

CHAIRMAN'S STATEMENT

Dear Distinguished Shareholders

I consider it to be a profound privilege to extend you a warm welcome to the 50th Annual General Meeting of the Company. It gives me immense pleasure to take stock of the notable achievements of your Company during the year under report and share the highlights with you all.

During the year, your Company has made notable progress in the execution of its planned strategy and growth by way of securing new business, achieving operational break-through resulting into remarkable financial performance. After a long spell of period of more than 18 years your Company has been able to grow its business development by 179% valued at Rs. 2693 crores and has been able to make accelerated growth in the turnover @ 148.2% to the tune of Rs. 740.50 crores which is the highest ever level of business development operations achieved by the Company. It is heartening to note that despite a very competitive business environment; particularly in the construction fields, your Company continues to secure sizeable business with assured margin of profit and is close to turnaround towards its net worth.

Your Company has met the rigors of all parameters towards performance committed through MOU with the Government of India making it eligible to be rated as 'excellent' in its performance evaluation based on MOU targets in the year under report.

Yours Company has successfully set-off old loans of Banks and PSU's under one time settlement (OTS), thereby relieved the Corporation from the continued and cumulative burden of annual interest, thereby able to achieve saving of around Rs. 63 crores towards interest. The Company has taken necessary steps to streamline the systems and procedure, quality assurance for achieving clients satisfaction, timely completion of works under execution by suitable organizational restructuring, manpower rationalization up-gradation and multiple skilling of skills of employees, for achieving optimal per-capita productivity ratio to bring in marked improvement in efficiency, transparency, operating turnover and timely performance targets with a view to fulfill the commitments under the MOU. Simultaneously the employees have been re-deployed from closed units to on-going units for increased productivity and to achieve this, most of the employees from the lower rung to the highest

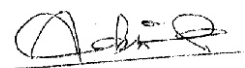


position have been promoted who were stagnating at the same level without promotions for long years. Corporation has been actively pursuing the revival proposal in close collaboration with the Ministry for eventual consideration and approval by the Government of India.

I take this opportunity to express my sincere gratitude to the members of the Board of Directors and to the employees of NPCC for their unfailing dedication and commitment in contributing their might towards growth of the journey.

I shall fail in my duty if I do not express my gratitude and sincere thanks to the Hon'ble Minister of Water Resources and the Ministry for providing valuable guidance, help and advice. I also thank all officers in the Ministry of Water Resources, and other Ministries without whose help it would have not been an easy journey for achieving this much within such a short period. I would also like to congratulate all the members of the executives and staff of the Corporation for delivering excellent results and for lending their valuable support and cooperation with their single minded focus in bringing the Company afloat with their hard and sincere works. I am confident that we would continue to deliver our might in fulfillment of the promises to the expectations of Shareholders, Stakeholders in the future as well. I am sure your Company is poised to revive its old glory and excel in its achievement in the years ahead.

With very best wishes,



(Arbind Kumar)
Chairman & Managing Director