which are in progress as on 31/03/2017.

XXVIII. The details of disputed dues as on 31st March 2017 in respect of Income Tax and Service Tax not deposited by the company are as follows:-

Name of statute	Nature of Dues	Amount involved (Rs.)	Period to which amount relates	Forum where dispute is pending	Amount paid under protest (Rs.)
Income Tax	Income Tax	232.60 lakhs	Asstt Year 2014-15	CIT(Appeal)	-
Service Tax	Service Tax	529473/- plus equivalent amount of penalty and interest	Oct 2009 - Sep 2010	Commissioner of Central Excise (Appeal)	39720/-
Service Tax	Service Tax	1005498/- plus equivalent amount of penalty and interest	April 2010 - March 2012	Commissioner of Central Excise (Appeal)	318466/-
Service Tax	Service tax	2,64,437/- plus equivalent amount of penalty	January, 2004	Commissioner of Central Excise (Appeal)	19,840/-

XXIX. Disclosures on Specified Bank Notes

During the year, The company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308(E) dated March 30,2017 on the details of Specified Bank Notes(SBNs) held and transacted during the period from November 9, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other denominated Notes	In Rs. Total
Closing Cash in hand as on 09.11.2016	-	2883	2883
(+) Permitted Receipts	-	-	-
(+) Amount withdrawal from Banks	-	180000	180000
(-) Amount deposited in Banks	-	-	-
(-) Permitted Payments	-	153936	153936
Closing Cash in hand as on 30.12.2016	-	28,947	28,947

Signatures to Schedules 1 to 20

As per our report of even date

For and on behalf of the Board of Directors

For L. C. Kailash and Associates
Chartered Accountants
Firm Regn. No. : 01811N

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

Sd/-
(S. K. Jain)
Director (Engg.)
DIN: 06573103

Sd/-
Partner : L. C. Gupta
M. No. : 05122

Sd/-
(Saurabh Srivastava)
CGM (F&A)

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

Place : Noida
Date : 25.09.2017

VIGILANCE ACTIVITIES

The Company being a Consultancy Organization, there is no separate Vigilance Unit in the Company. Shri R.K.Agarwal, GM (Electrical) is acting as Vigilance Officer (VO) Part Time for a period of three years w.e.f 14.11.14. During the year, Vigilance Cell has functioned as an effective part of management. Annual reports, Quarterly Progress Reports, Private Foreign Visits, Monthly report and 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 to. Existing systems and procedures were reviewed for further improvements and all out efforts were made to ensure transparency in the working of the Company. To maintain high moral standard of employees the Company observed Vigilance Awareness Week from 31st October, 2016 to 05th November, 2016. The pledge was administered to all employees.



INDEPENDENCE DAY CELEBRATION-2017

71st Independence Day is being celebrated at HSCC with full enthusiasm. Sh. Gyanesh Pandey, CMD, HSCC has hoisted the national flag and addressed the gathering. During his speech he encouraged all the employees to put in whole hearted effort to take the company to new height of success. He along with all the employees planted trees to mark the occasion.



SENIOR OFFICIALS & HEAD OF DIVISIONS



Shri S. A. Usmani
CGM



Shri V. V. Govinda Rao
CGM (PG-I)



Shri S. C. Garg
CGM (PG-II)



Shri Saurabh Srivastava
CGM (F&A)



Shri Karam Veer Khanna
IT Deptt.



Shri Pramod Kumar
Procurement



Shri P. K. Bhatia
Rishikesh



Shri Rajiv
PHE



Shri S. Samanta
Tezpur



Smt. Monisha Tankha
Civil



Shri R. K. Agarwal
Electrical



Shri Debashish Bandyopadhyay
Procurement & Spl. Services



Shri Shivanna
Shillong

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 (U.P.)

Project-Cum-Site Offices :

ASSAM

Lokpriya Gopinath Bordoloi
Regional Institute of Mental Health
1st Floor, Ex-Police Line,
Near Kali Mandir, P.O: Tezpur,
Dist: Sonitpur (Assam)
PIN - 784001

CHHATTISGARH

House No. B-19/7, Near Pani Ki Tanki
New 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.
- Super 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

STATUTORY AUDITORS

M/s L. C. Kailash and Associates

Chartered Accountants
122-124, Model Basti
New Delhi-110005

INTERNAL AUDITORS

M/s Prem Gupta & Co.

Chartered Accountants
4, Shiva Ji Marg
New Delhi-110015

SECRETARIAL AUDITORS

M/s Parveen Rastogi & Co.

Company Secretaries
Flat No.-3, Sood Building,
Teil Mill Marg,
Ram Nagar, Paharganj,
Delhi - 110055

BANKERS

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



HSCC (India) Ltd.

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

Corporate Office :
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