

From  
Chairman and Managing Director

Distinguished Shareholders,

It is pleasure to extend warm welcome to you all, on behalf of the Board of Directors and on my behalf to this 28th Annual General Meeting of your Company. Congratulations, on yet another successful year of growth and achievements for your Company. Your presence motivates us to raise our confidence level to further excel and meet your expectations with greater resolve. The Annual Report for the financial year ended 31st March 2011, along with the Directors' Report, Audited Annual Accounts and Auditor's Report of your Company have been circulated to you and with your kind permission I take them as read.

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

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

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

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

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

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

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

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

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

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

I thank the valuable Clients, Ministry of External Affairs, State Governments and Other Business Associates for the continuous support and reposing confidence in us. The Company, as always, will

remain focused on customer satisfaction.

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

I would like to place on record the appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

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

Thanking you,

(V. C. Sharma )  
Chairman and Managing Director

New Delhi  
15th September 2011