

ABOUT HINDUSTAN PREFAB LIMITED

Hindustan Prefab Limited (HPL), an **ISO-9001 Company**, earlier known as Hindustan Housing Factory Limited was set up by the Government of India in 1950 to address the immediate housing needs for displaced persons from West Pakistan. During the course of time, HPL diversified its business into other Civil Engineering works related to Manufacturing and Project Management Business in line with the market demands. In 1978, its name had been changed from “**Hindustan Housing Factory**” to “**Hindustan Prefab Limited.**”

BUSINESS SEGMENTS

Prior to September 2004, HPL had operations in two segments namely Manufacturing of Civil Engineering Components and Projects Management Business. Thereafter the manufacturing process has been suspended due to non-availability of economically viable orders. Presently, HPL has been concentrating on Project Management Services. HPL is having operations in 14 States with Corporate Headquarters at Delhi & Regional Offices in Raipur (Chhattisgarh), Trivandrum (Kerala), Patna (Bihar), Shillong (Meghalaya for North-East).

PROJECTS

HPL has entered into Project Management Services on turnkey basis from concept to completion:-

- Mass Housing & Infrastructure works for Slum Dwellers and Urban Poor.
- Institutional Buildings
- Residential Complex
- Hospitals
- S.T.P.
- Interiors & Furniture
- Sports Complex
- Campus Development etc.

MANAGEMENT

HPL is managed by the Board of Directors consisting of the following:

1. Sh. Jaiveer Srivastavaa, Chairman & Managing Director (Full time)
2. Sh. S.K. Singh IAS, Joint Secretary (Housing) (Part Time Official Director), Ministry of Housing & Urban Poverty Alleviation
3. Dr. R.K. Vats IAS, Joint Secretary & Financial Advisor, (Part time Official Director) Ministry of Housing & Urban Poverty Alleviation and Urban Development.

HUMAN RESOURCES

The details of Human Resources as on 31.12.2008 are as follows:

A. REGULAR EMPLOYEES Group	Engg.	P&A	Finance	Others Staff / Workers		Total
A	06	01	Nil	-	-	07
B	09	-	-	-	-	09
C	23	23	09	07	150	212
D	-	-	-	23	60	83
Sub Total	38	24	09	30	210	311
B. OTHERS						
Compassionate Grounds	01	03	-	11	17	32
On contract basis	34	-	01	7	5	47
Sub Total	35	03	01	18	22	79
Grand Total (A+B)	73	27	10	48	232	390

Full time CMD took over the charge of the company w.e.f. 01.08.2006. Company extended Voluntary Retirement Scheme upto 31.12.2007. So far, 759 Nos. of employees have availed VRS/VSS since 1988-89, when the strength was 1433 as given below:

S.No.	Source of fund	Period	Employees (In Nos.)	Amount (Rs. in Lacs)
i)	Out of Company's Funds	1988-89 to 1993-94	098	95.23
ii)	Out of funds received against National Renewal Funds	--	417	712.80
iii)	Out of loan received from Ministry of HUPA	2000-01 to 2006-07	228	867.81
iv)	Out of Company's Funds	2007-08 (upto Jan.,08)	016	55.97
Total			759	1731.81

Board of Directors in their meeting held on 20.8.2006 discontinued VRS/VSS Scheme to Group A & B Officers and kept the same open upto 31.12.2007 for Group C & D excluding Project Engineers.

CAPITAL

The Authorized Capital and Paid-up Capital are Rs.10.00 Crore & Rs.6.97 Crore respectively.

OUTSTANDING LOAN

The outstanding Govt. Loans and interest accrued thereon is Rs.53.95 Cr and Rs.81.10 Cr as on 31.12.2008.

ORDER BOOK POSITION

The value of orders to be executed as on 31.12.2008 is as follows:

	<u>(Rs. In crore)</u>
a) Factory	Nil
b) Construction works	<u>1700.08</u>
Total:	<u>1700.08</u>

ON GOING PROJECTS

- Delhi Police have entrusted works at Rajinder Nagar, Kamla Market, Todapur, Mandir Marg, Rohini Sector-3 & 22 & Mahipalpur of approx. Rs172.30 Crores for the modernization of Police Station, Residential facilities etc. while Rajinder Nagar and Kamala Market projects have already been handed over to Delhi Police on 12.12.2008 and 28.11.2008, other projects are being executed at full swing and we expect to finish them as per schedule;
- HPL has been awarded the construction of cost effective houses for Safai Karamcharis in Arunachal Pradesh by Ministry of Housing & Urban Poverty Alleviation. The work involves Civil Construction including electrical, sanitary and plumbing and site development consisting of drainage, roads etc. at Sites located in Itanagar, Passighat, Tawang, Nirjuli, Roing and Deporizho. The value of these projects is approx. Rs.16 Cr. The projects at Itanagar & Tawang have already been completed and work at other places is in progress;
- Projects under Jawaharlal National Urban Renewal Mission (JnNURM) have already been awarded to HPL in the States of Chattisgarh, Bihar, Meghalaya and Mizoram the value of the work is approx. Rs.900 Cr.;
- Projects under National Rural Health Mission have been awarded in the State of Kerala for the value of Approx. Rs.150 Cr.;
- Tsunami project for Rs.25 Cr have also been awarded in the state of Kerala in the Health Sector;
- Institutional Projects of M/s ESIC (Ministry of Labour) in the State of Maharashtra and Himachal Pradesh valuing Rs.56.78 are going on full swing;
- Para-Military Forces Projects: Assam Rifles has entrusted work of Campus Development in Nagaland, Sports Complex, War Memorial etc. in Shillong (Meghalaya), Accommodations etc. in Manipur, for approx. Rs.200 Cr. BSF has also awarded work at Manipur for approx. Rs.77 Cr.;
- Company is also trying to develop more business in and around NCR.

REVIVAL & FINANCIAL RESTRUCTURING OF HINDUSTAN PREFAB LIMITED BY BRPSE

The revival / restructuring plan of HPL as prepared by M/s Ernst & Young (P) Limited was forwarded to BRPSE through our administrative Ministry i.e. Ministry of Housing & Urban Poverty Alleviation, for their consideration.

Accordingly, BRPSE meeting was held on 24th December 2008 to consider the revival/restructuring plan of HPL. Board discussed the revival proposal of HPL submitted by Ministry of Housing & Urban Poverty Alleviation and after detailed deliberations and taking into account all relevant factors agreed to conversion of outstanding GOI loan and interest thereon as on 31.03.2008 amounting to Rs.128 Crores into equity. The board advised the MHUPA/HPL to submit a revised proposal incorporating proper business plan as well as strategy for sustainable revival of the Company after addressing various issues raised in the meeting within one month for consideration of the Board. The Secretary HUPA immediately on conclusion of Board meeting advised that the following points should be incorporated in the supplementary revival/restructuring report:

- i) Prefab
- ii) Sanitation
- iii) Land Development

On the advise of the BRPSE, M/s Ernst & Young (P) Limited submitted the revised / supplementary report on 23.01.2009, which was discussed in the BRPSE's 67th meeting held on 24.02.2009. The BRPSE agreed for the revival of the company and recommended cash infusion of Rs.90.86 Crore in the form of interest free bridge loan for setting up of one plant at a cost of Rs.81.20 Crore and Rs.9.66 Crore towards arrears of staff.

BRPSE further recommended that HPL should set up other plants as detailed by the Consultant in the business plan out of the funds generated from internal resources / land development.

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MEMORANDUM OF UNDERSTANDING
BETWEEN
HINDUSTAN PREFAB LIMITED
AND
MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION
FOR THE YEAR 2009-2010

PART - I

VISION

“To emerge and establish itself as a leading innovator in prefab construction technology and cater to all sections of the society”

MISSION

CORPORATE MISSION

- To act as execution arm of Govt. of India, Ministry of Housing & Urban Poverty Alleviation for mass housing / development of infrastructure for urban poor.
- To enhance Prefabrication methods for augmenting Innovative Technologies for the Quality and Fast Construction Techniques at Economical Cost.

OBJECTIVES

- + To introduce innovative technologies in the civil construction industry;
- + To enter into Joint Ventures with other organizations for development of their land on mutually agreed terms;
- + To give civil engineering solutions under one roof from concept to completion on turnkey basis;
- + To develop land & property as Real Estate Venture.

PART - II

EXERCISE OF ENHANCED AUTONOMY AND DELEGATION OF POWERS

NIL

PART - III

PERFORMANCE EVALUATION PARAMETERS AND TARGETS

MoU PERFORMANCE CRITERIA FOR 2009 – 2010 FOR HINDUSTAN PREFAB LIMITED

Evaluation Criteria	Unit	Weight	MOU TARGETS				
			Excellent	Very Good	Good	Average	Poor
Static / Financial Parameter							
Gross Sales	Rs. Cr	10	335.00	315.00	300.00	285.00	270.75
Gross Margin (PBDIT) (See Annexure-II for details)	Rs. Cr	10	7.92	6.88	6.10	5.32	4.58
Gross Profit (PBIT)	Rs. Cr	10	7.62	7.58	5.80	5.02	4.28
Net Profit (PAT)	Rs. Cr	10	(-)2.09	(-)3.13	(-)3.91	(-)4.69	(-)5.43
Added Value	Rs. Cr	10	7.17	6.13	5.35	4.57	3.83
Dynamic Parameters							
Finalization & Submission of Revival Plan (with a 5 – Years Perspective)	Date	10	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010
Finalization & Adoption of Long Range Plan (with a 10 – Years Perspective)	Date	5	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010
Project implementation (Review of Implementation of 10 Projects having more than Rs.10 Cr outlay each Projects to be chosen in consultation with Ministry)	No	10	9	7	5	4	3
Retraining of Factory Staff for Redeployment	No	5	50	40	30	20	10
Specific Parameter							
Development & Execution of Prefab Products	Rs. Cr	9	50	45	40	35	30
Reduction of Sundry Debtors (excluding litigation and arbitration cases)	%age	2	30	20	10	7	4
Enterprise Specific Parameter							
Filling up of Vacancy on Deputation as approved	%age	2	100	0	0	0	0
Implementation of Budgetary Control System	Date	2	June	July	Aug	Sept	Oct.
Customer Satisfaction	%age	5	90	80	70	60	50

PART-IV

COMMITMENTS / ASSISTANCE FROM GOVERNMENT

1. Assistance for expeditious approval of BRPSE recommendations by the Govt. of India.
2. Assistance for filling up posts on deputation

PART - V

ACTION PLAN FOR IMPLEMENTATION AND MONITORING OF THE MEMORANDUM OF UNDERSTANDING

Performance of HPL will be reviewed against the targets given in this MOU on a quarterly basis by the Ministry of Housing and Urban Poverty Alleviation.

Projects worth more than Rs.10 Cr., Projects in North Eastern States and Special projects undertaken in the affected areas shall be reviewed every three months by the Ministry of Housing & Urban Poverty Alleviation to monitor progress and measures taken to address issues if any.

S/d (26.03.2009)
Jaiveer Srivastavaa
Chairman & Managing Director
Hindustan Prefab Limited
Jangpura, New Delhi – 14

S/d (26.03.2009)
Smt. Kiran Dhingra
Secretary (HUPA)
Ministry of Housing &
Urban Poverty Alleviation
Government of India

New Delhi

Annexure – I

HINDUSTAN PREFAB LIMITED JANGPURA: NEW DELHI 110014						
Projected Performance Data						
Profit & Loss		(Rs. in Crore)				
	2008-09	2009 - 2010				
Particulars	Estimated	Excellent	Very Good	Good	Average	Poor
Operating Sales	150.00	335.00	315.00	300.00	285.00	270.75
Margin @ 5.20%	7.80	17.42	16.38	15.60	14.82	14.08
Other income	2.30	2.50	2.50	2.50	2.50	2.50
Total Income (A)	10.10	19.92	18.88	18.10	17.32	16.58
Salaries/Wages & other benefits	5.80	8.00	8.00	8.00	8.00	8.00
VRS/VSS Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Selling & business Dev. Ohds	0.61	1.00	1.00	1.00	1.00	1.00
Other Administrative Exp.	2.20	3.00	3.00	3.00	3.00	3.00
Total expenditure (B)	8.61	12.00	12.00	12.00	12.00	12.00
Gross Margin (PBDIT)	1.49	7.92	6.88	6.10	5.32	4.58
Depreciation	0.13	0.30	0.30	0.30	0.30	0.30
Gross Profit (PBIT)	1.36	7.62	7.58	5.80	5.02	4.28
Interest	10.00	9.67	9.67	9.67	9.67	9.67
Provision for FBT	0.05	0.04	0.04	0.04	0.04	0.04
Net Profit	-8.69	-2.09	-3.13	-3.91	-4.69	-5.43
Added Value*	0.95	7.17	6.13	5.35	4.57	3.83

* Gross margin (-) 10% of Capital employed
Capital employed = Gross Block (-) Depreciation + Working Capital

HINDUSTAN PREFAB LIMITED
JANGPURA: NEW DELHI 110014

Statement showing Calculations of Added Value

(Rs. in Crore)

Particulars	2008 - 09		2009-2010			
	Projected	Excellent	Very Good	Good	Average	Poor
Gross Margin	1.49	7.92	6.88	6.10	5.32	4.58
Gross Block	6.40	6.50	6.50	6.50	6.50	6.50
Accumulated Depreciation	4.48	4.78	4.78	4.78	4.78	4.78
Net Block	1.92	1.72	1.72	1.72	1.72	1.72
Working Capital	3.50	5.85	5.85	5.85	5.85	5.85
Capital Employed	5.42	7.57	7.57	7.57	7.57	7.57
10% of Capital employed	0.54	0.75	0.75	0.75	0.75	0.75
Added value	0.95	7.17	6.13	5.35	4.57	3.83

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH

(Rs.in Crores)

Years	2004-05	2005-06	2006-07	2007-08	2008-09
Particulars	Actual Achievement	Actual Achievement	Actual Achievement	Actual Achievement	Revised Estimate
Total Income					
Gross Sales	9.83	8.73	23.20	35.10	150.00
Less : Excise Duty	0.23	0.03	0.00	0.00	-
Net Income	9.60	8.70	23.20	35.10	150.00
Accretion/Depletion in Stocks	0.64	0.04	0.02	0.01	-
Other Income	0.13	0.43	0.32	1.92	2.30
Total Income	9.09	9.09	23.50	37.01	152.30
Total Expenditure					
Materials Consumed	1.33	0.23	1.04	0.96	0.50
Exp. Through Sub Contractors	6.22	7.18	20.28	31.50	141.70
Salaries & Wages	5.18	5.24	5.30	5.55	5.80
VRS	0.95	0.94	1.09	0.57	-
Other Expenses	1.32	1.20	1.44	2.03	2.81
Gross Margin (PBDIT)	-5.91	-5.70	-5.65	3.60	1.49
Depreciation	0.19	0.14	0.14	0.08	0.13
Gross Profit (PBIT)	-6.10	-5.84	-5.79	3.68	1.36
Loss on Sales of Assets	-	-	-	-	-
Prior period Adjustments	-	-0.03	0.09	0.35	-
Provisions	0.76	0.49	0.37	0.58	-
Excess Provisions Written Back	0.01	-	-	-	-
Extra Ordinary Items	-	-	-	-	-
Interest	6.55	7.51	8.36	9.11	10.00
Provision for Tax	0.00	0.02	0.03	0.03	0.05
Net Loss	-13.40	-13.83	-14.64	-13.75	-8.69
Dividend Paid	0.00	0.00	0.00	-0.00	0
Tax on Dividend	0.00	0.00	-0.00	-0.00	0
Retained Profit	-13.40	-13.83	-14.64	-13.75	-8.69
Return to Capital @ 10%	-0.241	-0.232	-0.442	-0.107	0.542
Added Value	-5.68	-5.47	-5.21	3.49	0.95

Balance Sheet as on 31st March

(Rs. In Crores)

Years	2004-05	2005-06	2006-07	2007-08	2008-09
Particulars	Actual Achievement	Actual Achievement	Actual Achievement	Actual Achievement	MoU Targets
(1)	(2)	(3)	(4)	(5)	(6)
<u>Sources of Fund</u>					
Share Capital	6.97	6.97	6.97	6.97	6.97
Reserve & Surplus	0.08	0.01	0.00	0.00	0.00
Long Term Loans	87.85	101.77	114.31	133.55	146.60
Deferred Tax Liability	-	-	0.00	0.00	0.00
Total	94.83	108.75	121.28	140.52	153.57
<u>Application of Funds</u>					
Gross Block	6.13	6.15	6.30	6.33	6.40
<u>Less : Depreciation</u>	3.82	3.96	4.10	4.18	4.48
Net Block	2.31	2.19	2.20	2.15	1.92
Capital Work in Progress	-	-	-	-	-
Investments	-	-	-	-	-
Current Assets	11.96	16.57	15.91	44.13	48.54
Loans & Advances	1.36	1.53	2.19	4.93	5.42
Total Current Assets	13.32	18.10	18.10	49.06	58.96
Current Liabilities	18.04	22.61	24.73	50.15	55.46
Net Current Assets	-4.72	-4.51	- 6.63	-1.09	3.50
Deferred Revenue Exp.	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-
Profit & Loss Account	-97.24	- 111.07	- 125.71	-139.46	148.15
Total	94.83	108.75	121.28	140.52	153.57

Management Ratios

(Rs. in Crores)

Year	2004-05	2005-06	2006-07	2007-08	2008-09
Particulars	Actual Achievement	Actual Achievement	Actual Achievement	Actual Achievement	MOU Targets
(1)	(2)	(3)	(4)	(5)	(6)
Net Worth	-90.19	-104.09	-118.73	-132.49	-141.18
Capital Employed	-2.41	-2.32	-4.42	1.07	5.42
Gross Margin/Gross Block	-0.964	-0.927	-0.897	0.568	0.233
Net Loss/Net Worth	0.148	0.125	0.123	0.104	0.062
Gross Profit / C.E.	-2.53	-2.52	-0.31	3.44	0.25
10% of Capital employed	-0.241	-0.232	-0.442	-0.107	0.542
Added Value/Sales	-0.577	-0.626	-0.225	0.099	0.006

Annexure-III

HINDUSTAN PREFAB LIMITED
JANGPURA, NEW DELHI 110014

List of projects having more than Rs.10 Crore outlay each project
(Reference Dynamic Parameter – Serial 3 i.e. Project Implementation)

<i>S.No.</i>	<i>Name of Projects</i>	<i>Estimated Cost (Rs. in Crore)</i>
1.	Delhi Police, Mandir Marg	44.56
2.	ESIC Hospital, Baddi (Himachal Pradesh)	40.00
3.	ESIC Regional Office, Mumbai	21.50
4.	Bhagalpur (Bihar)	16.56
5.	Construction of Police Station Sec 3 Rohini Phase-I	27.73
6.	Kishanganj (Bihar)	12.02
7.	Purnia (Bihar)	14.00
8.	Raipur (Chhattisgarh)	463.76
9.	Bilaspur (Chhattisgarh)	132.61
10.	Shillong (Meghalaya)	26.99
11.	Aizawal (Mizoram)	34.32
12.	Construction of Medical College, Kozhikode	24.00