

# DIRECTORS' REPORT

To,

**The Shareholders,  
HSCC (India) Limited**

The Directors of your Company have the pleasure in presenting the 26<sup>th</sup> Annual Report on the working of the Company for the financial year ended 31<sup>st</sup> March, 2009 together with the Audited Statement of Accounts for the year and the Auditors' Report thereon.

## FINANCIAL HIGHLIGHTS

The Company has attained the highest turnover of Rs.3273 lakhs in its existence. The main highlights of the financial performance of the Company for the year 2008-09 are summarized below :-

(Rs. in lakhs)

Particulars	2008-09	2007-08
Total Income	3273.06	3096.34
Total Expenditure	1696.36	1711.33
<b>Gross Margin</b>	<b>1576.70</b>	<b>1385.01</b>
Depreciation	43.69	45.37
<b>Profit Before Tax</b>	<b>1533.01</b>	<b>1339.64</b>
Taxation (net)	563.08	503.22
<b>Profit After Tax</b>	<b>969.93</b>	<b>836.42</b>
Dividend	208.02	208.02
<b>Net Worth</b>	<b>6581.15</b>	<b>5854.59</b>

## CAPITAL STRUCTURE

During the year 2008-09, the Authorised Share Capital of the Company has been increased from Rs.200 lakhs to Rs.500 lakhs and Paid-up Share Capital has been increased from Rs.160.01 lakhs to Rs.240.01 lakhs by issue of Bonus Shares of Rs.80 lakhs in the ratio of 2:1.



Shri V. C. Sharma, Chairman and Managing Director presenting a Bonus Share Certificate to Shri Naresh Dayal, Secretary (Health & Family Welfare) on the occasion of 26<sup>th</sup> Foundation Day Celebrations of the Company on 30.03.09

## DIVIDEND

Directors have recommended Dividend @ 86.67% of the Paid-up Equity Share Capital of the Company amounting to Rs.208.02 lakhs. This is subject to the approval of Members at the Annual General Meeting. This works out to 21.44% of the Post Tax Profit, which is in line with the guidelines issued by Department of Expenditure, Ministry of Finance. This is the 24<sup>th</sup> consecutive year in which the Company has recommended dividend and with this the cumulative dividend till 2008-09 will stand at Rs.1944.52 lakhs.

## APPROPRIATION TO GENERAL RESERVE

After making provisions for dividend the Board of Directors recommends transfer of Rs.200 lakhs (Previous Year 200 lakhs) out of the Net Profit appearing in the Profit & Loss Account to the General Reserve, leaving a surplus of Rs.4465.53 lakhs including Rs.3938.97 lakhs upto previous year. Cumulative Reserve & Surplus as on 31.3.2009 stands at Rs.6341.13 lakhs (Previous Year Rs.5694.58 lakhs).

## PERFORMANCE HIGHLIGHTS

Directors of your Company feel immense pleasure in reporting that the Company continued to maintain an all round progress in its activities.

During the year 2008-09, HSCC was awarded the work of rendering Consultancy Services for Design & Engineering, Project Management and Procurement of Medical Equipments, Drugs & Pharmaceuticals, etc. for various prestigious & challenging projects. A list of major on-going projects where HSCC is rendering Consultancy Services is placed at Annexure I.

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

## 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 2007-08 and expects to be rated "Excellent" based on the results for the year 2008-09.



Shri Naresh Dayal, Secretary (Health & Family Welfare) and Shri V. C. Sharma, Chairman and Managing Director exchanging the MOU, fixing the performance parameters for the Company, for the year 2009-10 in the presence of other Directors and Official of HSCC on 30.03.2009

## DETAILS OF FOREIGN EXCHANGE

### Expenditure

(Rs. in Lakhs)

Particulars	2008-09	2007-08
Travelling	1.39	0.06
Import of Capital Goods on C.I.F. basis (On behalf of Clients)	849.64	225.99

### Income

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

## HUMAN RESOURCES

The real asset of our company is human resource. The manpower of the Company as on 31<sup>st</sup> March, 2009 was 139 on regular pay scales and 34 on Temporary basis including 40 SC/ST/OBC Category employees and 2 Physically handicapped. The employee management relationship was excellent throughout the year.

The thrust for better utilization of Human Resource and improvement in work practice continued during the year. Training and development at all levels of employees was given due priority by the Company to increase effectiveness. Special emphasis was given to organization building and shaping right attitudes, team building and work culture, besides preparing employees to understand the trends in fast changing technology and switching over to latest technology for achieving higher results in productivity and profitability. During the year from time to time employees of the Company were deputed to various training programmes to further develop their skill in various areas of operations of the Company.



View of Prize  
Distribution on  
01.05.2009



## WELFARE ACTIVITIES

The Company continues to motivate the employees by providing various social benefits, organizing get together, picnics, annual day etc. for the employees and their families.



Members of H S C C Employees family on the occasion of H S C C Employees' Family get together on 17.01.09



Shri V. C. Sharma, Chairman and Managing Director addressing the HSCC Employees on the occasion of Independence Day Celebrations on 15.08.2008

## CORPORATE SOCIAL RESPONSIBILITY

The Company being in the field of Health Care, all its activities and operations are indirectly dedicated towards the social responsibility. Further, the Company is continuously making efforts for welfare and upliftment of SC/ST/OBCs and handicapped personnel.

## IMPLEMENTATION AND PROMOTION OF OFFICIAL LANGUAGE

The Company continued to make efforts to fulfill the targets prescribed by Government of India in the Official Language Act and Rules framed therein with regard to increase the use of Hindi Raj Bhasha in office during the year 2008-09. Employees were motivated to use their working

Hindi Pakhkwara Celebrations in HSCC on 26.09.2008. Seen (from left to right) are Shri Prem Dutt Sharma, Chief Officer (Rajbhasha), Central Bank of India, Shri D. R. Nuna, Chief General Manager (HRM & Legal), HSCC, Ms. Ravinder Narang, Director (Official Language) MOH & FW



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. Hindi letters are being replied in Hindi. To popularize the use of Hindi, the Company organized a Hindi Pakhwara from 14.09.2008 to 28.09.2008; various competitions based on knowledge of Official Language were organized. Besides, the Company is also a member of the Town Raj Bhasha Implementation Committee, Noida under the Ministry of Home Affairs, Government of India and is also represented at various competitions, meetings, seminars, etc.

## VIGILANCE

The Company being a small Consultancy Organisation, there is no separate Vigilance Unit in the Company. Executive Director (F&A) is acting as part-time Chief Vigilance Officer. During the year, Vigilance Division has functioned as an effective part of management. For effective control, various initiatives have been taken viz., concurrent-cum-internal audit, payment to vendors through RTGS, e-tendering etc. Returns and Reports were submitted to the statutory agencies and CVC guidelines, received from time to time, were followed and adhered to as precautionary and preventive measure. Further, efforts were made to ensure transparency in the working of the Company. The Company observed Vigilance Awareness Week from 03.11.2008 to 7.11.2008.



Vigilance  
Awareness  
Week - Pledge  
Ceremony on  
03.11.2008



## DIRECTIVES FROM THE PRESIDENT OF INDIA

Being a Government Company, the President of India is authorized to issue directives to the Company. During the current financial year 2009-10 Presidential Directive regarding Revision of Scales of Pay of Board level and below Board level executives and non-Unionised Supervisors in Central Public Sector Enterprises (CPSEs) w.e.f. 1<sup>st</sup> January 2007 has been received. Accordingly, the Company has implemented the revision of pay scales w.e.f.01.01.2007.

## PARTICULARS OF EMPLOYEES

Information as required under Section 217 (2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1957 regarding particulars of employees drawing Rs.2,00,000/- per month of Rs. 24,00,000/- per annum and above is Nil.

## CORPORATE GOVERNANCE

Corporate Governance practices in your Company focus on transparency, integrity, professionalism and accountability. Though the guidelines issued by SEBI on Corporate

Governance are not applicable to Company (the paid-up capital of the Company being less than Rs.500 lakhs), but efforts have been made to disclose the details to the extent possible and are placed at Annexure II.

## BOARD OF DIRECTORS

Directors joined to hold office during the financial year are as under :

Dr. R. S. Shukla From 29.07.2008 onwards  
Part-time official Director  
Joint Secretary, MOH & FW

Directors who ceased to hold office during the financial year are as under :

Shri B. K. Prasad From 10.03.2008 to 29.07.2008  
Part-time official Director  
Joint Secretary, MOH & FW

The Board places on record its appreciation for the valuable contribution made by Shri B.K.Prasad during his tenure as Director on the Board of the Company.

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

Shri V. C. Sharma From 01.11.2006 onwards  
Chairman & Managing Director

Dr. S. N. Pal From 21.11.2005 onwards  
Director (Engineering)

Shri Naved Masood From 10.03.2008 onwards  
Part-time Director (Official)

Dr. R. S. Shukla From 29.07.2008 onwards  
Part-time Director (Official)

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

The Directors confirm that :

- In preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- The Accounting Policies adopted by the Company are consistently followed that are reasonable and prudent to give true and fair view of the state of affairs of the Company at the end of financial year and of the Profit or Loss of the Company for that period.
- Proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of this Act for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts have been prepared on a going concern basis.

## COMPLIANCE CERTIFICATE

With reference to the Companies (Compliance Certificate) Rules, 2001 a Compliance Certificate issued by M/s Harbans Lal & Company, Company Secretary in whole time practice for the financial year ended on 31.03.2009 is enclosed at Annexure III as addendum to Directors' Report.

## AUDITORS

### Internal Auditors :

M/s D.D.Bansal & Company, Chartered Accountants have been appointed as Company's Concurrent-cum-Internal Auditors for the Financial Year 2008-09. This is their second year of appointment.

### Statutory Auditors :

M/s O.P. Bagla & Company, Chartered Accountants have been appointed by the Office of the Comptroller & Auditor General of India as Statutory Auditors of the Company for the financial year 2008-09. The remuneration fixed by the Company for them for the financial year 2008-09 is Rs. 2,00,000/- (Rupees Two Lakh only) plus Service Tax as applicable. This is their second year of appointment.

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

The Comments of CAG are enclosed at Annexure V as addendum to Directors' Report.

The Board of Directors place on record their sincere thanks for the valuable service rendered by Auditors.

## ACKNOWLEDGEMENT

The Directors acknowledge with deep sense of appreciation the co-operation 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 Comptroller & Auditor General of India, the Chairman and Member of the Audit Board, Statutory Auditors, Internal Auditors and Bankers of the Company for their valued cooperation.

The Board also places on record the appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

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

**NEW DELHI**

**Dated : 11-08-2009**

**(V. C. Sharma)  
Chairman & Managing Director**

**SUMMARY OF MAJOR ON-GOING CONSULTANCY PROJECTS AS ON DATE****A. Architectural Planning, Design Engineering & Project Management Services****IN INDIA**

- Nurses Hostel and other works / services for North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences, Shillong, Meghalaya
- Upgradation of Nursing Colleges :
  - ❖ Raj Kumari Amrit Kaur, New Delhi
  - ❖ Ram Manohar Lohia Hospital, New Delhi
  - ❖ Lady Hardinge Medical College, New Delhi
- National Institute of Unani Medicine, Bangalore Phase II
- Hostels for Vardhman Mahavir Medical College, New Delhi
- OPD 150 Bed Trauma Centre, Mother & Child Block and Mental Hospital for Post-Graduate Institute of Medical Sciences, Rohtak
- Project Management Consultancy for All India Institute of Ayurveda, Department of Ayush, New Delhi
- Prime Minister's Swasthaya Suraksha Yojna for
  - ❖ Nizam Institute of Medical Sciences (NIMS), Hyderabad – 300 Bed Super Specialty Block and 50 Bed Emergency & Trauma Block
  - ❖ Sanjay Gandhi Post-Graduate Institute of Medical Sciences (SGPGI), Lucknow – 160 Bed Super Speciality Block



**Nizam Institute of Medical Sciences (NIMS),  
Hyderabad**



**Sanjay Gandhi Post-Graduate Institute of  
Medical Sciences (SGPGI), Lucknow**



**Academic Block, Kolkatta Medical Centre,  
Kolkatta**

- Indian Institute of Chemical Biology, Kolkatta
- Animal House Facility for RRL, Jammu
- Construction of BSL-3 Lab for NRCE, Ministry of Agriculture. Hissar
- ICMR, NARI-Bhosari, Pune
- Construction of BSL-3 Lab and MDR TB Wards and other renovation works for LRSI, New Delhi
- Upgradation and development of Government Medical College and associate hospitals consisting of Bebe Nanki Mother & Child Health Care Centre, Diagnostic Block, Drug Dependence Centre, Nursing College and Service Block at Amritsar
- Design Engineering for the construction of Academic Block, Senate Campus and Guru Gobind Singh Medical College for Baba Farid University of Medical Sciences, Faridkot

- ❖ Kolkatta Medical College, Kolkatta – 200 Bed Super Specialty Block, Administration Block with Auditorium/Hall

- Residential Complex for AIIMS likes institutes at Raipur and Bhubaneshwar
- BSL – 4 Lab for MCC, ICMR, Pune
- Lab & Animal House – Regional Medical Research Centre, Dibrugarh



**AIIMS Dental College, New Delhi**



**Sports Injury Centre, Safdarjung Hospital, New Delhi**

- Hospital Complex at Aizwal
- Construction of North Eastern Institute of Ayurveda & Homoeopathy (NEIAH), Shillong
- Upgradation of Lokpriya Gopinath Bardoloi Regional Institute of Mental Health, Tezpur
- Regional Institute of Medical Sciences (RIMS), Imphal

**ABROAD**

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

**B. Procurement Management Services**

- Medical Equipment for NEIGRIHMS, Shillong
- Drugs and Equipments for Central Government Health Scheme
- Medical Equipment under Prime Minister's Swasthay Suraksha Yojna for :



**North Eastern Institute of Ayurveda & Homeopathy, Shillong, Meghalaya**



**A view of Post Graduate Institute of Medical Education & Research at Dr. Ram Manohar Lohia Hospital, New Delhi inaugurated on 25.02.2009**

- ❖ B. J. Medical College, Ahmedabad
- ❖ Kolkatta Medical College, Kolkatta

- Equipments for MCD, Delhi
- Equipments for ONGC

**C. Studies and Training Services**

- Project Appraisal Services for NCRPB, New Delhi

- DPR for Diagnostic Centre and Norms for ESIC

- Re-development and Enlargement Plan for LHMC

- Preparation of Detailed Project Report for Medical College at Port Blair

- Detailed Project Report – Hospital Complex at Nahar Lagun

- Preparation of DPR for National Centre for Disease Control (NICD), Delhi



**Medical College, Port Blair**

## Annexure II

# CORPORATE GOVERNANCE REPORT

## A. COMPANY PHILOSOPHY

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

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

The Company's Board of Directors as on 31.03.2009 has two functional directors and two part-time official directors. The details are given below:-

Director(s)	Whole-time / Part- time	Member of Board of other PSUs
Shri V. C. Sharma	Whole-time, CMD	Nil
Dr. S. N. Pal	Whole-time, Director (Engg)	Nil
Shri Naved Massod	Part- time, Official Director	2
Dr. R. S. Shukla	Part- time, Official Director	Nil

## C. BOARD MEETINGS

During April, 2008 to March, 2009, Four meetings (108<sup>th</sup> to 111<sup>th</sup>) of the Board of Directors were held with minimum one meeting in each quarter on 19.06.2008, 29.07.2008, 28.11.2008 and 30.03.2009.

## MEETINGS AND ATTENDANCE

Director(s)	No. of Board Meetings held during their respective Tenure	Attended	Attended last Annual General Meeting
Shri V. C. Sharma	4	4	Yes
Dr. S. N. Pal	4	4	Yes
Shri Naved Massod	4	4	Yes
Shri B. K. Prasad	2	2	Yes (as a Shareholder)
Dr. R. S. Shukla	2	1	Yes

## **D. GENERAL BODY MEETING**

### **Annual General Meeting**

The last three Annual General Meetings were held as under:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2007-08	17.09.2008	12.00 Noon	Office of Secretary (H & FW), Nirman Bhawan, New Delhi
2006-07	21.09.2007	12.00 Noon	Office of Secretary (H & FW), Nirman Bhawan, New Delhi
2005-06	21.09.2006	03.30 P.M.	Office of Secretary (H & FW), Nirman Bhawan, New Delhi

Special Resolutions regarding the following were passed during the last AGM held on 17.09.2008:

Amendment in the Memorandum and Articles of Association for increase in the Authorised Capital from Rs.200 Lakhs to Rs. 500 lakhs.

Issue of Bonus Shares for Rs. 80,00,600/- in the ratio of 2:1.

## **E. REMUNERATION OF DIRECTORS**

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

The part-time official directors on the Board do not draw any remuneration from the Company for their role as a director but draw their remuneration from the Government as Government official. The part-time non-official directors of the Company also do not draw any remuneration from the Company, they are only paid sitting fee of Rs.2,500/- per meeting attended by them in accordance with the approval of the Board of Directors. The Company, therefore, has not constituted any Remuneration Committee.

## **F. 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 guidelines issued by SEBI and the provisions of The Companies Act, 1956 with regard to constitution of Audit Committee are not applicable to Company. As such the Company has not constituted an Audit Committee.

## **H. 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)

### **Compliance Certificate**

FORM (SEE RULE 3)

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

**CIN : U74140DL1983GOI015459**

**Authorised Capital : Rs. 5,00,00,000/-**

**Paid up Capital : Rs.2,40,01,800/-**

We have examined the registers, records, books and papers of M/s. **HSCC (India) Limited** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended as on **31<sup>st</sup> March, 2009**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

- As per information & explanations provided to us the Company has kept and maintained the registers as stated below, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.

S.No.	Registers as Maintained by the Company	U/s	Remarks
1.	Register of Members	150	Upto Date
2.	Registers and Returns	163	Upto date
3.	Minutes Book of Meetings	193	Upto date
4.	Books of Accounts	209	Upto date
5.	Register of Transfers	108	Upto date
6.	Register of Share Application Money & Share Allotment	150	Upto date
7.	Register of Particulars of Contracts in which Directors are Interested	301	Upto date
8.	Register of Directors, Managing Directors, Managers and Secretary	303	Upto date
9.	Register of Directors' Shareholdings	307	Upto date
10.	Directors Attendance Register	193	Upto date
11.	Fixed Assets Register	209	Upto date
12.	Dividend Register	205	Upto date

- As per information & explanations provided to us, the Company has filed the forms and returns as stated below, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under during the financial year ended on 31st March, 2009.

**Forms / Returns filed by the Company during the Financial Year**

<b>S.No.</b>	<b>Form No.</b>	<b>Authority with whom forms &amp; Returns filed</b>	<b>Filed u/s</b>	<b>Remarks</b>
1.	Form 66	ROC	383A	Annual General Meeting : 17.09.2008 Filing date : 30.09.2008 Receipt No. : P22296248
2.	Form 23	ROC	192	Annual General Meeting : 17.09.2008 Filing date : 07.10.2008 Receipt No. : A46393856
3.	Form 5	ROC	94A(2), 95,97	Date of Increase of Authorized Capital / Date of AGM : 17.09.2008 Filing date : 07.10.2008 Receipt No. : A46405221
4.	Form 32	ROC	303(2)	Date of Change : 29.07.2008 Filing date : 04.11.2008 Receipt No. : A49089113
Appointment of Dr. R. S. Shukla w.e.f. 29.07.2008 and Cessation of Sh. B. K. Prasad as Director w.e.f. 29.07.2008				
5.	Form 20B	ROC	159	Annual General Meeting : 17.09.2008 Filing date : 13.11.2008 Receipt No. : P25825415
6.	Form 23AC & 23ACA	ROC	220	Financial Year : 31.03.2008 Filing date : 13.11.2008 Receipt No. : P25824806
7.	Form 2	ROC	75(1)	Date of Issue of Bonus Shares : 09.03.2009 Filing date : 23.03.2009 Receipt No. : A58495326

3. The Company being a Government of India Enterprise has paid-up capital of Rs. 2,40,01,800/- and its number of members as on 31<sup>st</sup> March 2009 as per information & explanations provided to us was TEN. The detail of shareholders is given below :

S.No.	Particulars of Shareholders	No. of Shares	Distinctive Nos.	Share Certificate	Ledger Folio
1.	The President of India	5994	1-5994	000003	2/I
	The President of India	10000	6001-16000	000010	2/I
	The President of India	24000	16001-40000	000011	2/I
	The President of India	17982	40004-57985	000015	2/I
	The President of India	30000	57986-87985	000016	2/I
	The President of India	72000	87986-159985	000017	2/I
	The President of India	79988	160013-240000	000027	2/I
2.	Sh. K. Raamamoorthy, Former Joint Secy. (MOH& FW)	1	5995	000004	2/III
	Sh. K. Raamamoorthy, Former Joint Secy. (MOH& FW)	3	159989-159991	000019	2/III
	Sh. K. Raamamoorthy, Former Joint Secy. (MOH& FW)	2	240001-240002	000028	2/III
3.	Sh. R. K. Srivastava, DGHS	1	5996	000007	3/III
	Sh. R. K. Srivastava, DGHS	3	159992-159994	000020	3/III
	Sh. R. K. Srivastava, DGHS	2	240003-240004	000029	3/III
4.	Sh. Vineet Chawdhary (J.S.)	1	5997	000006	9/III
	Sh. Vineet Chawdhary (J.S.)	3	159995-159997	000021	9/III
	Sh. Vineet Chawdhary (J.S.)	2	240005-240006	000030	9/III
5.	Sh. A. S. Bhatia, Director	1	5998	000009	8/III
	Sh. A. S. Bhatia, Director	3	159998-160000	000022	8/III
	Sh. A. S. Bhatia, Director	2	240007-240008	000031	8/III
6.	Sh. Naved Masood (ASFA)	1	5999	000005	11/III
	Sh. Naved Masood (ASFA)	3	160001-160003	000023	11/III
	Sh. Naved Masood (ASFA)	2	240009-240010	000032	11/III
7.	Sh. Debashish Panda (J.S.)	1	6000	000008	10/III
	Sh. Debashish Panda (J.S.)	3	160004-160006	000024	10/III
	Sh. Debashish Panda (J.S.)	2	240011-240012	000033	10/III
8.	Sh. V. C. Sharma (CMD, HSCC)	1	40001	000012	5/III
	Sh. V. C. Sharma (CMD, HSCC)	3	160007-160009	000025	5/III
	Sh. V. C. Sharma (CMD, HSCC)	2	240013-240014	000034	5/III
9.	Sh. B.K. Prasad (J.S.)	1	40003	000014	7/III
	Sh. B.K. Prasad (J.S.)	3	160010-160012	000026	7/III
	Sh. B.K. Prasad (J.S.)	2	240015-240016	000035	7/III
10.	Dr. S.N. Pal (Director, HSCC)	1	40002	000013	6/III
	Dr. S.N. Pal (Director, HSCC)	3	159986-159988	000018	6/III
	Dr. S.N. Pal (Director, HSCC)	2	240017-240018	000036	6/III

4. As per information & explanations provided to us the Board of Directors duly met **FOUR** times on the date mentioned below in the table, in respect of those meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

### Details of Meetings of Board of Directors

Meeting No.	Dates on which Meeting held	Remarks
108 <sup>th</sup>	19.06.2008	Meeting held at Office of ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
109 <sup>th</sup>	29.07.2008	Meeting held at Office of ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
110 <sup>th</sup>	28.11.2008	Meeting held at Office of ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.
111 <sup>th</sup>	30.03.2009	Meeting held at Office of ASFA, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi, proper notices given & proceedings were properly recorded.

5. The Company was **not** required to close its Register of Members during the financial year.
6. As per information & explanations provided to us, the Annual General Meeting for the financial year ended on **31.03.2008** was held on **17.09.2008** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Books maintained for the purpose.
7. As per information & explanations provided to us **No** Extraordinary General Meeting was held on during the financial year ending **31<sup>st</sup> March 2009**.
8. The company being a Government of India Enterprise, all loans and advances given to directors are as per the guidelines specifically laid down by the Government.
9. As per information & explanations provided to us the Company, being a Government Company, has been exempted from the purview of Section 297 of the Act vide exemption notification No. GSR No. 233 Dated 31.01.1978.
10. As per information & explanations provided to us the Company was **not** required to make any entries in the register maintained under section 301 of the Act, as the company has been exempted from the purview of Section 297 of the Act vide exemption notification No. GSR No. 233 Dated 31.01.1978
11. As per information & explanations provided to us there are **no** instances falling within the purview of Section 314 of the Act.

12. As per information & explanations provided to us the Company has **not** issued any duplicate share certificates during the financial year.

13. As per information & explanations provided to us :

- (i) There was **no** transfer / transmission of shares during the financial year.
- (ii) During the financial year, the Company has issued bonus shares, in the ratio of 2:1, valuing Rs. 80,00,600 (80,006 equity shares of Rs. 100/- each). The details of bonus shares issued during the year are given below :

S.No.	Particulars of Shareholders	No. of Shares	Distinctive Nos.	Share Certificate	Ledger Folio
1.	The President of India	79988	160013-240000	000027	2/I
2.	Sh. K. Raamamoorthy, Former Joint Secy (MOH&FW)	2	240001-240002	000028	2/III
3.	Sh. R. K. Srivastava, DGHS	2	240003-240004	000029	3/III
4.	Sh. Vineet Chawdhary (J.S.)	2	240005-240006	000030	9/III
5.	Sh. A. S. Bhatia, Director	2	240007-240008	000031	8/III
6.	Sh. Naved Masood (ASFA)	2	240009-240010	000032	11/III
7.	Sh. Debashish Panda (J.S.)	2	240011-240012	000033	10/III
8.	Sh. V. C. Sharma (CMD, HSCC)	2	240013-240014	000034	5/III
9.	Sh. B. K. Prasad (J.S.)	2	240015-240016	000035	7/III
10.	Dr. S. N. Pal (Director, HSCC)	2	240017-240018	000036	6/III

i) The Company has declared and paid the following amount of dividend during the financial year :

S.No.	Particulars	Amount of Dividend Declared	Date of Declaration of Dividend	Date of payment of Dividend
1	Final Dividend	2,08,01,560/-	17.09.2008 (AGM)	26.09.2008

The Company is wholly owned by Government of India and is maintaining a separate Bank Account since 27.09.2001 for payment of dividend and the Company was not required to post warrants to any member of the company as dividend was credited to Government of India account.

(iv) There are no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;

(v) The Company has duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted and the appointments of directors have been duly made; none of the directors of the company are eligible to retire by rotation.

**Detail of Board of Directors- As on 31.03.2009**

S.No.	Name of the Director	Date of Appointment	Date of Cessation	Authority by whom appointed	Under Section
1.	Dr. S. N. Pal	21.11.2005	–	Government of India	617
2.	Sh. V. C. Sharma, CMD	01.11.2006	–	Government of India	617
3.	Sh. Naved Masood	10.03.2008	–	Government of India	617
4.	Dr. R. S. Shukla	29.07.2008	–	Government of India	617
5.	Sh. B. K. Prasad	10.03.2008	29.07.2008		

15. The Company has **not** appointed any Managing Director / Whole time Director / Manager during the financial year.

16. As per information & explanations provided to us, the Company has not appointed any sole-selling agents during the financial year.

17. As per information & explanations provided to us, the Company has obtained the requisite approval from the Central Government or such other authorities prescribed under the various provisions of the Companies Act during the financial year.

18. Directors interest have been duly disclosed.

19. As per information & explanations provided to us, all the directors have been nominated by the Government of India and general disclosure of interest has been recorded in the Minutes.

20. As per information & explanations provided to us the company has not bought back any shares during the financial year.

21. As per information & explanations provided to us the company does not have preference shares or debentures.

22. As per information & explanations provided to us there was no transaction necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. As per information & explanations provided to us the company has not invited/ accepted any deposits including any unsecured loans falling with in the purview of Section 58A during the financial year.

24. The Company has not made any borrowing during the financial year ended 31<sup>st</sup> March, 2009.
25. As per information & explanations provided to us the company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny. The details are as under :
- Authorized Capital of the Company increased from Rs. 2 Crores (divided into 200000 equity shares of Rs. 100/- each) to Rs. 5 Crores (divided into 500000 equity shares of Rs. 100/- each).
30. The company has not altered the provisions of its Articles of Association during the year under scrutiny.
31. As per information & explanations provided to us there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
32. As per information & explanations provided to us the Company has not received any money as security from its employees during the financial year.
33. As per information & explanations provided to us the company has deducted contribution towards Provident Fund and has deposited both employees' and employer's contribution with the prescribed authorities pursuant to Section 418 of the Companies Act, 1956.

Place : New Delhi

Signature

Date : 13.08.2009

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

***For Harbans Lal & Company***  
*Company Secretaries*

## Annexure IV

(Addendum to Directors' Report)

### Replies to comments in Auditors' Report

The comments in the Auditors' Report inter-alia refer to various Notes incorporated by the Company in the Accounts. The Notes are self explanatory.

## Annexure V

(Addendum to Directors' Report)

### Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of HSCC (India) Limited for the year ended 31 March, 2009.

The preparation of financial statements of **HSCC (India) Limited** for the year ended 31 March 2009 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 11 August 2009.

I on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors' on the accounts of **HSCC (India) Limited** for the year ended 31 March 2009 and as such have no comments to make under Section 619(4) of the Companies Act 1956.

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

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

Place : New Delhi

Dated : 27 August 2009