



52nd
ANNUAL REPORT
2008-2009



नेशनल प्रोजेक्ट्स कन्सट्रक्शन कारपोरेशन लिमिटेड
National Projects Construction Corporation Limited

A GOVERNMENT OF INDIA ENTERPRISES-AN ISO 9001:2000 COMPANY

VISION

Aim to become a world class project implementing organization with due regard to social responsibility and make INDIA proud

MISSION

To achieve a turnover exceeding Rupees 20,000 millions by 2015 by focusing value addition at all points of interaction with our clients and continuously enhancing capabilities of the organization and employees through innovations

TABLE OF CONTENTS

Board of Directors	2
Chairman's Statement	3
Director's Report	4
Outlook	10
Ten Years at a Glance	14
Annual Accounts	15
Cash Flow Statement	35
Balance Sheet Abstract & Company's General Business Profile	36
Accounting Policies	37
Management's replies to the comments Contained in Statutory Auditor's Report	45
Comments of the Comptroller and Auditor General of India	47
Area of Operations	48

Board of Directors

Functional Directors (Full Time)



A.K. Jhamb
Director (Engineering)



Arbind Kumar
Chairman and Managing Director



Ravendra Garg
Director (Finance)

Govt. Nominee Director (Part Time)



Ram Mohan Mishra
Joint Secretary (A)

Independent Directors (Part Time)



Ashok Kumar



O.N. Marwaha



Prof. (Dr.) Vinayshil Gautam



Chairman's Statement

Dear Distinguished Shareholders,

I consider it to be profound privilege to extend you a warm welcome to the 52nd Annual General Meeting of the Company. It gives me immense pleasure to inform that the long awaited Revival proposal of your Company with active support and persuasion by our Ministry has finally been approved in Dec. 2008 in due recognition of marked improved performance by CCEA, Govt. of India giving it new lease of life. Your Company has achieved new height during the year, and the highlight of which is shared.

During the year, your Company has made substantial progress securing new business, achieving operational break-through resulting into remarkable financial performance. Your Company has been able to grow its turnover and new order book stands at comfortable level of business which is the highest ever level 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 since it is revived, is poised to achieve its net profit in future years achieving positive net worth shortly.

The Company has been making continuous improvements in procedure, quality assurance for achieving clients satisfaction, timely completion of works by suitable organizational restructuring, manpower rationalization up-gradation and multiple skilling of skills of employees, for achieving optimal per-capita productivity to bring in marked improvement in efficiency, transparency, turnover and timely performance targets with a view to achieve the committed target for excellence under the MOU.

Since now revival has been approved by Govt. of India, under which GOI Loan and accumulated interest are to be converted into equity and the equity

be further reduced to ten percent of value and this would facilitate the GOI interest not taken during 2009-10 and onward resulting into showing net profit which was earlier camouflaged by heavy interest burden.

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 dedication and commitment in contributing their might towards growth of the Corporation.

I shall fail in my duty if I do not express my gratitude and sincere thanks to the Hon'ble Minister of Water Resources, the Secretary and the Jt. Secretary (A) to the Government of India in the Ministry for providing valuable guidance, help and advice. I also thank all officers in the Ministry of Water Resources and other Ministries particularly Ministry of Home Affairs, Ministry of Rural Development, Department of Public Enterprises, BRPSE; without whose help it would not have been an easy journey for achieving the goal within such a short period. I am confident that we would continue to deliver our might in fulfilling the promises and to the expectations of Shareholders, Stakeholders in the future as well. I am sure your Company would continue to excel in its achievement in the years ahead.

With very best wishes,



(ARBIND KUMAR)
Chairman & Managing Director
New Delhi

REPORT OF THE DIRECTORS

THE MEMBERS

Your Directors have pleasure in placing before you their 52nd Annual Report and Accounts for the year ended March, 2009.

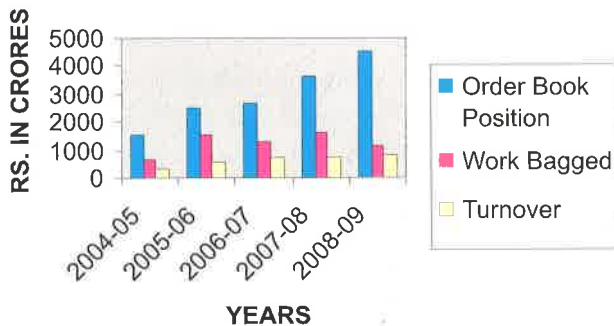
RECORD FINANCIAL PERFORMANCE

During the year, the overall business of your Company including financial performance of Company is summarized as under:

Rs. in Crores

Particulars	2008-09	2007-08
Business	1716	1618
Order Book	4518	3628
Turnover	825.60	711.53
Other income	15.44	17.84
Construction & Work expenses	776.85	662.39
Operational profit	64.19	67.03
Administrative Overhead etc.	54.63	50.27
Profit before Interest & Tax	9.56	16.76
Profit/(Loss) for the year after Tax	(34.47)	(36.62)

GROWTH DURING LAST 5 YEARS



CAPITAL AND BORROWING

Authorized Capital and Paid-up Capital of your Company at the end of the financial year is Rs.700 Crores and Rs. 29.84 Crores respectively. The loan from the Government of India at the end of the financial year is Rs. 235.23 crores.



BUSINESS DEVELOPMENT SCENERIO

During the year 2008-09, your corporation has secured new works valuing Rs. 1716 crores. The order book position touched an all time high at Rs. 4518 crores as on 31st March 2009 against the previous year's figure of Rs. 3628 crores.

During the year, your corporation had made improvement in term of quality & speedy implementation of PMGSY works (now known as Bharat Nirman) on PMC basis in the State of Bihar. Based on performance of the Corporation, Government of Jharkhand, Uttar Pradesh Rural Road Development Authority (UPRRDA) Govt. of UP had given works to the tune of Rs.350 crores and Rs.400 crores in UP. Further looking into the performance of the Corporation on Indo-Bangla border fencing works in NE region, Ministry of Home Affairs is also considering entrustment of further Indo-Bangla flood lighting works along Tripura border as repeat order. NPCC was given works by PWD Tripura, IGNOU,



Uttarakhand Jal Vidyut Nigam, ESIC, NIFM etc. who were new client for NPCC. Besides this, Assam Rifles under MHA has given further building construction works to the tune of Rs. 170 crores as repeat order. NPCC has also secured new works for old clients like, NALCO, Govt of Jharkhand and Central Agricultural University etc.

NPCC is attempting to secure business in different locations to achieve optimum utilization of existing resources.

NPCC has embarked on ambitious target to execute the works on Public Private Participation basis for Jaga projects. In order to enter into this field, NPCC has signed MOU with TCIL, EdCIL, ITSA and WAPCOS.

REVIVAL PLAN

The revival plan of the Company has been approved by the Government of India for conversion of principal amount of Rs.219.43 crores and the



cumulative interest due and accrued on it as on date of conversion to equity capital and further written down to 10% of value. Accordingly, Authorized Capital of the Company was increased to Rs.700 Crores to accommodate the conversion of Rs.219,43,77,000/- of GOI Loan and accumulated interest of Rs. 427,45,78,081/- to equity capital.

The equity shares as arising out of Govt. Loan and Interest due and accrued on it has been allotted to President of India, thereby increasing the paid up capital of the Company from Rs.29,84,20,000/- to Rs.676,73,75,000/-

The equity capital is to be written down to 10% of value as per revival plan approved by Govt. of India for which the process is going on.

MOU WITH THE MINISTRY

NPCC has already entered in to an MOU with the Ministry setting an ambitious target for the year 2009-10.

CORPORATE GOVERNANCE

Our Corporate Governance philosophy stems from our belief that the business strategy and plans should be consistent with the welfare of all stakeholders. We follow DPE's Corporate Governance Guidelines.

Board of Directors : In terms of Article 2 of Article of Association of the Companies, NPCC Ltd. is a Private Company. The majority paid up capital of the company i.e. 99.84% is held by the President of India (including 3 shares held by his nominees) and rest 0.16% is held by 14 State Government.

The Board has an optimum combination of executive and non-executive Directors. The Board, as on 31-03-2009 comprised of Seven Directors which included (i) three whole-time Functional Directors viz., Chairman & Managing Director, Director (Engineering) & Director (Finance), (ii) one Government Director and (iii) three Independent Directors. The Board meets at regular intervals. After the resignation of Shri R.P. Vaishnaw, former Director (Finance), Shri Ravendra Garg has joined the Corporation as Director(Finance) w.e.f. 21.07.09

Provisions of the Companies Act, 1956 amended up to date have been properly adhered to regarding holding of the Board Meeting. During the year under review seven Board Meetings (including one adjourned meeting) were held.

The composition of the Board of Directors, their attendance at the Board Meetings & Annual General Meeting are as follows:

Name of Directors	Meeting Attended	AGM 31/12 /08	Other Directorship	Period
(a) Functional Directors				
Shri Arbind Kumar Chairman & Managing Director	7/7	Yes	NIL	Full Year
Shri A.K. Jhamb Director (Engineering)	7/7	Yes	NIL	Full Year
Shri R.P. Vishnaw Director (Finance)	0/0	N.A.	NIL	From 16.10.07 to 15.05.08
Shri Ravendra Garg	0/0	N.A.	NIL	W.e.f. 21.07.09
(b) Govt. Nominees				
Shri M.E. Haque Commissioner Ministry of Water Resouces	1/6	No	NIL	From 23.10.03 to 22.01.09
Shri Ram Mohan Mishra Joint Secretary Ministry of Water Resouces	3/7	No	1	w.e.f. 31-07-07
(c) Independent Director				
Shri Ashok Kumar	7/7	Yes	NIL	Full Year
Shri O.N. Marwaha	6/7	Yes	2	Full Year
Prof (Dr.) Vinayshil Gautam	3/7	Yes	6	Full Year

Independent Part Time Directors : In consonance of DPE's Corporate Governance Guidelines three independent Directors, having expertise in three distinct areas of Management, Finance and Engineering are in position delivering their best experienced guidance to the Board which would go a long way in improving towards corporate excellence.

Committees of Board : NPCC by following best practices of Corporate Governance in its 257th Board Meeting re-constituted the committees including mandatory committees of Audit Committee and Remuneration Committee to assist Board in Compliance of Corporate Governance Guidelines of CPSE. These committees are as under:

- Audit Committee
- Establishment & Remuneration Committee
- Project Monitoring Committee

Remuneration of Directors: The remuneration of the whole time Directors is fixed by the Government of India as the Company is a Government company in terms of Section-617 of the Companies Act 1956. As regards part-time Directors, since they are Government officials, they are not eligible for sitting fee for the meeting attended by them. Sitting fees paid to Independent Directors is as follows:

Name & Designation	Sitting Fees (Amt in Rs.)
Shri Ashok Kumar	99,000
Shri O.N. Marwaha	83,000
Prof (Dr.) Vinayshil Gautam	35,000

Audit Committee: The Audit Committee was re-constituted in accordance with Guidelines on Corporate Governance for CPSE's in the meeting the Board of Directors of the Corporation held on 22-10-09 with terms and reference of the committee being same as proposed in the Guidelines. Total six

meetings of committee were held during 2008-09. The present composition of committee is as under:

Name & Designation	Category
Shri O.N. Marwaha, Chairman	Independent Director
Shri Ashok Kumar, Member	Independent Director
Prof (Dr.) Vinayshil Gautam, Member	Independent Director
Shri A.K. Jhamb, Member	Director(Engineering)

General Body Meetings : The Annual General Meetings/Extra-ordinary General Meetings held during last three years are given below:

Year	Date	Time	Venue
2005-06	29th Sept'06	02.30 p.m.	Regd. Office
2006-07	31st Dec.'07	11.00 a.m.	Regd. Office
2007-08	31st Dec'08	02.00 p.m.	Scope Convention Centre

The Extra Ordinary General meeting was held on 05.02.09 at 11.30 a.m. at the registered office of the Company.

ISO 9001-2000 CERTIFICATION

The Company is accredited with the prestigious ISO 9001-2000 certification, the latest standard, covering all the activities and divisions of the Company, which is valid up to 15th November 2010. Your company is in process of continuous improvement as per ISO 9001:2000 standards.

PROPAGATION OF HINDI

Your Corporation continued to make sincere efforts to increase the use of Hindi in Official work. Various incentive schemes regarding the propagation of official language-Hindi were continued during the year including incentive scheme for the children of

NPCC employees on securing higher percentage of marks in Hindi in Secondary/Senior Secondary Examination. During the year Hindi Divas and Hindi fortnight were organized in which officers & staff took active part. Computer training was imparted to staff and officers to enable them to transact their official work in Hindi on computers. It is hoped that in the coming period we will achieve more progress in implementation of Official Language.

VIGILANCE ACTIVITIES

NPCC Vigilance was functioning under Mrs. Shyamalima Banerjee, a Joint Secretary level IAS Officer posted on deputation as a full time Chief Vigilance Officer. She was Chief Vigilance Officer w.e.f 11.6.07 to 17.3.09. On her repatriation from NPCC, Shri Srikanta Panda, Director, CWC worked as Chief Vigilance Officer on ad-hoc basis from 17.3.09 to 21.09.09.

Now, Smt. Deepa Krishan, JS level IRS Officer is functioning as full time CVO

During the financial year i.e. 1.04.08 to 31.3.09, Vigilance Division had put more stress for Surveillance Vigilance and for educating the employees of NPCC about the CVC Circulars.

CVO corner was established in NPCC web site and the contents of the book-let "Dos and Don'ts" were placed on the CVO corner in NPCC's web site.

A compilation of guidelines of CVC was published for circulation amongst all Zonal Managers/ Project Managers and HODs, Corporate Office.

The complaints received directly or through CVC/ MOWR have been investigated. The reports on cases referred by MOWR/ CVC have been sent to them.

58 cases/ complaints have been finalized by drawing logical conclusion with penalty as per merit of the case on 25 no. of officers/ staff. 08 cases were under inquiry as on 31.03.09.

SCHEDULED CASTE, SCHEDULED TRIBE AND OTHER BACKWARD CLASSES

The Company endeavors to provide various privileges under the policies and directives of Government with regard to Scheduled Castes, Scheduled Tribes, other backward classes and handicapped person.

PROJECT MANAGEMENT AND CO-ORDINATION

There is an independent division at corporate level, which monitors all running projects and provides necessary support in implementing speediest project execution. This division is also coordinating with various State Govt./Central Govt./other project authorities for execution of projects within schedule time and cost adhering specifications. This division is also suggesting ways and means for continuous improvement of system and processing for faster accomplishment of objective.

PARTICULAR OF EMPLOYEES UNDER SECTION 217(2A)

The information regarding particulars of employees in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956 and the rules framed there under during the year is NIL.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The detail of particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are NIL.

INDUSTRIAL RELATIONS

The Unions/Associations during Organizational sickness had in the past been indulging in anti-Management activities away from their objective goal

detrimental to the interest of Corporation. There has been distinct improvement in this as many pro employees' measures were undertaken by Management. The overall Industrial Relations between the management and the employees can be considered harmonious and cordial during the year despite various constraints.

HUMAN RESOURCES AND DEVELOPMENT

In order to keep pace with the changing working environment efforts are made to develop skills, enhance knowledge and reorient attitude of the employees by imparting training to them. Employees have been further deputed for training programs for gender sensitization. Computer Training is being imparted to all the employees of the Corporation towards the target to make every employee computer savvy. The training has equipped its executives with the capability of executing world class projects in record time.

At the close of the financial year 2008-09 there were 2035 employees on the rolls of the Corporation with details given hereunder:

DESCRIPTION	MALE	FEMALE	TOTAL
Executive	407	13	420
Non-Executive	342	42	384
Workmen	1219	12	1231
Total	1968	67	2035

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, Directors of the Company confirm that:

- In preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation to material departures;

- The Directors have selected such accounting policies and applied them consistently with departures disclosed appropriately and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern basis';

AUDITORS

For Audit of the Accounts of the Corporation for the year 2008-09 M/s O.P. Tulsyan & Company, Chartered Accountants, have been appointed as Statutory Auditors, M/s Varadarajan & Company, Chartered Accountants have been appointed as Branch Auditors for Chennai, M/s K.C. Das & Co. Chartered Accountants, Guwahati, M/s Dangi Jain & Co., Chartered Accountants, Kolkatta continue to be Branch Auditors

The reply to the observations made by the Statutory Auditors and the Comments of Comptroller & Auditor General of India on the Accounts of the Corporation for the financial year 2008-09 have been placed in the separate Annexure forming part of the Report.

APPRECIATION

We express our sincere appreciation to our esteemed clients for the valued co-operation extended to and the confidence reposed in the Company. Your

Directors are grateful to the Comptroller & Auditor General of India, the Chairman and Members of the Audit Board, the Statutory Auditors/Branch Auditors and Corporation's Bankers for their valued co-operation We also place on record our appreciation for the commitment, involvement, dedication, hard work and unremitting devotion to duty exhibited by the staff members of the Company at all levels whom we recognize as our core asset and backbone on which rest our strength for achieving our mission and objectives, aims and aspirations which have brought the Company to its present stature.

ACKNOWLEDGMENT

The Board of Directors acknowledges with deep sense of appreciation the co-operation received from the Govt. of India, particularly Ministry of Water Resources, Ministry of Rural Development, Ministry of Finance, Ministry of Power, Ministry of Health, Ministry of Home Affairs & to the Cabinet Secretariat, Planning Commission, Department of Public Enterprises, Central Water Commission, Railway Board, Department of Company Affairs, Registrar of Companies and SCOPE.

For and on behalf of the Board of Directors



(Arbind Kumar)
Chairman & Managing Director

Date: 25.11.09
Place: New Delhi

OUTLOOK

NPCC operated in diverse fields of projects, the brief of which is given as under:-

Hydro Electric Sector: NPCC entered this sector with construction of Nepal Hydro Project on river Gandak in 1969 and subsequently successfully completed works related to many Power Houses namely Banswara in Rajasthan, Salal, J&K, Tanakpur & Rajghat in U.P. Jal Dhaka and Ramam in W.B, Loktak in Manipur, Gumti in Tripura, Rangit in Sikkim, Subernrekha in Jharkhand, Dehri on sone in Bihar



and Teesta Canal Fall Hydro Electric Projects for West Bengal State Electricity Board. During the period under report the HRT, Surge Shaft, penstock works costing Rs. 180 crores in Maneribhali Hydro Project for Uttaranchal Jal Vidyut Nigam has been completed.

Bridges & Flyovers: NPCC entered into this sector by taking entire civil works from Esplanade to Bhawanipore station for prestigious underground mass rapid transport system for Kolkata. NPCC also completed MRTS works at Chennai involving



launching of Pre-stressed box girder of 25 meters span each weighing 250 MT and also constructed elevated Railway Station. NPCC in past successfully completed major bridges at Vellore & Royapuram in Tamilnadu, Manjari in Karnatka, National college flyover at Bangalore, Abhoynagar, Durga Chaumuni and Salema in Tripura, Kandla Port Trust in Gujarat,



Chenab Bridge in J&K , Sewa Nagar Flyover in Delhi, Rail cum Road Bridge at Rihand in U.P., ROB in Trichy and Kanchipuram in Tamilnadu. During the period under report Flyover at Noida, Bondel Gate flyover at KolKatta. During the period under report Construction of Bridge in State of Tripura for Rs. 49 Crores has been awarded. NPCC had completed the works of Gerua Bridge (NH Deptt.) work Baidyanath Dham Dumka (BDRL) Railway bridge ch. 12 to ch. 22 KM.

Roads: NPCC, in past, successfully executed internal and external Roads for Power Projects, township, steel plants, district roads, rural roads under PMGSY in Bihar, Jhabua in M.P and at Jayant in



U.P. NPCC is also executing major road works for Indo-Bangladesh Border works in Tripura and Mizoram. During the period under report. NPCC have been awarded the work of PMGSY work Bundelkhand areas Rs.325 crores NPCC had completed the works of different Road in six Districts of Patna Commissionary under PMGSY Zone, Patna.(Bihar).

Building & Township: NPCC in past successfully executed many important Buildings namely LOK NAYAK BHAWAN at Patna, DOT Guwahati, WTCER, NRCWA for ICAR in Orissa, DSIDC at Delhi,



CARI works in Port Blair, Remodeling of Bus Stand at Bangalore in Karnataka and various Industrial Structures of RCC & Steel. NPCC is currently executing building works for Assam Rifles in North



Eastern Sector costing Rs. 400 crores, CRPF building in Delhi, College of fisheries at Agartala and College of Horticulture at Pasighat, Arunachal Pradesh for ICAR. The Corporation has completed Assam Rifle work at different location in the States of Nagaland, Mizoram, Arunachal Pradesh, Tripura, Sikkim and Meghalaya.

During the period under report Project Management consultancy for Building works at PPRC Thanjavur (TN) for Rs.17.42 crore, the construction of Quarters including internal electrification township at NTPC Kahalgaon for Rs. 12.25 crores., Construction of B – Type quarter 120 Nos. Rs.15.29 crores At Nalco Angul and for NTPC Sipat for Rs. 6.05 crores, Notational Institute of Homoeopathy at Kolkata for Rs. 1.19 crores BSF Quarter at W.B., of Rs. 2.86 crores, Kirishi Vigyan Kendra Building Aizawl in Mizoram of Rs. 3.26 crores New Office building of Central Institute for Tribal Medicine, Guwahati of Rs. 4.58 crores. Construction of NIFM work at Noida of Rs.10 crores Construction of Regional Central Building for IGNOU at Agartala of Rs.7.62 crores Admn. Building of College Tilla and Agartala of Rs.16.16 crores are under execution NPCC had completed the works of Transit Camp at Ambari in Guwahati, DMRC Works in Jodhpur and MAP Jhansi work of Rs. 20 crores.

Tunnels/Underground works: NPCC is pioneer in tunneling works and has successfully completed at various locations in the country through most difficult



terrain and non-predictable geological conditions namely Chennai Tunnel, Salal, Chamera, Indravati, Subernrekha, and Chukkha in Bhutan, Kangan, Bailadila, Tehri and Vaishnodevi.

Border Fencing and Roads: NPCC has entered the field of Border management works of fencing and construction of Border roads. In addition to work already awarded the Ministry of Home Affairs has further entrusted the work of flood lighting costing Rs. 374 crores on nomination basis. In addition to the above, the MHA is also expected to entrust the



Construction and repair and maintenance of new and existing BOP the expected value of which is around Rs. 100 crore. Work costing more than Rs.793 crores has been completed. Corporation has deployed resources and efforts to complete the work within the scheduled time which is a challenging job considering its remoteness and militancy prone area.

Thermal Power Sector : NPCC entered this Sector in 1962 with the construction of Amarkantak TPMPSEB in the State of Madhya Pradesh and Durgapur TPS for DVC in West Bengal and subsequently successfully completed major civil works including heavy



machine foundations for TG Cooling Tower, RCC Stacks, CW system, coal handling system, fuel oil facility and other allied civil works for Anpara, Rihand, Farakka, Ramagundam, Singrauli, Vindhyanagar, Korba, Talcher, Kahalgaon, Bokaro, Mejia and Unchahar etc. Several major engineering works for Maharashtra State Electricity Board at Parli and Paras TPS and for NTPC at Kahalgaon, Talcher and Sipat. BTPS Ash Dyke work in Delhi, Building work for Sipat STPP in Chhattisgarh. During the period under report NPCC had completed the work of

Parli and Paras TPS in Maharashtra for MSEB of Rs.57 crore,

Dams: NPCC entered this Sector with Construction of Earthen Dam across the river Badua and Chandan in Bihar. NPCC in past has successfully constructed several Dams namely Pench, Mulla Dam & Totladoh in Maharashtra, Singda Dam in Manipur, Rajghat in U.P., Baira dam for Bairasuil HEP, Hidkal Dam, Salal



concrete Dam, Hasdeo, Eastern Dam and Suthna Earthen Dam, Khuga Dam in Manipur & Jobat Dam in M.P.

Barrages: NPCC entered this Sector with Hasdeo Barrage in M.P. in 1962 and since then constructed major Barrages like Godavari in A.P., Farakka in W.B, Trishli Barrage in Nepal, Gandak Bhim Barrage in



Bihar, Ithai barrage in Manipur, Gumti, Manu Barrage, Khowai in Tripura, Wazirabad across river Yamuna in Delhi and Ponnai in A.P. Chitravati barrage in Karnataka. Presently NPCC is executing Barrages at Kalshi in Tripura and Dolaithabi Barrage in Manipur.

Irrigation/Canals: NPCC, in past, has successfully



executed canal works at Sabalgarh, Chambal, Sheopur, Indrasagar Project at Khandwa in M.P., Sharda Sahayak Canal in U.P., Kalsindh & Parwan aqueducts in Rajasthan, Kunwari aqueduct across over Kunwari in M.P., Power Channel for Subernrekha HEP, Jharkhand, Bagmari Siphon in Farakka, Aquaduct in Gotegaon and Bariyarpur Canal in M.P and International Project of Al-Edawiyah in Iraq. NPCC had completed the canal at Mirzapur, Left Afflux Bund at Kanpur and Gagan River Protection works, Moradabad for U.P., Irrigation.

Industrial Structures: NPCC entered this Sector in 1980 with Vishakhapatnam Steel Plant, involving



construction of Sinter Plant, Coke Oven batteries & complete bye-product Plant and since then completed works for Wheel & Axle plant for Railways, Koyali oil Refineries, Dalla & Khrew Cement Factories, Khetri Copper Project, Jayant Coal Handling Plant, Rourkela Steel Plant, Paper & Pulp factory at Nagaland & field base and central workshop at Jayant. During the period under report the work of HAWK-AJT Project at Air Craft Division

finished goods hanger for HAL Bangalore are under execution.

PHE & Environment: NPCC, in past, has successfully completed sewerage system at



Thiruvananthapuram for Kerla Water Authority and at Gwalior for M.P. PHE Department, Water Treatment Works at Bangalore in Karnataka. During the period under report Storm water surface drain for Bangalore Mahanagar Palika with Project costing Rs.47 crores is executed.

TEN YEARS AT A GLANCE

(Amt. in lacs)

Particulars	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Authorised Capital	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	3000.00	70000.00
Paid up Capital										
A. Equity Shares	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20
B. Non-cumulative Preference Shares	--	--	--	--	--	--	--	--	--	--
Reserves & Surplus	--	--	--	--	--	--	--	--	--	--
SOURCES OF FUNDS										
A. Capital	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20	2984.20
B. Loan Funds	30612.71	34335.25	39270.74	45105.10	53041.71	65001.05	62726.23	64593.28	67648.57	74390.56
TOTAL	33596.91	37319.45	42254.94	48089.30	56025.91	67985.25	65710.43	67577.48	70632.77	77374.76
APPLICATION OF FUNDS										
Net Fixed Assets	1151.02	1030.51	933.26	932.70	912.35	865.61	830.94	894.06	834.53	801.38
Investment	20.30	20.30	20.30	20.30	0.30	0.30	0.30	0.30	0.30	0.15
Net Current Assets	-3732.80	-5891.70	-7641.52	-7399.94	-6534.71	-1611.38	-3610.47	-9416.18	-10009.99	-6681.28
Deferred expenses/Revenue Assets	19.10	13.07	2.46	21.37	15.93	14.87	0.00	2.04	0	576.80
Cummulative Loss	36139.29	42147.27	48940.44	54514.87	61632.04	68715.85	68489.66	76097.26	79807.93	82677.71
TOTAL	33596.91	37319.45	42254.94	48089.30	56025.91	67985.25	65710.43	67577.48	70632.77	77374.76
INCOME										
Value of Workdone	14237.41	15580.98	13724.79	22733.26	30274.35	30545.83	57746.08	72194.25	71152.87	82556.38
Value of Workdone for Corp.	4.16	108.56	37.70	28.38	13.15	19.14	20.33	-13.96	5.61	3.80
Other Income	257.19	496.34	766.80	1324.16	569.44	448.10	5063.05	4070.19	1784.33	1544.49
TOTAL	14498.76	16185.88	14529.29	24085.80	30856.94	31013.07	62829.46	76250.48	72942.81	84104.67
EXPENDITURE										
Constuction & Work exp.	14051.24	16158.57	14167.95	22188.22	29375.23	28652.62	54086.71	66790.16	66238.54	77685.03
Personnel	2035.17	1943.15	2038.29	2077.42	2890.81	2211.99	2719.61	3012.87	2569.33	2961.77
Administration	281.88	254.12	208.19	249.92	244.62	258.03	291.44	345.10	367.28	340.10
Bank Charges	62.13	45.62	33.13	48.47	37.90	31.66	29.40	12.63	8.59	9.08
Other Expenses	284.13	263.87	194.30	664.93	376.59	430.90	463.68	520.19	311.29	327.19
Provisions	475.88	560.43	1344.07	498.24	373.46	1068.48	535.94	8463.50	1771.50	1818.45
Prior Period Adjustment	-66.10	201.61	66.17	7.21	30.62	129.58	74.31	52.01	264.42	53.50
TOTAL	17124.33	19427.37	18052.10	25734.41	33329.23	32783.26	58201.09	79196.46	71530.95	83201.86
Profit / - Loss before Interest and Tax (PBIT)	-2625.57	-3241.49	-3522.81	-1648.61	-2472.29	-1770.19	4628.37	-2945.98	1411.86	902.81
Interest	2322.87	2766.49	3270.36	3925.82	4644.87	5313.62	4388.94	4693.73	5059.19	4333.95
Tax	0	0	0	0	0	0	13.24	16.23	14.99	15.44
Profit / - Loss after Interest and Tax (PAIT)	-4948.44	-6007.98	-6793.17	-5574.43	-7117.16	-7083.81	226.19	-7655.94	-3662.32	-3446.58
Deferred Tax Revenue	0	0	0	0	0	0	0	0	0	576.80
Net Profit after Tax revenue	-4948.44	-6007.98	-6793.17	-5574.43	-7117.16	-7083.81	226.19	-7655.94	-3662.32	-2869.78

BALANCE SHEET AS AT 31ST MARCH, 2009

(Amount in Rupees)

PARTICULARS	SCHEDULE	AS AT 31-3-2009	AS AT 31-3-2008
SOURCES OF FUNDS			
1. Shareholders Funds :			
Share Capital	"A"	298420000	298420000
2. Loan Funds :			
a) Secured Loans	"B"	49098946	48878131
b) Unsecured Loans	"C"	7389957186	6715979464
		<u>7737476132</u>	<u>7063277595</u>
APPLICATION OF FUNDS			
1. Fixed Assets :	"D"		
a) Gross Block		511720372	547899288
b) Less: Depreciation		<u>431582250</u>	<u>464446022</u>
c) Net Block		80138122	83453266
2. Investments	"E"	15000	30000
3. Deferred Revenue Asset		57680238	0
4. Current Assets, Loans & Advances :	"F"		
a) Current Assets		6859979921	4499259533
b) Loans & Advances		1316237941	1359508652
c) Inter-Unit Balance		1118214	499635
		<u>8177336076</u>	<u>5859267820</u>
Less: Current Liabilities & Provisions:	"G"		
a) Liabilities		8520712240	6543419608
b) Provisions		<u>324751859</u>	<u>316847022</u>
		8845464099	6860266630
Net Current Assets		-668128023	-1000998810
5. a) Miscellaneous Expenditure (to the extent not written off or adjusted)	"H"	0	0
b) Profit & Loss Account :		<u>8267770795</u>	<u>7980793139</u>
		<u>7737476132</u>	<u>7063277595</u>
Notes to Accounts	"Q"		

Schedules "A" to "Q" and Accounting Policies form an integral part of the Balance Sheet and Profit & Loss Account.

Rajni

(RAJNI AGARWAL)
COMPANY SECRETARY

Ravendra Garg

(RAVENDRA GARG)
DIRECTOR (F)

Arbind Kumar

(ARBIND KUMAR)
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date
FOR O.P. TULSYAN & COMPANY
Chartered Accountants

Rakesh Aggarwal
(Rakesh Aggarwal)
PARTNER
M.No. 81808



Place: New Delhi
Dated: 25.11.2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH 2009

(Amount in Rupees)

PARTICULARS	SCHEDULE	2008-2009	2007-2008
INCOME :			
Work Done for the year		8255638359	7115287615
Cost of Work Done for the Corporation		379967	561322
Other Income	"I"	154448996	178432937
	TOTAL :	8410467322	7294281874
EXPENDITURE :			
Construction & Work Expenses	"J"	7768502489	6623853501
Personnel	"K"	296177055	256933121
Administration	"L"	35592195	37587231
Other Expenses	"M"	32719401	311294
Provisions	"N"	181844786	177150935
	TOTAL :	8314835926	7126654260
Profit/Loss(-) Before Interest and Tax		95631396	167627614
Less: Interest	"O"	433395437	505919145
Less: Prior Period Adjustments (Net)	"P"	5350150	26441725
Profit/Loss(-) before tax		-343114191	-364733256
Provision for Tax			
i. Income Tax		0	0
ii. Fringe Benefit Tax		1543703	1499285
Profit/Loss(-) for the year after tax		-344657894	-366232541
Deferred Tax Revenue		57680238	0
Net Profit after Tax Revenue		-286977656	-366232541
Balance Profit/Loss (-) b/f from previous year		-7980793139	-7614560598
Carried forward to Balance Sheet		-8267770795	-7980793139
Notes to Accounts	"Q"		
Basic Earning per share		(-) 1154.94	(-) 1227.23
Diluted Earning per share		(-) 1154.94	(-) 1227.23

Schedules "A" to "Q" and Accounting Policies form an integral part of the Balance Sheet and Profit & Loss Account.



(RAJNI AGARWAL)
COMPANY SECRETARY

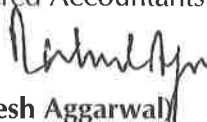


(RAVENDRA GARG)
DIRECTOR (F)



(ARBIND KUMAR)
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date
FOR O.P. TULSYAN & COMPANY
Chartered Accountants


(Rakesh Aggarwal)

PARTNER
M.No. 81808



Place: New Delhi
Date: 25.11.2009

SCHEDULES TO THE BALANCE SHEET

SCHEDULE - "A"

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
SHARE CAPITAL		
Authorised :		
7000000 Equity Shares of Rs. 1000/- each		
(Previous Year 300000 Equity Shares of Rs. 1000/- each)	<u>7000000000</u>	<u>300000000</u>
Issued, Subscribed & Paid up :		
298420 Equity Shares of Rs. 1000/- each fully paid up		
(Previous Year 298420 Equity Shares of Rs. 1000/- each)	<u>298420000</u>	<u>298420000</u>
TOTAL :	<u><u>298420000</u></u>	<u><u>298420000</u></u>

SCHEDULE - "B"

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
SECURED LOANS		
From Project Authorities secured against Hypothecation of Machinery, Equipment & Vehicles	<u>42078665</u>	<u>48878131</u>
b) Union Bank of India, Silchar against FDRs 7000000		0
Add: Interest accrued and due 20281	<u>7020281</u>	<u>0</u>
TOTAL :	<u><u>49098946</u></u>	<u><u>48878131</u></u>

SCHEDULE - "C"

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
UNSECURED LOANS		
A. Long Term Loans		
From Govt. of India	2352377000	2352377000
Add: Interest accrued and due	<u>4393972034</u>	<u>3918314220</u>
	6746349034	6270691220
B. Short Term Loans		
From Project Authorities for works	643608152	445288244
TOTAL :	<u>7389957186</u>	<u>6715979464</u>

Rs.6,74,63,49,034 includes Rs.6,46,89,55,081 convertible into Equity Capital as per Govt. of India decision.

SCHEDULE - "D"

FIXED ASSETS

(Amount in Rupees)

Sl. Description No.	GROSS BLOCK (AT COST)			LESS : DEPRECIATION			NET BLOCK	
	As at 31-3-2008	Additions during the year	Dedn./Adjust-ments during 31-3-2009	As at 31-3-2009	Up to 31-3-2008	During the year	Up to 31-3-2009	As at 31-3-2008
1 Free Hold Land	23372849	0	0	23372849	0	0	0	23372849
2 Lease Hold Land	4091830	0	0	4091830	608948	41332	650280	3441550
3 Buildings on Free Hold Land	3403319	0	0	3403319	1073805	55474	1129279	2274040
4 Buildings on Lease Hold Land	3013754	0	0	3013754	911423	37949	949372	2064382
5 Temporary Con-structions	104778665	37080	2069785	102745960	104778665	37080	2069785	102745960
6 Machinery	277613768	144788	21361507	256397049	251684574	1383679	19850438	23179234
7 Vehicles	41870140	3611950	6874825	38607265	31715953	1861207	6531291	27045869
8 Works Equipment	58913143	171522	10705405	48379260	51359276	1003675	9876667	42486284
9 Office Furniture & Equipments	30403390	1710446	878790	31235046	21955081	1858583	844647	22969017
10 Library Books	438430	36212	602	474040	358297	30678	601	388374
Total :	547899288	5711998	41890914	511720372	464446022	6309657	39173429	431582250
Previous Year :	632736551	6164126	91001389	547899288	543330577	6562985	85447540	464446022

NOTE: Net Block includes inter-unit transfers in transit Rs.26.85 lacs (Previous Year Rs.30.89 lacs)

SCHEDULE - "E"

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
INVESTMENTS		
Investment (at cost)		
In Government Securities		
Long Term		
Non-traded/Unquoted :		
National Saving Certificates (Face Value Rs.15000) (Pledged as Security with Project Authorities)	15000	30000
TOTAL :	15000	30000

SCHEDULE - "F"

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
CURRENT ASSETS LOANS AND ADVANCES		
A CURRENT ASSETS :		
1) Inventories (at cost):		
Stores and Spares (including construction material in hand, at sites and in transit) at cost (FIFO)	38234909	52709643
	38234909	52709643
2) Tools & Implements at 5% of ; cost (including in transit)	85786	100969
3) Sundry Debtors (Unsecured consi- dered good unless otherwise stated) :		
a) Debts outstanding for a period exceeding six months considered good :	541716097	928920008
Considered Doubtful	841676862	804538913
	1383392959	1733458921
Less: Provision for Doubtful Debts	841676862	804538913
	541716097	928920008
b) Other Debts Considered Good	4744666275	2008906921
	5286382372	2937826929
Less: Payable for material etc.	586078267	638293359
	4700304105	2299533570
c) Receivables from Project Authorities on account of services rendered etc.	497154389	459641495
	5197458494	2759175065
4) Cash and Bank Balance :		
a) i) Cash in hand	1562808	2028105
ii) Cheques in hand	404998109	442775693
	406560917	444803798

Contd....

SCHEDULE - "F" (Contd...)

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
b) Balance with Scheduled Banks :		
i) In Current Accounts	776818189	225934493
ii) In Fixed Deposits/Saving Bank Accounts (Staff Security Contra)	2182479	1610412
iii) In Fixed Deposits with Banks	406179830	981636320
Less: Provision	<u>1985841</u>	<u>4834213</u>
	1183194657	1204347012
c) Balance in Current Accounts with Non-Scheduled Banks :		
i) Rafidian Bank, Iraq	15850381	15850381
ii) Rasheed Bank, Iraq	22518777	22518777
iii) Nepal Bank Limited, Nepal	<u>6009</u>	<u>6009</u>
	38375167	38375167
Less: Provision	<u>38369158</u>	<u>38369158</u>
	6009	6009
	1589761583	1649156819
5) Other Current Assets :		
Interest Receivable/Accrued	<u>34439149</u>	<u>38117037</u>
Sub Total :	6859979921	4499259533
B LOANS AND ADVANCES :		
(Considered Good, unless other-wise stated)		
1) Advances and other amounts recoverable in cash or in kind or for value to be received :		
a) Secured	134102746	83735018
b) Others Considered Good	674555894	773137775
Considered Doubtful .	<u>239731064</u>	<u>173677237</u>
	914286958	946815012
Less: Provision	<u>239731064</u>	<u>173677237</u>
	674555894	773137775
2) Advances to Directors	0	12402
3) Security Deposit with Project Authorities	581301136	556275280
Less: Provision	<u>92320015</u>	<u>78063446</u>
	488981121	478211834
4) Security Deposit with Others	8848407	14266064
Less: Provision	<u>2367719</u>	<u>2201219</u>
	6480688	12064845
5) Advance & Provisional payment of Tax	<u>12117492</u>	<u>12346778</u>
	1316237941	1359508652
6) Inter Unit Remittance (Net)	1118214	499635
TOTAL : (I + II)	<u>8177336076</u>	<u>5859267820</u>

SCHEDULE - "G"

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
CURRENT LIABILITIES AND PROVISIONS :		
a) Current Liabilities :		
i) Sundry Creditors	765529533	903495778
ii) Earnest Money/ Security Deposits :		
a) From Staff	2189499	2051404
b) From Others	967722322	896887499
iii) Interest Accrued but not due:		
Secured Loans	40762840	51063804
Unsecured Loans	204123467	250172410
iv) Other Liabilities	<u>6540384579</u>	<u>4439748713</u>
	8520712240	6543419608
b) Provisions :		
i) For loss of Stores/Spares and Machinery	40243475	27539457
ii) For Workmen's Compensation and terminal benefits	46122	176122
iii) For Obsolescence of Stores & Spares	6935755	5955089
iv) For Trade/Commercial Tax	24296117	26698373
v) Gratuity	126158534	119476306
vi) For Leave Encashment	127053856	136973841
vii) For Other Contingencies	<u>18000</u>	<u>27834</u>
	324751859	316847022
TOTAL :	<u>8845464099</u>	<u>6860266634</u>

SCHEDULE - "H"

(Amount in Rupees)

PARTICULARS	AS AT 31-3-2009	AS AT 31-3-2008
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure	0	0

SCHEDULE - "I"

(Amount in Rupees)

PARTICULARS	2008-2009	2007-2008
OTHER INCOME :		
Miscellaneous Receipts	21411892	22121510
Interest Received (Gross) on :		
a) Bank Deposits	61399799	66901960
b) Others	22508674	23635443
	83908473	90537403
Profit on sale of Fixed Assets	11771030	18141177
Provisions/Liabilities written back	32743230	28278491
Hire Charges of Machinery	1230807	3850118
Profit on Sale of Scrap, Stores, Small Tools & Equipments	376484	11039384
Unclaimed Credit Balances Written Back	3007080	1684714
Rebate and Discount	0	2780140
TOTAL:	<u>154448996</u>	<u>178432937</u>

SCHEDULE - "J"

(Amount in Rupees)

PARTICULARS	2008-2009	2007-2008
CONSTRUCTION AND WORKS EXPENSES:		
Material Consumed :		
Opening Balance -- Stores & Spares (Including Construction materials in hand, at site and in transit)	52709643	70963106
Purchases	<u>12228384</u>	<u>62985088</u>
	64938027	133948194
Less: Closing Balance -- Stores & Spares (including Construction materials in hand, at site and in transit)	<u>38234909</u>	<u>52709643</u>
	26703118	8123855
Incidental Charges :		
Storage Charges	652060	1776521
Stock Discrepancy	<u>40575</u>	<u>25850</u>
	692635	1802371
Wages & Other Payments to Workmen :		
Wages & Allowances	180119890	119875684
Liveries	58569	129229
Incentives	13856	588031
Travelling Expenses	1717840	2267935
Gratuity	<u>2902418</u>	<u>1731389</u>
	184812573	124592268
Payment to Sub-contractors	7144027076	633843695
Motive Power & Fuel	724947	1727322
Machinery Charges :		
Rates & Taxes of Machines & Tools	38546137	248904
Insurance	80496	129122
Repairs--Workshop Building	<u>291206</u>	<u>199524</u>
	38917839	577550
Repairs to Building	128241	77255
Carriage & Freight	486661	824404
Tools & Stores Written off	225816	167135
Depreciation	3158980	3465273
Commercial/Trade Tax	1486352	41518838
Other Incidental Charges on Works	367138251	29425599
TOTAL:	<u>7768502489</u>	<u>6623853501</u>

SCHEDULE - "K"

(Amount in Rupees)

PARTICULARS	2008-2009	2007-2008
PERSONNEL :		
Salary , Wages and Allowances (including Leave Salary and Pension Contribution)	231683566	211132611
Contribution to Provident Fund	20135807	18398012
Gratuity	19685762	10824699
VRS Expenses	18508160	11430031
Staff Welfare Expenses	6163760	5147768
TOTAL :	<u>296177055</u>	<u>256933121</u>

SCHEDULE - "L"

(Amount in Rupees)

PARTICULARS	2008-2009	2007-2008
ADMINISTRATION :		
Travelling Expenses (including for Directors Rs.283211/- Previous Year Rs.237711/-)	13033859	13754342
Rent	4889917	5276623
Repairs and Maintenance:		
Buildings	1123012	1615716
Others	<u>959839</u>	<u>1122054</u>
	2082851	2737770
Printing & Stationery	2136770	2269772
Postage, Telephone & Telegrams	3442964	3745637
Electricity and Water Expenses	1833181	2940135
Advertisement and Publicity	3749580	1834443
Legal and Professional Charges	2584737	3634771
Bank Charges	908277	859385
Payment to Auditors :		
Audit Fee for Statutory Audit (including audit fee of Gratuity & CPF Trust Rs.5,360/-)	225301	216641
For Tax Audit	66742	60674
Audit Fee for Internal Audit	<u>357580</u>	<u>0</u>
	649623	277315
Travelling Expenses--Auditors	280436	257038
TOTAL :	<u>35592195</u>	<u>37587231</u>

SCHEDULE - "M"

(Amount in Rupees)

PARTICULARS	2008-2009	2007-2008
OTHER EXPENSES :		
Miscellaneous Expenses	7151642	7060583
Vehicles Running, Maintenance, Hiring etc.	15715643	16567537
Bad Debts Written off	4262997	1670097
Depreciation	3150677	3097712
Rates and Taxes	105080	43451
Insurance	266013	355334
Technical Fee/Consultancy	1650044	875943
Loss on Sale/Write off of Fixed Assets	139584	70716
Loss on sale of Stores	277721	138809
TOTAL :	32719401	31129472

SCHEDULE - "N"

(Amount in Rupees)

PARTICULARS	2008-2009	2007-2008
PROVISIONS :		
Doubtful Debts and Advances	118695786	106917353
Gratuity Workers	14659887	11020409
Leave Encashment	0	22477014
Provision for Losses of CPF	29003137	31963447
Others	19485976	4772712
TOTAL :	181844786	177150935

SCHEDULE - "O"

(Amount in Rupees)

PARTICULARS	2008-2009	2007-2008
INTEREST :		
Interest :		
a) Loans from Central Govt.	408167430	478776303
b) Others	25228007	27142842
TOTAL :	433395437	505919145

SCHEDULE - "P"

(Amounts in Rupees)

PARTICULARS	2008-2009	2007-2008
PRIOR PERIOD EXPENSES & INCOME		
(A) EXPENSES:		
Salary, Wages & Other benefits to employees	1030960	500879
Payment to Sub-contractors for work done	1779748	19670752
Project Authorities	0	141737
Others	3250921	7637335
TOTAL (i)	6061629	27950703
(B) INCOME		
Recovery of excess payment made to employees	5000	15665
Others	706479	1493313
TOTAL (ii)	711479	1508978
Net Amount (i-ii)	5350150	26441725

SCHEDULE - "Q"

NOTES ON ACCOUNTS

Annexed to and forming part of the Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on that date.

1. Contingent Liability:

- a) Claims against the Corporation not acknowledged as debts, amounting to Rs.13334.81 lac (Previous year Rs. 14185.51 lac) and counter claims of the Corporation against these claims amounting to Rs. 13403.91 lac (Previous Year Rs. 9243.08 lac) have not been accounted for in books.
 - b) The Banks on behalf of the Corporation have given guarantees amounting to Rs.139.44 lac as on 31st March 2009 (Previous Year Rs. 294.77 lac) against FDR's amounting to Rs. 46.96 lac (Previous Year Rs. 196.52 lac).
 - c) Foreseeable losses in respect of on going projects remaining to be executed have not been provided for, as it is not feasible to ascertain such losses till completion of the projects.
 - d) Estimated amount of contracts remaining to be executed on Capital Account and not provided for is Rs. NIL (Previous Year Rs. NIL).
2.
 - a) Debit and Credit balances shown under Sundry Debtors, Loans & Advances, Sundry Creditors and Secured and Unsecured Loans are subject to confirmation / reconciliation.
 - b) The value of current assets, loan and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet. (after Provision)
 3. As required by Accounting Standard AS 28 – "Impairment of Assets" notified by the Companies (Accounting Standard) Rules, 2006, the Company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.
 4. The reconciliation of Inter unit accounts is in progress and pending completion of reconciliation exercise, a treatment/provision for un-reconciled / un-responded entries can't be given. The net difference between debit and credit entries is accounted for in current assets/current liabilities as the case may be, the following are the balances of Inter unit accounts.

• Total of Debit Entries	Rs. 67776.29 Lac
• Total of Credit Entries	Rs. 67765.11 Lac
• Net Difference	Rs. 11.18 Lac
 5. The Corporation has not complied with the provision of TDS of Income Tax Act 1961 in the booking of interest expenses on mobilization advance in respect of Konkan Railway and Baroda Works Units amounting to Rs.119.64 Lacs and 94.66 Lacs respectively.
 6. The Corporation follows integrated system of Accounts and hence figures of purchase have been worked out by adding closing stock to direct materials issued (at issue rate) and deducting opening stock there from and after making adjustments for stock discrepancy and stock storage charges. Issue of materials to Sub-contractors on recoverable basis is, however, considered under payment to Sub-contractor forming part of construction and work expenses.

7. The Corporation had a project at Iraq that has since been closed. No conversion has been made in respect of value of assets and liabilities, detailed as under, and the rupee value of the same as on 31-03-1995 has been taken as the rupee value as on 31-03-2009 for the reason that Iraqi currency is not repatriable. However there exists a provision for bad debts against the net recovery due.

Nature of Amount	Amount in Iraqi Dinar	Amount in INR as on 31.03.1995
Balance with Iraq Banks	381403.165	38369158.00
Amount recoverable from the Iraqi Client	2174227.277	218727264.04
Amount payable to the Iraqi Sub contractors / service providers	186534.226	18765343.13

8. Interest @ 18% per annum on the balance amount of mobilization advance of Rs. 71,49,197 taken at NLP Baramula and 12% and 19% on loan of Rs.18,29,156 and Rs.6,61,305 respectively at Ramam has not been provided in view of pending settlement of dues of the Corporation by them.
9. With regard to Loan from Government of India (GOI) and accrued interest thereon amounting to Rs. 646.89 Crores, the approval for conversion to equity capital and further writing it down to 10% of the value, Ministry of Water Resources, Government of India has conveyed its approval vide letter no 5/9/2004 P.II (PSU)(Vol.III)/254 dated 05.02.2009.

As per the terms of the sanction, the following position emerges in respect of GOI Loan:

(Amt in Rs.)

Nature of Outstanding	Amount eligible for conversion as on 05.02.09	Total amount as on 31.03.2009	Balance to be paid to Govt.
- Loan	219,43,77,000	235,23,77,000	15,80,00,000
- Interest	427,45,78,081	439,39,72,034	11,93,93,953

The implementation scheme is pending as on the balance sheet date on account of fulfillment of related statutory formalities.

10. In respect of Taj Corridor Project, the Corporation has filed a Writ Petition before the Hon'ble High Court at Allahabad praying settlement of claim of Rs 43.11 crore which inter alia includes payment of Rs 20 crore already sanctioned by Govt. of UP. The corporation has not created provision for doubtful debts in respect of amount due against work done on Taj Corridor Project amounting to Rs 26.11 crore.
11. Segmental Reporting AS - 17 notified by the Companies (Accounting Standard) Rules, 2006, is not applicable since the corporation primarily operates in one segment i.e. construction.
12. No provision for the income tax or Minimum Alternative Tax (MAT) has been made in view of the losses incurred during the year and carry forward of earlier years accumulated losses and unabsorbed depreciation. The company has unabsorbed depreciation and carry forward losses available for setoff under the Income Tax Act 1961, However in view of inability to assess future taxable income, the extent of net deferred tax assets

which may be adjusted in the subsequent year is not ascertainable with virtual certainty at this stage the same has not been recognised in these account on prudence basis.

13. Earning / (Loss) per share

"Earning per share" of the Corporation is calculated in accordance with AS-20, notified by the Companies (Accounting Standard) Rules, 2006:

a) Basic: (Amount in Crores)

Particulars		Current Year	Previous Year
Profit / (-) Loss attributable to equity shares for the year	(A)	(-)34.46	(-)36.62
Weighted average number of shares outstanding during the year	(B)	298420	298420
Basic Earning / (Loss) per share (in Rs.)	(A/B)	(-) 1154.94	(-)1227.23
Nominal value per equity share		1000.00	1000.00

b) Diluted: The diluted earning per share is the same as the basic earning per share.

14. Related Party Disclosures

In accordance with Accounting Standard 18, notified by the Companies (Accounting Standard) Rules, 2006.

1) Related Parties

(a) Subsidiary Companies

Nil

(b) Key management personnel during the

FY 2008-09

Sh. Arbind Kumar

CMD

Sh. A.K. Jhamb

Director (E)

Sh. R.P. Vaishnaw

(up to 15.05.2008)

Director (F)

Sh. Ram Mohan Mishra

Director

Sh. M.E. Haque

(up to 22.01.2009)

Director

Sh. Ashok Kumar

Director

Sh. O.N. Marwaha

Director

Prof. (Dr.) Vinayshil Gautam

Director

2) Relatives of key management personnel and their enterprises

where transactions have taken place

Nil

3) Other related parties where control exists

Nil

Particulars of Transactions during the year Ended 31st March, 2009

(Rs. in Lac)

Nature of Transactions	Key Management Personnel	
	2008-09	2007-08
Directors' remuneration	Details as per 15(C) below	Details as per 15(C) below
Unsecured Loan	-	-
Other	-	-

15. Additional information pursuant to schedule VI of the Companies Act, 1956 to the extent applicable:

- The Corporation is executing its projects by consuming its own materials and materials supplied by clients and also getting its works executed through Contractors, resulting into intermixing of various components and non-ascertainment of particulars required under para 3(a) & 4D(c) of part II of Schedule-VI of the Companies Act, 1956.
- Maximum debit balance lying in the personal account of Directors/Officers is Rs 0.24 lac (Previous Year Rs. 0.12 lac) during the year.
- Remuneration to Directors included under the various heads in the Profit & Loss Account is as under:

(Amount in Rupees)

Sl. No.	Particulars	Year ended 31-03-2009	Year ended 31-03-2008
A)	Salary & Allowance	1247320	1071461
B)	Leave Encashment	49694	-
C)	LTC and TA	283211	237711
D)	Contribution to PF/CPF	126458	100896
E)	Group Insurance	300	24
F)	Rent (includes payment and recoveries on account of Directors residence)	428700	322154
G)	Gratuity	64655	34222

- The maximum balance held with Non-scheduled Banks/Post Offices on any day during the year under report was as under :

Sl. No.	Name of the Foreign Bank	Amount as on 31.03.2009
1)	Rafidian Bank, Iraq	ID 157558.463
2)	Rasheed Bank, Iraq	ID 223844.702
3)	Nepal Bank Ltd., Kathmandu, Nepal	\$ 648.96
4)	Nepal Bank Ltd., Mahender Nagar, Nepal	NR 9614.64

	2008-2009	2007-2008
e) Value of Imports of CIF Value:	—	—
f) Expenditure in Foreign Currency:	—	—
g) Earning in Foreign Currency	—	—

16. Employee Benefits (AS-15)

The principal assumptions used in actuarial valuation are as follows:

	01.04.2008	31.03.2009
-Discount Rate	8.00%	7.50%
-Expected Rate of future Salary increases	5.00%	5.00%

(Amount in Lacs)

	Gratuity Regular Staff Unfunded	Gratuity Work charged Unfunded	Leav Encashment Unfunded
Change in the present value of obligations			
- Present value of obligations as at 01.04.2008	1,394.13	-	1,369.74
- Interest Cost	106.25	-	99.01
- Current Service Cost	76.49	44.28	33.67
- Benefits paid	(170.36)	-	(102.06)
- Actuarial (Gain)/Loss on obligations	32.74	1217.30	(129.82)
- Present value of obligations as at 31.03.2009	1,439.25	1,261.58	1,270.54
Change in Fair Value of Plan	Not Applicable	Not Applicable	Not Applicable
Liability recognized in the balance sheet			
- Present value of obligations as at 31.03.2009	1,439.25	1,261.58	1,270.54
- Fair value of obligations as at the end of the year.	174.73	-	-
- Funded status [Surplus/(Deficit)]	(1,264.52)	(1,261.58)	(1,270.54)
- Unrecognized Actuarial (Gain)/Loss			
- Net assets/(liability) recognized in the balance sheet	(1,264.52)	(1,261.58)	(1,270.54)
Expenses recognized in the Profit and Loss Account			
- Current Service cost	76.49	44.28	33.67
- Past Service cost	-	-	-
- Interest cost	106.25	-	99.01
- Expected return on plan assets	(13.02)	-	-
- Net Actuarial (Gain)/Loss recognized during the year	27.14	1217.30	(129.82)
- Total expenses recognized in Profit and Loss Account	196.86	1261.58	2.86

17. Previous year's figures have been regrouped/ rearranged wherever considered necessary.
18. In view of insufficient information from suppliers regarding their status as SSI unit, the name of such small scale undertaking could not be ascertained and accordingly could not be disclosed.

Signatures to Schedules A to Q



**(RAJNI AGARWAL)
COMPANY SECRETARY**

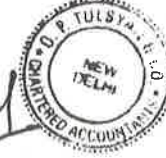


**(RAVENDRA GARG)
DIRECTOR (F)**



**(ARBIND KUMAR)
CHAIRMAN & MANAGING DIRECTOR**

As per our report of even date
For O.P.TULSYAN & CO.
(Chartered Accountants)



**(RAKESH AGARWAL)
PARTNER
M.No.81808**

Place: New Delhi
Date: 25.11.2009

11. Segmental results of the Corporation as required by Accounting Standard - 17

PRODUCT WISE

(Rs. In lac)

	Infrastructure	Power	Communication	Other	Total
Value of workdone	13756.04	4399.03	3191.88	61209.43	82556.38
Value of workdone for Corp.	0.29	3.51	0.00	0.00	3.80
Depreciation - Contract a/c	2.24	16.75	5.92	6.93	31.84
Works expenses	13056.56	4129.82	3110.86	57341.08	77638.32
Gross profit/loss (-)	697.53	255.97	75.10	3861.42	4890.02
Depreciation-P&L a/c	5.22	2.18	0.76	23.34	31.50
Administrative expenses	664.13	400.55	510.21	8274.68	9849.57
Other Income	308.40	115.62	183.85	936.61	1544.40
Net profit/loss (-)	336.58	-31.14	-252.02	-3499.99	-3446.57

ZONE WISE

	Southern	North Central	Bhubne-shwar	Eastern	North Eastern	North	Central	Total
Value of workdone	2561.84	5507.22	1000.75	751.25	38247.29	1136.55	33351.48	82556.38
Value of workdone for Corp.	0.00	0.00	0.00	0.00	2.02	1.78	0.00	3.80
Depreciation - Contract a/c	1.62	4.33	0.10	6.61	1.28	15.87	2.03	31.84
Works expenses	2362.70	5247.96	1015.08	790.56	35910.57	1050.71	31260.74	77638.32
Gross profit/loss (-)	197.52	254.93	-14.43	-45.92	2337.46	71.75	2088.71	4890.02
Depreciation-P&L a/c	0.64	2.38	0.71	1.17	14.44	2.07	10.09	31.50
Administrative expenses	342.98	1197.71	310.64	475.87	3827.09	274.26	3421.02	9849.57
Other Income	16.69	342.12	36.66	99.70	703.26	73.85	272.20	1544.48
Net profit/loss (-)	-129.41	-603.04	-289.12	-423.26	-800.81	-130.73	-1070.20	-3446.57

CASH FLOW STATEMENT

	(Rs. in lac)	
	FY 2008-09	FY 2007-08
Cash flow from Operating Activities		
Cash receipts from customers	58,603.87	62,259.87
Cash paid to suppliers and employees	(62,005.99)	(53,743.87)
Cash generated from operations	<u>(3,402.12)</u>	<u>8,516.00</u>
Cash flow from Investing activities		
Sale proceeds of Fixed Assets	144.89	236.95
Purchase of Fixed Assets	(57.12)	(61.64)
Interest on Bank deposits and others	875.86	770.84
	<u>963.63</u>	<u>341.73</u>
Cash flow from financing activities		
Proceeds from Borrowings	2.21	(190.25)
Repayment of short term loans	1,983.20	(1,666.06)
Interest paid	(140.88)	(213.43)
	<u>1,844.53</u>	<u>(2,069.74)</u>
Increase/(Decrease) in cash	(593.96)	7,392.42
Cash in hand at the begning of the year	16,491.57	9,099.15
Cash in hand at the end of the year	<u>15,897.61</u>	<u>16,491.57</u>

- Note: 1. Cash and cash equivalents consist of cash in hand and balances with banks.
2. Figures in brackets represent outflow of cash
3. Figures of the previous year have been regrouped wherever necessary.



(RAJNI AGARWAL)
COMPANY SECRETARY



(RAVENDRA GARG)
DIRECTOR (F)



(ARBIND KUMAR)
CHAIRMAN & MANAGING DIRECTOR

As per our report of even date
FOR O.P. TULSYAN & COMPANY
Chartered Accountants



(Rakesh Agarwal)

PARTNER

M.No. 81808

Place: New Delhi

Dated: 25.11.2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No.	C2752	State Code	55	
Balance Sheet Date		31	3	2009
		Date	Month	Year

Capital during the year (Amount in Rs. thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

SOURCES OF FUNDS

Total liabilities	16582940	Total Assets	16582940
Paid-up Capital	298420	Reserves & Surplus	NIL
Secured Loans	49099	Unsecured Loans	7389957
Net Fixed Assets	80138	Investments	15
Net current Assets	(-)668128	Miscellaneous Expenditure	NIL
Accumulated Losses	8267771	Deferred Tax Asset	57680

Performance of the Company (Amount in Rs. Thousands)

Turnover	8256018	Total Expenditure	8599132
Loss before Tax	343114	Loss after tax	344657
Deferred Tax Revenue	57680	Net Loss after Tax Revenue	2869
Earning per share in Rs.	(-) 1154.94	Dividend rate %	NIL

Generic names of three principal products of Company. (As per monetary terms)

The company is not engaged in any manufacturing activities hence not applicable.



(RAJNI AGARWAL)
COMPANY SECRETARY



(RAVENDRA GARG)
DIRECTOR (F)



(ARBIND KUMAR)
CHAIRMAN & MANAGING DIRECTOR

Place: New Delhi
Dated : 25.11.2009

ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention and in accordance with generally accepted accounting principles and applicable Accounting Standards in India.

2. ACCOUNTING FOR INCOME AND EXPENDITURE

Income and Expenditure in general are accounted for in the current year's Financial Statements. Adjustments arising out of change in accounting estimates or those arising of a contingency relating to prior periods are accounted for as a part of the current year's financials.

3. CLASSIFICATION OF EXPENDITURE

All expenditure is accounted for under their natural heads, and wherever necessary, allocation of expenditure on functional basis is presented by way of a note.

4. METHOD OF RECKONING OF PROFIT

Profit from construction/erection contracts spread over number of accounting-years is computed every year based on value of work done and expenditure incurred/accrued during the year.

BORROWING COST

1. Borrowing cost on working capital requirement is charged off to revenue in the period in which they are incurred.
2. Borrowing cost, which is directly attributable to the acquisition, construction of Fixed Assets is capitalised as part of the assets.

6. TURNOVER

Value of work done is taken as certified by the Chief Executive of the Corporation and includes: -

- i) The work done measured and certified by the contractees.
- ii) The work done considered realizable and recoverable remaining to be measured upto 31st March by the contractees.
- iii) The work done in earlier years but not accounted for in such years as realization of the same was considered doubtful and settlement for which is reached.
- iv) Quantum of escalation based on the formula mutually accepted with the contractees.
- v) Work done for works where agreements are not signed/executed and for which adjustments are carried out on the basis of rates as per tenders submitted/draft agreements/letters of intent.
- vi) Claims for extra/substituted items and other claims considered realizable by the corporation pending determination of exact amount for settlement of rates etc.

Value of work done, however, excludes:

Work done in earlier years and taken credit of in such years but is considered doubtful of recovery during the current year.

7. DEPRECIATION

Depreciation on Fixed Assets is charged on Straight Line Method based on the rates specified in Schedule XIV of the amended Companies Act 1956.

Library Books, the unit cost of which is less than Rs.500/- are charged off. Other books are depreciated @ 5.15% p.a.

Temporary Construction and Assets specifically required to be constructed/erected at Contract Sites for enabling the Corporation to execute the Contract are depreciated, after reducing estimated salvage value, on straight line basis during the life of the Project as per latest anticipated programme of completion intimated to the Project Authorities.

8. GRATUITY AND LEAVE SALARY

- i) The liability towards contribution to Gratuity Fund in respect of Regular Staff and Workers is based on actuarial valuation as at the year-end.
- ii) Liability for Leave Salary is accounted for on actuarial basis

9. FOREIGN EXCHANGE TRANSACTIONS

1. The rates of conversion for items of income and expenditure are taken at average rate for 12 months of

relevant year.

2. Assets and liabilities are translated at closing rates as on 31st March of the relevant year.

10. INVENTORIES

Stock of material, stores and spares including construction materials are valued at cost (using First in First out method). This is subject to additions of 3% stock storage charges in case of material issued through stores and upto 1% adjustment owing to discrepancy of inventory.

11. EXPENDITURE ON PAYMENTS TO SUB-CONTRACTORS

Pending receipt of bills from Sub-contractors or finalization of rates, provision is made to the extent and proportionate to the work done if it is included in value of work done.

12. DEFERRED REVENUE EXPENDITURE

Expenditure, if substantial, on items the benefit of which will be available for the period exceeding one financial year during the whole period of the contract is temporarily transferred till the work is completed to "Deferred Revenue Expenditure". This expenditure is charged off in Accounts based on the life of the Project as per latest anticipated programme of completion intimated to Project Authorities.

13. PRIOR PERIOD EXPENSES/INCOME

Transaction related to earlier year(s) in respect of individual items of expenditure/income not exceeding Rs.5000/- in each case are not accounted for in the Prior period Expenditure/Income in the profit and loss account.

14. PREPAID EXPENSES

Expenditure upto Rs.5000/- in each case incurred in advance relating to the subsequent year(s) is accounted for on cash basis.

15. ACCOUNTING OF SCRAP

Revenue on sale of scrap, empties, salvaged or waste material is reckoned on realization.

16. INTEREST

Interest payable and receivable are accounted for on accrual basis except interest receivable on advance to staff, which is accounted for on receipt basis.

17. CONTRACTUAL OBLIGATION

Any expenditure on repairs and maintenance during the warranty period is charged to Profit & Loss Account of that financial year.

18. EXPORT INCENTIVE

CCS and EXIM Scrip benefits are reckoned on realization.

19. CLAIMS LODGED WITH OTHER PARTIES

Claims lodged with other parties are accounted for on realization.

20. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

AUDITORS' REPORT TO THE MEMBERS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

We have audited the attached Balance Sheet of NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date, and also the Cash Flow statement for the year ended on that date, in which the accounts of Units, Branches and other offices audited by Branch Auditors in accordance with the letter of appointment of the Comptroller & Auditor General of India are incorporated. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The reports on the accounts of 84 Units / Branches / offices of the Company that have been audited by three Branch Auditors were forwarded to us and we have incorporated the same in preparing this report

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order 2003 and the Companies (Auditor's Report) (Amendment) order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations which to best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper Books of Accounts as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report subject to our observations in Para (e) below, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. In our opinion and to the best of our information and according to the explanations given to us, and subject to:-
 - 1) Accounting policy no 4, 6, and 17 regarding recognition of Revenue and Provision for warranty are in contravention of "Construction Contracts" AS-7, as notified by the Companies (Accounting Standard) Rules, 2006.
 - 2) In case of delayed projects where clients have not yet granted final extension of time, the liability on account of liquidated damages for such delay has not been provided as it is not ascertainable at this stage.
 - 3) Debtors
As informed to us the company does not have a documented policy for determining the outstanding as doubtful and creating provision for the same. Further to this an age wise and bill wise analysis of outstanding is not available. In the absence of above, we are unable to comment

on the extent of realization of outstanding. However, out of total provision of Rs 84.17 crores an adhoc provision of Rs 16.09 crores exist against Debtors as on 31-03-2009 and in the opinion of management it is sufficient to cover for bad and doubtful debts.

4) Loans and Advances.

The company does not have a documented policy for determining the outstanding as doubtful and making the provision for the same. An adhoc provision of Rs.23.03 crores exists against loans and advances as on 31-03-2009. Hence, we cannot comment on the adequacy of the existing provision.

5) Advances and Provisional payment of Tax Rs. 12117492/- appearing in Schedule F is subject to reconciliation.

6) The Corporation has done booking of revenue on contracts on the basis of self certified bills in cases where measurement / certification remain pending from the client side. In the absence of sufficient information on the acceptance of the bills as yet by the clients, we can not comment on the certainty of claims / sale bills raised on its clients.

7) The Corporation has booked 'Value of Work Done' with gross amount in case where it collecting payment on behalf of sub contractors / third parties, instead of with net of amount payable / earmarked for sub contractor.

8) Note no. 2(a), 4,5 and 10 of Notes on Accounts given in Schedule-Q annexed hereto.

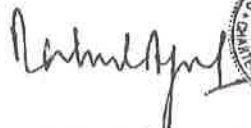
The impact of above qualifications is not quantifiable.

The said accounts read with other Significant Accounting Policies and other Notes, give the information required by the Companies Act,1956, in the manner so required, and gives true and fair view, in conformity with the accounting principles generally accepted in India;

- i) In the case of the Balance Sheet, of the state of Company's affairs as at 31st March, 2009 and,
- ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For O.P. Tulsyan & Co.

Chartered Accountants



(Rakesh Agarwal)

Partner

M. No. 81808

Place: New Delhi

Date: 25.11.2009

ANNEXURE-I REFERRED TO IN PARA-2 OF OUR AUDIT REPORT OF EVEN DATE

- i) a) Subject to the remarks given below, the Corporation has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets except for Temporary Construction.
- b) According to the information and explanation given to us, the Fixed Assets were Physically verified by the Management during the year in a phased manner except those under custody of clients and inter unit transfers in transit amounting to Rs.26.85 lakhs (previous year Rs. 30.89 lakhs). Although there exists a system for physical verification, yet in most of the units, the reports were not made available to us to confirm whether or not physical verifications were actually conducted.
- Location of Tools and Plant & Machinery items has not been provided in Tools and Plant Register in most of the units. Also, identification and marking has not been affixed in respect of most of the T&P items including Office Furniture.
- c) In our opinion, fixed assets disposed off during the year do not effect the going concern assumption.
- ii) a) As informed to us, physical verification of inventory has been conducted by the Management at the end of the year excluding materials in transit and inventory lying with third parties at some of the site locations or under custody of clients.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are generally reasonable and adequate in relation to the size of the Corporation and nature of its business.
- c) The Corporation has generally maintained proper records of inventory. As explained to us, discrepancies noticed between physical verification as compared to the Book records have been charged/credited to Contract Account.
- iii) a) According to the information and explanations given to us, the Corporation has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register required to be maintained under Section 301 of the Companies Act, 1956.
- b) According to the information and explanations given to us, the Corporation has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register required to be maintained under Section 301 of the Companies Act, 1956.
- iv) In our opinion and according to explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations thereof, we are informed that there exists an adequate internal control system commensurate with the size of the Corporation and nature of its business for the purchase of inventory and fixed Assets in the corporation. During the course of our audit, we have not observed any failure to correct major weaknesses in internal control system.
- v) According to the information and explanations given to us, there are no transactions that need to be entered into a Register required to be maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of any party during the year.
- vi) As per the information given to us, the Corporation has not accepted any Deposits from the Public in terms of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii) As informed, the Corporation has an internal audit system. However, in our opinion, considering the size and nature of the Corporation's business, the system needs to be strengthened especially with regard to verification, identification and proper accounting of unusable scrap, reconciliation of balances of Project Authorities, Sub-contractors and other parties outstanding for many years in Sundry Debtors, Advances and other amounts, Mobilization Advance & Interest thereon, Fixed Deposits in Banks, Suspense and inter unit accounts and Sundry creditors & Other Liabilities. The Scope of the System should be enlarged to cover all activities and larger number of units
- viii) We have been informed that the Central Government has not prescribed the Maintenance of Cost records under the Provisions of Section 209(1)(d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Corporation is generally regular in depositing with appropriate authorities undisputed statutory dues including, provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

However, there are past years arrears of Provident Fund dues as on 31st March 2009 amounting to Rs 3489.36 Lakhs (Previous year Rs. 4250.57 Lakhs)

We have been informed that Provisions of the Employees State Insurance Act, 1948 are not applicable to the Corporation.

According to the information and explanations given to us, undisputed statutory dues payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, and cess which were in arrears, as at 31st March, 2009 are given in Annexure – II to our report.

- b) According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute, are given in Annexure – III to our report.
- x) As at 31st March, 2009, the accumulated losses of the Corporation are more than Fifty percent of its net worth. The Corporation has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year. Accumulated losses have fully eroded the paid up capital.
- xi) Based on our audit procedures and as per the information and explanations given by the management, the Company did not have any dues of a financial institution, banks or debenture holders.
- xii) The Corporation has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Corporation is not a chit fund or a nidhi / mutual benefit fund/society.
- xiv) The Corporation is not dealing or trading in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the Corporation has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi) In our opinion and according to the information and explanations given to us by the management, term loans are applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Corporation has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Corporation has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- xx) The Corporation has not raised money by public issue during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Corporation has been noticed or reported during the course of our audit.

For O.P.Tulsyan & Co.
Chartered Accountants

(Rakesh Agarwal)
Partner
M. No. 81808

Place: New Delhi
Date: 25.11.2009

Undisputed

Annuxure - II

Dues of Sales Tax / Income Tax / Custom Duty / Wealth Tax / Excise Duty / Cess / Service Tax which have not been deposited (o/s for more than six months) are as follows :-

Name of the Statute	Nature of dues	Department	Amount (in Rs.)	Unit
Custom Duty Act	Custom Duty	Custom duty Deptt. Bombay	6,70,71,759	Nagpur
Sales Tax Act	Sales Tax	Sales Tax Deptt. Patna	1,05,694	LNB Unit Patna
Sales Tax Act	Sales Tax	Sales Tax Deptt. Ranchi	87,444	Ranchi
Royalty Tax Act	Royalty Tax	Royalty Tax Deptt. Patna	28,149	Gopalganj
Income Tax Act	Income Tax	Income Tax Deptt. Siliguri	7,720	Torsa
Sales Tax Act	Sales Tax	Sales Tax Deptt. Calcutta	3,193	SBI Calcutta
Sales Tax Act	Sales Tax	Sales Tax Deptt. Teesta	4,38,842	Teesta-1
Income Tax Act	Income Tax	Income Tax Deptt. Tail Pool	2,93,798	Tail Pool Dam
Income Tax Act	Income Tax	Income Tax Deptt. Calcutta	11,598	Calcutta
Sales Tax Act	Sales Tax	Sales Tax Deptt. Malda	5,34,080	Farakka
Sales Tax Act	Sales Tax	Sales Tax Deptt. Badarpur	55,370	BTPS
Sales Tax Act	Sales Tax	Sales Tax Deptt. Shakti Nagar	2,13,868	IWSS
Sales Tax Act	Sales Tax	Sales Tax Deptt. Shakti Nagar	1,20,506	Anpara
Sales Tax Act	Sales Tax	Sales Tax Deptt. Kanpur	10,313	Panki Rly
Sales Tax Act	Sales Tax	Sales Tax Deptt. Lalitpur	43,615	Rajghat Dam
Commercial Tax Act	Commercial Tax	Commercial Tax Deptt., Dholaihabhi	43,74,215	Dholaihabhi
Sales Tax Act	Sales Tax	Sales Tax Deptt. Agartala	23,438	NEZ, Agartala
Income Tax Act	Income Tax	Income Tax Deptt. Kalshi	41,082	Kalshi
Professional Tax Act	Professional Tax	Professional Tax Deptt., Durgapur	1,20,810	Durgapur
Sales Tax Act	Sales Tax	Sales Tax Deptt. Durgapur	2,64,156	Durgapur
Sales Tax Act	Sales Tax	Sales Tax Deptt. Maithon	1,02,575	Maithon
Royalty Tax Act	Royalty Tax	Royalty Tax Deptt. Maithon	28,060	Maithon
Sales Tax Act	Sales Tax	Sales Tax Deptt. Uttarkashi	30,401	Maneri Bhall
Income Tax Act	Income Tax	Income Tax Deptt. Siliguri	7,720	Torsa
Income Tax Act	Income Tax	Income Tax Deptt. Ranchi	1,600	BDRL
Professional Tax Act	Professional Tax	Professional Tax Deptt., Siliguri	9,570	Teesta-III
Income Tax Act	Income Tax	Income Tax Deptt. Vizag	11,422	NTPC Simadhari
Income Tax Act	Income Tax	Income Tax Deptt. Singda	1,38,362	Singda
Income Tax Act	Income Tax	Income Tax Deptt. Manu	28,620	Manu
Income Tax Act	Income Tax	Income Tax Deptt. Vizag	79,335	Muran
Professional Tax Act	Professional Tax	Professional Tax Deptt., Siliguri	5,340	TRB
Professional Tax Act	Professional Tax	Professional Tax Deptt., Siliguri	42,321	Ramam
Income Tax Act	Income Tax	Income Tax Deptt., Kreis	81,602	Kreis (N)
Sales Tax Act	Sales Tax	Sales Tax Deptt., Kreis	3,33,929	Kreis (N)
Professional Tax Act	Professional Tax	Professional Tax Deptt., Siliguri	1,09,322	Ramam
Professional Tax Act	Professional Tax	Professional Tax Deptt., Bennihalla	16,535	Bennihalla
Sales Tax Act	Sales Tax	Sales Tax Deptt., Bennihalla	7,156	Bennihalla
Income Tax Act	Income Tax	Income Tax Deptt., Bennihalla	8,280	Bennihalla
Professional Tax Act	Professional Tax	Professional Tax Deptt., Manjeri	71,595	Manjeri

Annexure-III

Disputed Dues of Sales Tax/Income Tax / Custom Duty / Wealth Tax / Excise Duty / Cess / Service Tax which have not been deposited on account of any dispute are as follows :-

Name of the Statute	Nature of dues	Forum where dispute is pending						Amount (in Rs.)	Unit	
		Supreme / High Court	Appellate Tribunal	Appellate Authority	Adjudging Authority	Joint Secretary /Commissioner (Appeals)	Revisionary Authorities			Others
Sales Tax Act	Sales Tax	---	---	---	---	---	---	Sales Tax Deptt. Bareilly	47,51,345	Tanakpur
Sales Tax Act	Sales Tax	---	---	---	---	---	---	Sales Tax Deptt. Sitapur	4,58,632	Sharda Sahayak
Sales Tax Act	Sales Tax	---	Appellate Tribunal, Jeypore	---	---	---	---	---	5,15,741	Muran Dam
Sales Tax Act	Sales Tax	---	Appellate Tribunal, Bhubnes-hwar	---	---	---	---	---	6,35,812	Angul
Sales Tax Act	Sales Tax	---	Appellate Tribunal, Trivend-rum	---	---	---	---	---	25,38,085	TSW, Trivend-rum

MANAGEMENT REPLIES TO STATUTORY AUDITORS REPORT 2008-09

- 3.e.1) Being a general observation, we are unable to respond to it in clear terms. Which particular clauses of accounting standard have been contravened, is not mentioned so that the accounting policy could not be suitably revised.
- 2) Extension from clients awaited.
 - 3) Sundry Debtors have been classified age wise, as required, as per schedule-VI of the Companies Act, 1956. All debts are realizable and necessary provision exists wherever realization considered doubtful.
 - 4) It is not practical to have a documented policy for determining any outstanding as doubtful. However, the necessary provision for Loans and Advances to the extent found doubtful has already been made. Further in case of the out standings final bills, towards the work already done, in aggregate are more than the advances given.
 - 5) This pertains to amount deducted provisionally by the clients on a/c of works tax/TDS to be fully recoverable by us from the sub-contractor. The reconciliation of this a/c is a continuous process and final adjustment if any, could take place only after the receipt of the orders from the assessing authorities.
 - 6) Revenue recognized is as per our Accounting Policy on turnover and the same is considered as realizable and recoverable in the normal course of business. This practice is being followed consistently for the past many years.
 - 7) Value of Work Done has been booked with Gross amount since payments are collected directly from clients by us (not on behalf of Sub-contractors or third party), as per terms of agreement entered into with them.

ANNEXURE-I REFERRED TO IN PARA 2 OF OUR AUDIT REPORT OF EVEN DATE

- i) a) No comments.
b) There exists a system of physical verification of fixed assets in a phased manner. Units have been advised to enclose the physical verification report of the fixed assets with Balance Sheet every year in future.
Noted for corrective action.
c) No comments.
- ii) a) No comments
b) No comments
c) No comments
- iii) a) No comments.
b) No comments.
- iv) No comments.
v) No comments.
vi) No comments.
vii) Noted for compliance.
viii) No comments.
- ix) a) No comments.
All old PF dues in respect of employees' and employers' contribution have already been fully paid.
These arrears pertain to interest liability due to delayed payment of PF dues. Efforts are being made to clear off these arrears also.
No comments.
No comments.
b) No Comments
- x) No Comments
xi) No comments.
xii) No comments.
xiii) No comments.
xiv) No comments.
xv) No comments.
xvi) No comments.
xvii) No comments.
xviii) No comments.
xix) No comments.
xx) No comments.
xxi) No comments.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2009

The preparation of financial statements of **National Projects Construction Corporation 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 25 November 2009.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **National Projects Construction Corporation Limited** for the year ended 31 March 2009. This supplementary audit has been carried out independently without access to the working 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

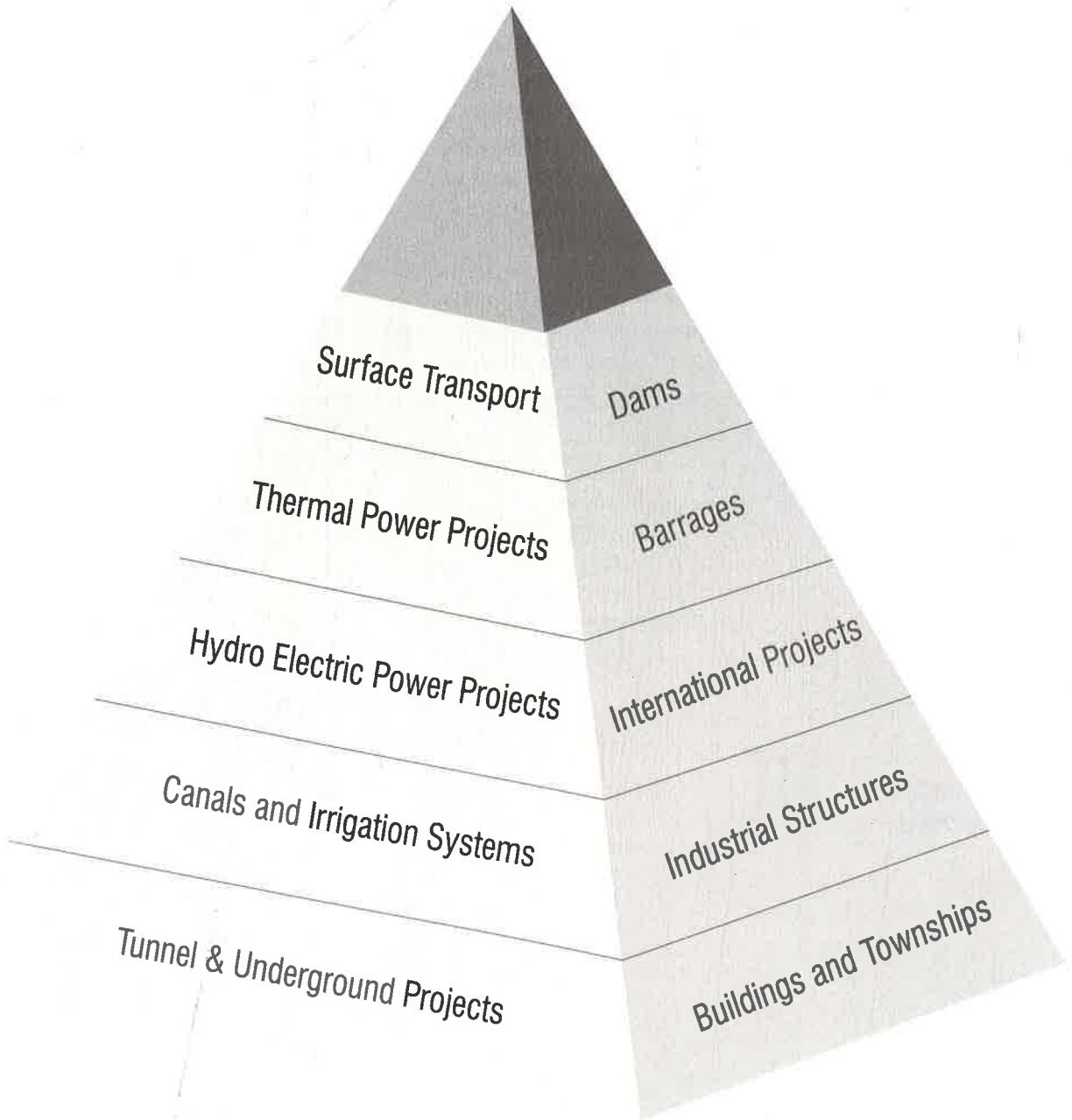


24/12/2009

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

Place: New Delhi
Dated: 24.12.2009

Area of operations



ISO 9001:2000 Certificate

BUREAU VERITAS
Certification



Certification
Awarded to

NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

CORPORATE OFFICE
PLOT NO. 67-68, SECTOR-25, FARIDABAD – 121 004, HARYANA, INDIA.

*Bureau Veritas Certification (India) Private Limited certify that the
Management System of the above organisation has been audited and found
to be in accordance with the requirements of the standard detailed below*

STANDARD

ISO 9001:2000

SCOPE OF SUPPLY

CORPORATE OFFICE, ZONAL OFFICES AND PROJECT SITES

**EXECUTION OF CIVIL WORKS FOR THERMAL AND HYDRO ELECTRIC PROJECTS,
RIVER VALLEY PROJECTS, INDUSTRIAL STRUCTURES, PROJECT MANAGEMENT
CONSULTANCY SERVICES FOR BUILDINGS, HOUSING, ROADS, BRIDGES AND
INFRASTRUCTURAL PROJECTS.**

PERMITTED EXCLUSION(S)

7.3 – Design and development.

Original Approval Date: 02 November 2002

*Subject to the continued satisfactory operation of the organisation's Management System,
this certificate is valid until:*

15 November 2010

To check this certificate validity please call: +91 22 6695 6300

*Further clarifications regarding the scope of this certificate and the applicability of the
Management System requirements may be obtained by consulting the organisation.*

Certificate Number: IND86484

Date: 23 December 2008

R. K. SHARMA
Director

*Bureau Veritas Certification
using the accreditation
certificate number 008*



008



*Certification / Managing Office Address: "Marwah Centre" 6th Floor, Krishanlal Marwah Marg,
Opp. Ansa Industrial Estate, Off Subzi Vihar Road, Andheri (East), Mumbai - 400 072, India.*

ZONAL OFFICES

NORTHERN ZONAL OFFICE

National Projects Construction Corporation Ltd.
P.O. Reasi,
Distt. Reasi -182 311
JAMMU & KASHMIR
Tele Fax 01991-245200

NORTHERN (WEST) ZONAL OFFICE

National Projects Construction Corporation Ltd.
98, Nehru Colony
Dehradun-248 001
UTTRAKHAND
Ph. 0135-2101046, Fax 0135-2675725

NER (WEST) ZONAL OFFICE

National Projects Construction Corporation Ltd.
H.No. 34, Hem Chandra Road, UZAN BAZAR,
Guwahati - 781 001
ASSAM
Ph. 0361- 2731399, Fax 0361-2131303

WESTERN ZONAL OFFICE

National Projects Construction Corporation Ltd.
B - 109, Twin Tower, Pump House,
Manish Park, Andheri (East)
Mumbai-400 093
MAHARASHTRA
Tele Fax 022-28374345

BIHAR ZONAL OFFICE

National Projects Construction Corporation Ltd.
15, I.A.S. Colony, (2nd Floor), Kidwaiपुरi,
Patna - 800 001
BIHAR
Ph: 0612 - 2525989, Fax 0612 - 2526011

CHATTISGARH ZONAL OFFICE

National Projects Construction Corporation Ltd.
Kalyan Apartments, Street No.5,
Ashok Vihar Colony, Pandri, Raipur - 492 004
CHATTISGARH
Tele Fax 0771-4074482

U.P. ZONAL OFFICE

National Projects Construction Corporation Ltd.
3/21, Patrakarpuram, Gomtinagar,
Lucknow - 226 010
UTTAR PRADESH
Tele Fax 0522-2304421, 0120-2433155

EASTERN ZONAL OFFICE

National Projects Construction Corporation Ltd.
3-A, Dr S.N. Roy Road
Kolkata - 700 029
WEST BENGAL
Ph: 033-24635138, Fax 033-24664454

NER (IBBW) ZONAL OFFICE

National Projects Construction Corporation Ltd.
H. No. 2 (2nd Floor) Aapanjan Pally, Sonai Road
Silchar-788 006
ASSAM
Ph. 03842 - 225089, Fax 03842 - 226995

NER (CENTRAL) ZONAL OFFICE

National Projects Construction Corporation Ltd.
Madan Riting,
Shillong - 793 021
MEGHALAYA
Ph. 0364 - 2535422, Fax 0364 - 2534475

SOUTHERN ZONAL OFFICE

National Projects Construction Corporation Ltd.
House No. 1316, 2nd Cross K.H.B. Colony
Magadi Main Road
Bangalore - 560 079
KARNATAKA
Tele Fax 080 - 23110309

JHARKHAND ZONAL OFFICE

National Projects Construction Corporation Ltd.
220 C, Ashok Path, Ashok Nagar
Ranchi-834 002
JHARKHAND
Ph. 0651-2242845, Fax 0651-2242820

ORRISA ZONAL OFFICE

National Projects Construction Corporation Ltd.
VII-H-167, Sailashree Vihar
Bhubaneswar - 751 021
ORISSA
Ph: 0674 - 2741417, Fax 0674 - 2741892

DELHI ZONAL OFFICE

National Projects Construction Corporation Ltd.
Vallabhabhai Patel Chest Institute, Chhatra Marg,
New Delhi -110 007
DELHI
Ph. 011-27662301, Fax 011-27662006

Registered Office : NPCC Ltd, Raja House, 30-31, Nehru Place, Delhi-110 019, Ph: 011-26484842, Fax : 011-26468699
Corporate Office: NPCC Ltd., Plot No. 67-68, Sector - 25, Faridabad - 121 004, Haryana, Ph.: 0129-4062856-59, Fax: 0129-2230891

Website : www.npcc.gov.in