

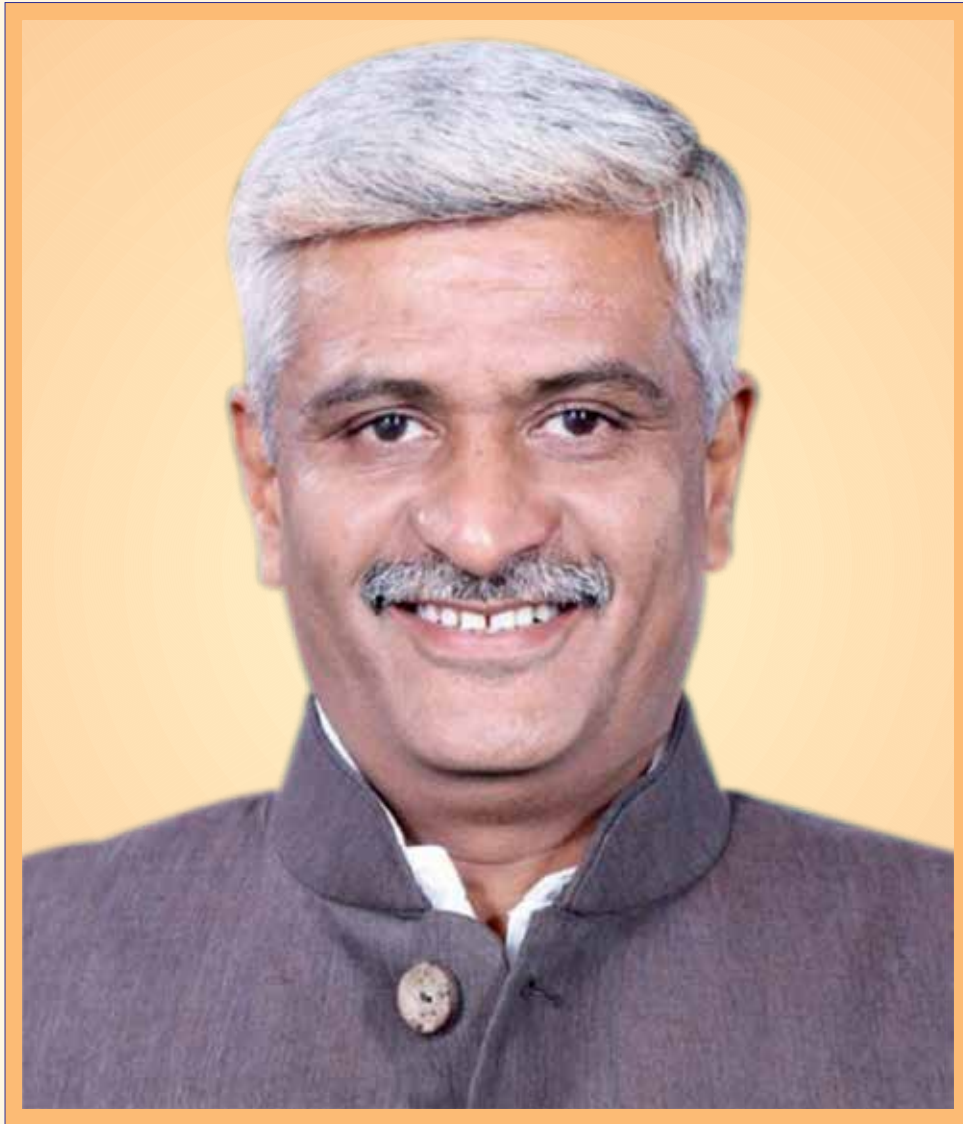


62ND **ANNUAL REPORT** 2018-19

National Projects Construction Corporation Limited
A Subsidiary of WAPCOS Ltd.
A Government of India Enterprise



Corporate Office Building, Gurugram



Shri Gajendra Singh Shekhawat

Hon'ble Minister

Ministry of Jal Shakti
Government of India



Shri Rattan Lal Kataria
Hon'ble Minister of State
for Jal Shakti and Social Justice & Empowerment
Government of India

Department of Water Resources,
River Development and Ganga Rejuvenation,
Ministry of Jal Shakti,
Government of India



Shri U. P. Singh
Secretary



Smt. T. Rajeshwari
Additional Secretary



Shri Jagmohan Gupta
Joint Secretary & Financial Advisor



Shri Nitishwar Kumar
Joint Secretary (Administration)



Shri Akhil Kumar
Joint Secretary (IC & GW)

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Vision

**"To become premier
engineering projects
implementing
organization"**

Mission

**"To achieve a turnover exceeding
Rupees 3500 crores with positive
net worth by 2021-22 by focusing
value addition at all points of
interaction with our clients and
continuously enhancing
capabilities of organization
and employees through
innovations."**

BOARD OF DIRECTORS



Shri R. K. Gupta
Chairman-cum-Managing Director
(w.e.f. 11.06.2019)



Shri Manohar Kumar
Director (Engg.)



Shri Sahab Narain
Director (Finance)



Shri Nitishwar Kumar
JS(A), MOJS, DOWR,
RD & GR
Govt. Nominee Director
(25.05.18 to 13.08.19)



Shri Jagmohan Gupta
JS & FA, MOJS, DOWR,
RD & GR
Govt. Nominee Director



Shri Anupam Mishra
Director (Commercial & HRD)
WAPCOS Limited
Govt. Nominee Director
(w.e.f. 13.08.19)



Dr. Ravindra K. Pande
Independent Director



Dr. Jayashree Gupta
Independent Director

NPCC at a Glance

NPCC Limited, a “Mini Ratna-I” Central Public Sector Enterprise under the aegis of Ministry of Jal Shakti was incorporated on 9th January 1957 under the Companies Act, 1956. It is engaged in Engineering, Construction, Planning, Operation & Project Management Consultancy. The organization operates in Industrial Infrastructure, Thermal, Hydro Power Projects, Tunneling & Underground Projects, Railways, Highways, Surface Transport Projects, Dams, Townships & other Residential Buildings, Institutional Buildings, Office & Sports Complexes, Bridges & Flyovers, Real Estate Works, Weirs, Barrages, Border Road & Fencing, Hospitals & Health Sector Projects, Environmental Engg., Flood Lighting Works, etc.

During the last five years, NPCC has executed construction works of Border Out Post (BOP), Roads & Fencing Works for Ministry of Home Affairs (MHA), Construction of various buildings for Assam Rifles, Pradhan Mantri Awas Yojana (PMAY) Roads in Bihar, Uttarakhand, Jharkhand and West Bengal, flood lighting works for MHA, Development and Construction for Indira Gandhi National Tribal University (IGNTU) Campus at Amarkanthak (M.P.), Construction of sections of High-altitude Road along Indo-China Border, Head Race Tunnel, Dolaithabi Barrage at Manipur, Construction of B.G. Single Tunnel T3 on a section of Udhampur-Srinagar-Baramulla rail link project, construction of Toilets Blocks for Mahanadi Coalfields Limited (MCL) under Swachh Vidyalaya Abhiyan in Odisha, Construction of Office Building of Punjab & Sindh Bank (PSB) at Gurugram, Border Security Force (BSF) Works and Sports Infrastructure for Sports Authority of India, etc.

Major ongoing works include Construction of BOPs and Indo Bangladesh Border Fencing and Road works, PMGSY Works, AYUSH Institute, Navodaya Vidyalaya works at various locations, Development of amenities for Archaeological Survey of India (ASI), Kendriya Vidyalaya at various locations, to name a few.

VISION

“To become premier engineering projects implementing organization”.

MISSION

“To achieve a turnover exceeding Rupees 3500 crores with positive net worth by 2021-22 by focusing value addition at all points of interaction with our clients and continuously enhancing capabilities of organization and employees through innovations.”

OBJECTIVES OF THE CPSE

1. To ensure customer satisfaction through :
 - ◆ Execution of projects within schedule time & cost,
 - ◆ Adhering Specifications & conditions of Contract,
 - ◆ Customer feedback & ensuring improvement.
2. Achieving Turnover Target as per MOU
3. Securing Business to maintain Work Order Book position around three times of Turnover.
4. Realizing old dues maximally and quickly for improving financial position of NPCC.
5. Continual capacity building of its officers.
6. Continual organizational re-structuring and diversification with focus to Business, Profitability and Customer's satisfaction..
7. Maintaining & improving ISO 9001 – 2015 based Quality Management Systems in all areas of activities.
8. Strive hard to improve quality standards by introducing standard operating procedure in all spheres of governance

FIELDS OF SPECIALISATION

- ◆ Townships & other residential buildings
- ◆ Tunnels & underground projects
- ◆ Hydro-electric power projects
- ◆ Canals & Irrigation System
- ◆ Thermal power projects
- ◆ International Projects
- ◆ Industrial structures
- ◆ Surface transport
- ◆ Barrages
- ◆ Dams

REGISTRATION WITH INTERNATIONAL ORGANISATIONS

NPCC is empanelled with World Bank, Asian Development Bank, African Development Bank and process has been initiated for Empanelment with EXIM Bank of India for LoC Projects in other countries.

HUMAN RESOURCE

With a dynamic team of over 800 professionals, NPCC is offering integrated services from concept to commissioning. The organization is involved in 'Swachh Bharat Abhiyan' wherein various plantation drives, cleaning of Ghats, awareness programmes, etc. are held in various parts of India.

ISO CERTIFICATION

NPCC Limited is complies with ISO 9001:2015 parameters. The organization is contributing to nation's development by successfully completing projects, while ensuring quality and economy.

STRUCTURAL CHANGES

Government of India has strategically disinvested NPCC Limited by selling its entire shareholding comprising of 98.89% paid up capital to WAPCOS Limited; a Mini-Ratna-I accredited Public Sector Enterprise under the same Ministry of Jal Shakti, Department of Water Resources, RD & GR. By virtue of this acquisition, NPCC has become subsidiary of WAPCOS Limited.

On 11th June, 2019 Ministry of Jal Shakti, Department of Water Resources, River Development & Ganga Rejuvenation entrusted the additional charge for the post of CMD, NPCC to Shri R.K. Gupta, CMD, WAPCOS.

Shri Anupam Mishra, Director(Commercial & HRD) WAPCOS Limited has been appointed as Govt Nominee Director(Part Time) on the Board of Directors of NPCC Limited in place of Shri Nltishwar Kumar, JS(A) in the Administrative Ministry.

OUTLOOK

NPCC successfully executed several overseas projects and complies with Quality Management requirements of **ISO 9001-2015** for execution of:

Civil Works for:

- ◆ Thermal & Hydro Electric Projects
- ◆ River Valley Projects
- ◆ Industrial Structures

Project Management Consultancy services for:

- ◆ Buildings
- ◆ Housings
- ◆ Roads
- ◆ Bridges
- ◆ Infrastructure Projects

NPCC operates in the diverse fields of projects. The brief of which is as under:-

Building & Township:

NPCC has extensive experience for construction of townships, large Building Complexes, Utility Buildings and related infrastructures. NPCC takes up projects on turnkey as well as Project Management Basis. NPCC has successfully completed following projects:

- ◆ 12 Nos. Single Men Barrack (G+III) in 3 Blocks Assam Rifles works in Shillong.
- ◆ 16 Nos. Single Men Barrack (G+III) in 4 Blocks Assam Rifles works in Shillong.
- ◆ 176 Dwelling Units under IHSDP at Roing, Arunachal Pradesh Assam Rifles works in Shillong.
- ◆ Construction of 63 Bed Boys and Girls Hostel, Dining Hall with Kitchen of South Asian Games (SAG) Centre, Alleppey for Sports Authority of India.
- ◆ Construction of faculty of Journalism & Mass Communication at Indira Gandhi National Tribal University (IGNTU), Amarkantak.
- ◆ Construction of Officers Rest Houses, Duty Room, Service Block and Ancillary Works at Kauri in Jammu.
- ◆ Construction of Office Building of Punjab & Sind Bank(P&SB) at Gurgaon.

Township & Other Residential Buildings



Single Men Barrack (G+III) in 01 block at Radhanagar- Unakoti (Tripura) for Assam Rifels



Single Men Barrack in Shillong for Assam Rifels



Jammu Development Authority (JDA) Flats at Muthi Jammu



Admin Block Borehole Geophysics Research Laboratory (BGRL), Karad, Maharashtra

Institutional Buildings



Academic Building for National Institute of Homeopathy, Kolkata

Institutional Buildings for Indira Gandhi National Tribal University (IGNTU) in Amarkantak, Madhya Pradesh



Main Entrance



Girls Hostel



Boys Hostel



Faculty of Commerce & Management



Admin Cum Academic Block National Ground Water Training & Research Institute, Naya Raipur, Chattisgarh



Central Council for Research in Yoga & Naturopathy Construction of Phase-II Buildings for Post Graduate Institute at Nagamangala, Karnataka

Sports Buildings



Renovated Men's & Women's Hostel, Sports Authority of India (SAI), Bengaluru, Karnataka



Swimming Pool

Synthetic Hockey Surface-II (Blue Turf)

Sports Authority of India (SAI), Bengaluru, Karnataka



Sports Ground, Maulana Azad Stadium, Jammu



Front View of Maulana Azad Stadium, Jammu

NPCC is currently executing

- ◆ Construction of Kendriya Vidyalayas at various locations across Country
- ◆ Construction of 1500+2480 dwelling units in 75+124 number of G+3 blocks in Jharkhand under Pradhan Mantri Awas Yojna(PMAY) for Jharkhand Urban Infrastructure Development Company (JUIDCO)
- ◆ Various works of ST & SC Deptt, Odisha
- ◆ Indian Agricultural research Institute (IARI) works in Assam
- ◆ Construction for Up- gradation of ITI at Jabalpur, Rewa, Sagar & Shadol for MP Housing Board.
- ◆ Bone & Joint Hospital Srinagar.
- ◆ Establishment of Industrial Biotech Parks (ITBP) at 02 locations in J&K Region for Council of Scientific and Industrial Research (CSIR).
- ◆ Construction of LS , US Quarter & Site Development of Police Line Campus at Jamtara & Pakur for Jharkhand Police Housing Corporation Limited(JPHCL)
- ◆ Indoor Sports Complex and Food Court of IIT Kharagpur in West Bengal.
- ◆ Construction of College Building Dr. Rajendra Prasad Central Agriculture University (formerly RAU-PUSA) Service for College Building & Construction of Boys Hostel(100 Seats) and Construction of Girls Hostel(100 Seats) Road Works, Samastipur
- ◆ Construction/ Upgradation of existing road to 2-lane with paved shoulder from Ranipool to Pakyong of NH-717-A under SARDP-NE Phase 'A', (Sikkim) for National Highways and Infrastructure Development Corporation Limited (NHIDCL).
- ◆ Residential and Non – Residential Building works for Assam Rifles at different location mostly difficult area of North Eastern Region.
- ◆ Slum Board Dwelling Units in Bellary City, Karnataka.
- ◆ AYUSH Institute at Sarita Vihar, Silchar, Shillong, Kolkata.
- ◆ Development of Amenities for Archaeological Survey of India (ASI).
- ◆ Navodaya Vidyalaya works at various locations.
- ◆ Hydro Engineering College in Himachal Pradesh.
- ◆ Construction of Guru Ghasidas University (GGU).
- ◆ Central Agricultural University (CAU) Works in North Eastern States.

- ◆ Building for Central Excise Deptt. at Dwarka
- ◆ Construction of Toilet Blocks for Mahanadi Coalfields Limited (MCL) under Swachh Vidyalaya Scheme.
- ◆ Construction of Border Out-Posts (BOPs) along Indo-Bangla Border.
- ◆ Post Graduate Institute of Yoga & Naturopathy at Jhajjar, Haryana and Nagamangala, Karnataka
- ◆ Indira Gandhi National Tribal University Campus at Amarkantak (M.P).
- ◆ Rajiv Gandhi National Institute and Youth Development at Sriperumbudur.
- ◆ Construction of new building at National Research Institute of Ayurvedic Drug Development (NRIADD), Salt Lake, Kolkata.
- ◆ Silver Jubilee Hall & Academic Block at North Eastern Regional Institute of Science and Technology (NERIST), Itanagar.
- ◆ Development of tourist facilities at Mantalai, Sudhmahadev, Patnitop in J&K (Ministry of Tourism Deptt.)
- ◆ Seismological Research Lab, Karad for Ministry of Earth Sciences (MoES).

Ekalabya Model Residential School, Karanjia, Odisha



Teaching Staff Quarters



Principal Quarters



Girls Hostel Building



Non-Teaching Staff Quarters

- ◆ Buildings at Central University of Kashmir (CUC) at Srinagar.
- ◆ Construction of building for Central Ground Water Board (CGWB) Raipur.
- ◆ Construction of Hostel Building for Research Scholars at CSIR-NEIST.
- ◆ Farmers Training Hostel and Training Hall with seating Capacity of 500 at
- ◆ NRC-IF, Piprakothi, Motihari Bihar for Indian Council of Agricultural Research (ICAR).
- ◆ Science & Technology Works in Odisha.

The Corporation has completed the following projects during last 5 years-

- ◆ Construction of Border Out-Posts (BOPs), Roads & Fencing Works for Ministry of Home Affairs (MHA).
- ◆ Construction of various buildings for Assam Rifles.
- ◆ PMGSY Roads (640 in No.) in 6 districts of Bihar i.e. Bhojpur, Buxar, Rohtas, Kaimur, Patna, Nalanda.
- ◆ PMGSY Roads at different locations in Jharkhand.
- ◆ PMGSY Road Works in Paschim Medinipur, West Bengal.
- ◆ Construction of flood lighting works for MHA, in North East States.
- ◆ Development and Construction of various buildings for Indira Gandhi National Tribal University Campus at Amarkanthak (M.P).
- ◆ Construction of High Altitude Road along Indo-China Border at Leh in the state of J&K (Phobrang to Charste).
- ◆ Construction of High Altitude Road along Indo-China Border at Leh in the state of J&K (Karzok to Chumar).
- ◆ Dolaithabi Barrage, Manipur.
- ◆ Construction of Toilets Blocks for MCL under Swachh Vidyalaya Abhiyan at schools in different dist. of Odisha

Roads:

NPCC in past successfully executed internal and external Roads for Power Projects, Township, Steel Plants, District Roads, Rural Roads under Pradhan Mantri Gram Sadak Yojana (PMGSY) in Kolata (West Bengal), Bihar & Jharkhand. NPCC is also executing major road works for

Indo-Bangladesh Border Fencing works in Assam, Meghalaya, Tripura and Mizoram, Bihar and Jharkhand.



Roads under PMGSY in Jharkhand



Roads under PMGSY in Paschim Medinipur, West Bengal

Border Fencing:

NPCC has been actively associated in 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 some more work of flood lighting and Construction & repair/maintenance of new and existing Border out Posts. Corporation has deployed resources and efforts to complete the work with in the schedule time which is an achievement considering its remoteness and militancy prone area.

NPCC is executing following works for the Ministry of Home Affairs in the North Eastern Region:

1. Construction of Fencing, Roads and other allied works along Indo Bangladesh Border in the state of Assam, Meghalaya, Mizoram and Tripura.

2. Construction of Flood Lighting along Indo Bangladesh Border in the state of Meghalaya and Tripura.
3. Construction of Border out Posts along Indo Bangladesh Border along Indo Bangladesh Border in the state of Assam, Meghalaya, Mizoram Tripura and West Bengal.

INDO-BANGLADESH BORDER ROADS AND FENCING



Indo-Bangladesh Border Roads and Fencing



Indo-Bangladesh Border Flood Lighting



BOP in Mizoram & Meghalaya

Hydro Electric Sector:

NPCC is the pioneer builder for the construction of Hydro Electric Power Projects in India for the last five decades. NPCC has significant contribution for generation of clean power by constructing HEP's in India. NPCC took up first project in this field with construction of Nepal Power House in 1966.

Hydro Electric Project at Hathiari (Under Construction)



Surface Power House



Surge Shaft

Barrages:

Barrage is an important structure to tap the vast water resource for irrigation, flood control, inland navigation, water supply etc. NPCC ventured into construction of Barrages in 1957 with Wazirabad barrage across river Yamuna at Delhi and completed in one working season which is a milestone for any Organisation, till date. NPCC has recently completed Dolaithabi Barrage in Manipur.



Dolaithabi Barrage, Manipur

Site Inspection by CMD
All India Institute of Ayurveda, Ministry of Ayush, Phase-II, Sarita Vihar



Excavation Near Block-IV



Layout Plan of Site



Discussions on Site drawings



Block 2 PCC Bed Level



Block 5 & 6 PCC Bed Level

Residential Complex of Central Board of Indirect Taxes (CBIT), Dwarka



Non Tower Area, Central Park



Area of Tower 7, Type IV Quarters



Area of Tower I & II, Type V Quarters

INDEPENDENCE DAY CELEBRATION at Corporate Office, Gurugram



Flag Hoisting



CMD's Address to Employees



MoU Signing of NPCC with WAPCOS



↑
*Signing of MoUs with
 Zonal Managers* →



CHAIRMAN'S MESSAGE

Dear Distinguished Shareholders,



I am delighted to inform you that, I became a proud member of the NPCC family in mid of June this year. Government of India has strategically disinvested from NPCC Limited by selling its entire shareholding (98.89% paid up capital) to WAPCOS Limited. By virtue of this acquisition of shares by WAPCOS, NPCC has become subsidiary of WAPCOS Limited. I have been entrusted with the charge of CMD w.e.f. 11th June 2019.

These three months that I have spent here, have reaffirmed my belief in the potential and promise of NPCC as a leading player in the construction sector in India and the role it will play in the emergence of New India. I consider it an honor to place before you the Annual Report for the Financial Year ending 31st March 2019.

I am happy to announce here that the Financial Year 2018-19 remained reasonably satisfying in terms of business growth and profitability. This gives us tremendous confidence to achieve higher objectives in the years to come.

During the year 2018-19, your Company has secured new works valuing Rs. 2521 crores against the target of Rs.1400 crores fixed by the Ministry for Excellent rating, out of which Corporation has secured the new business through tendering to the tune of 44.59%. The effective order book position is Rs. 7625.83 crores as on 31st March, 2019.

Your Company is getting repeat orders from existing clients while adding new clients. This is evidence of Company's improved customer satisfaction in quality, timely and economically completion of projects.

During the year your Company has earned a Profit before tax of Rs.18.21crores and achieved an Operating Turnover of Rs. 1073.74 crores. Contingent Liabilities have been reduced by 10.81 crores on account of legal & disputed service/income tax cases. Company has paid Rs.5.029 crores towards interest on Government of India loan and Rs.2.59 crores to Ministry of Jal Shakti, Department of Water Resources, RD & GR towards Bank Guarantee charges. Company has also paid arrears of 3rd PRC to its employees and also settled old matters of Gratuity which entailed payment to the staff of Rs.8.25 crores.

During these three months Diagnostic Analysis of the Company was done in the key performance areas of Business Development, Projects Implementation, Financial Management, Human Resource Development, Corporate Governance, Infrastructure and Brand Building, and

presented to the Board in the 321st Board meeting held on 19th June 2019. Your company is now empanelled with World Bank, Asian Development Bank, African Development Bank and process has been initiated for Empanelment with EXIM Bank of India for LoC Projects for works abroad. All Projects are now being awarded to Contractors through e-procurement process (M/s MSTC Limited has been appointed as E-tendering/E-procurement agency). All Projects are now being monitored for Time and Cost Overrun. A Standing Tender Committee at Headquarters has been formed to vet and recommend Award of works, Quality Control and Payment to Contractors. Centralised Accounts System has been introduced wherein all payments from Clients are being received in Central Account at Head Quarters. Austerity measures have been initiated to control Expenditure on Vehicles, Office Spaces, TA/DA, Manpower, Advertisement/ Sponsorships and Security Personnel. Now onwards, all procurements are being made through GeM and all Payments being made in Digital Mode.

Tenders have been floated for renting out the spaces available in Gurugram, Faridabad and Siliguri.

Turnover and New Business Targets have been fixed with Zonal Managers after detailed discussions with them keeping in view, their workload, business potential in the area under their jurisdiction. MoU has been signed with them keeping in view the targets of MoU with Holding Company. Code of Conduct has been issued for the Company's employees and Capacity Building process has been initiated.

Your Company is mindful of its corporate social responsibilities and is fulfilling the obligation as provided in Company Law and Govt. of India guidelines. During the year 2018-19, your Company has undertaken; Repair and Renovation work of Indian Red Cross Society Wellness Centre at Duttabad (Kolkata); Supply and Installation of 50 Nos. Hand pumps in various districts of Muzaffarnagar and Bagpat; Digitalization of class rooms in Primary school at Pardi and Work executed by different zones under Monthly swachhta Campaign during 2018-19 and Swachhta Pakhwada from 16.3.2019 to 31.3.2019, thereby spending total amount of Rs55.12 lacs during 2018-19, as a part of Corporate Social Responsibility.

Good Corporate Governance practices have helped NPCC become a brand name in its business with "Excellent" performance, while ensuring the rights and interest of all its stakeholders firmly protected. During the year under review, the Company has been graded as "Excellent" for the year 2018-19 by the DPE on the compliance of its guidelines on Corporate Governance for CPSEs.

With the improvement of financial health of the Company, your Company is planning to take major projects in EPC mode as well as enter into execution of projects in foreign countries. I would also like to add that our efforts should not only be physical and financial progress but should create a positive environment.

This combination of WAPCOS and NPCC will develop Synergy for Business Development and Projects Execution in India and Abroad and create value for all the stakeholders. WAPCOS-NPCC combine aims to maximizing profits, reducing competition, enhance ability to undertake large projects and expand geographical presence.

NPCC is making all possible efforts to simulate the growth model of the holding company WAPCOS Limited by providing efficient services to its customers within the framework of time, cost and quality.

At NPCC, I believe that people are our finest and most valuable assets. Our talent pool comprises of some of the best talent across engineering, construction, architecture, project management and other faculties.

As I look ahead into the horizon, I cannot but feel a sense of pride and positivity. With a formidable combination of people, projects and processes, and a proven track-record of unblemished execution spanning over six decades, with cutting-edge technological advances in machines and material - all converging into a renowned, dynamic and agile organization, NPCC is looking ahead with confidence and conviction to play its role in building a New India. I believe the best is yet to come! Thank you for your sustained faith and trust in NPCC.

I take this opportunity to express my sincere gratitude to the members of the Board of Directors for their proactive participation in the Company affairs and for their valuable guidance in contributing their might towards growth of the Company.

I express my gratitude and sincere thanks to the Hon'ble Minister of Jal Shakti, Department of Water Resources, RD & GR, Hon'ble State Ministers of Jal Shakti Department of Water Resources, RD & GR, the Secretary & the Jt. Secretary (FA) and other line officers in the Ministry for providing valuable guidance and support. I also thank all Officers in the Ministry of Jal Shakti, Department of Water Resources, RD & GR and other Ministries, especially Ministry of Home Affairs, Ministry of Ayush, Ministry of Rural Development, Ministry of Sports and Department of Public Enterprises, without their help it would have not been an easy journey for achieving the goal. I also thank the Comptroller & Auditor General of India, Statutory Auditors, Branch Auditors and other professionals associated with the Company for their valued contribution.

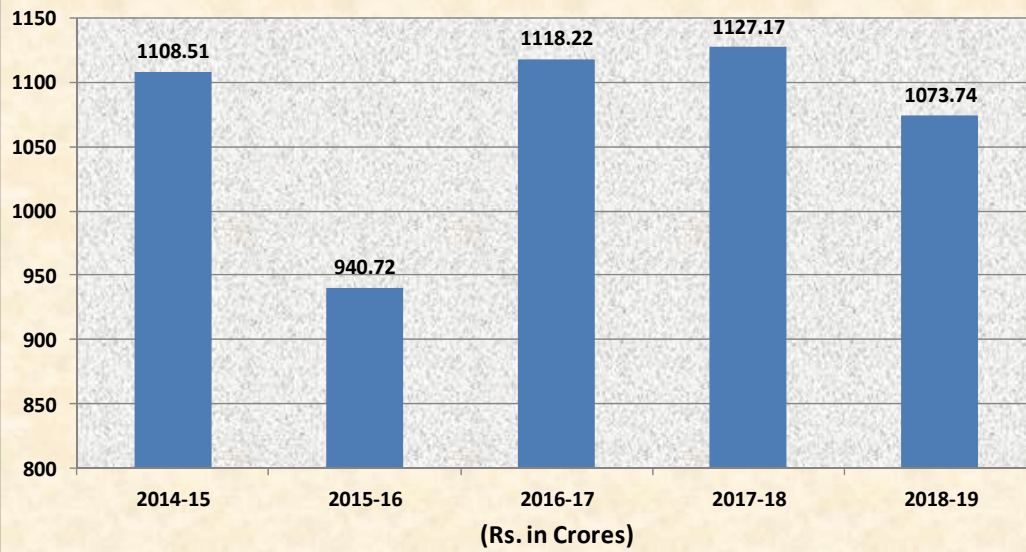
On behalf of the Board of Directors and Management, I would like to place on record the sincere appreciation to the dedicated work done by the employees of the Company and the support extended by WAPCOS Limited, the Holding Company.

R.K. GUPTA

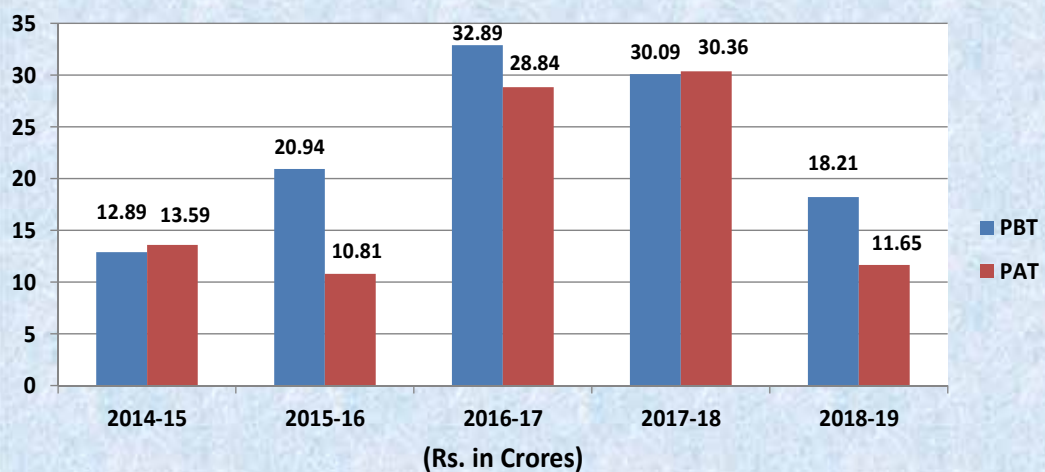
CHAIRMAN-CUM-MANAGING DIRECTOR

Place: New Delhi

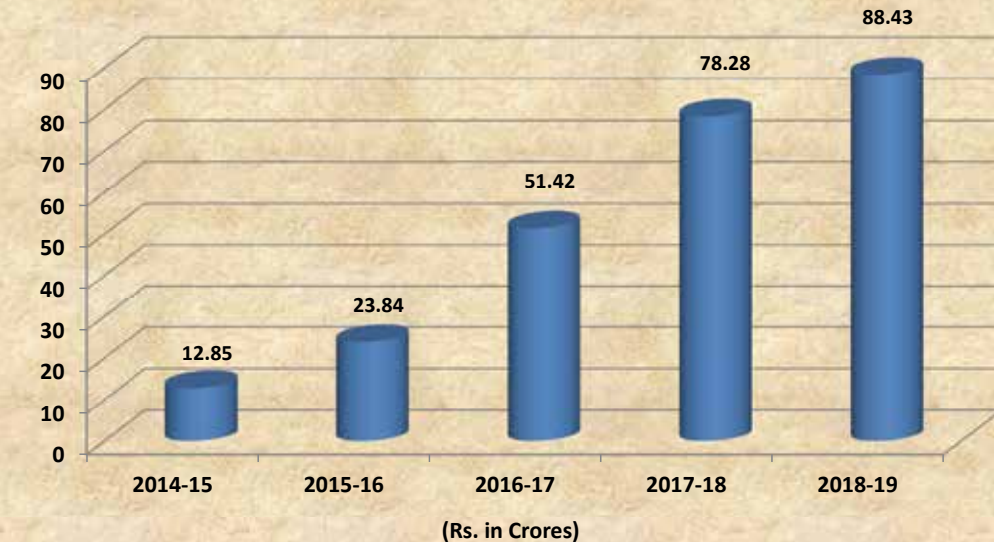
TURNOVER FROM OPERATION



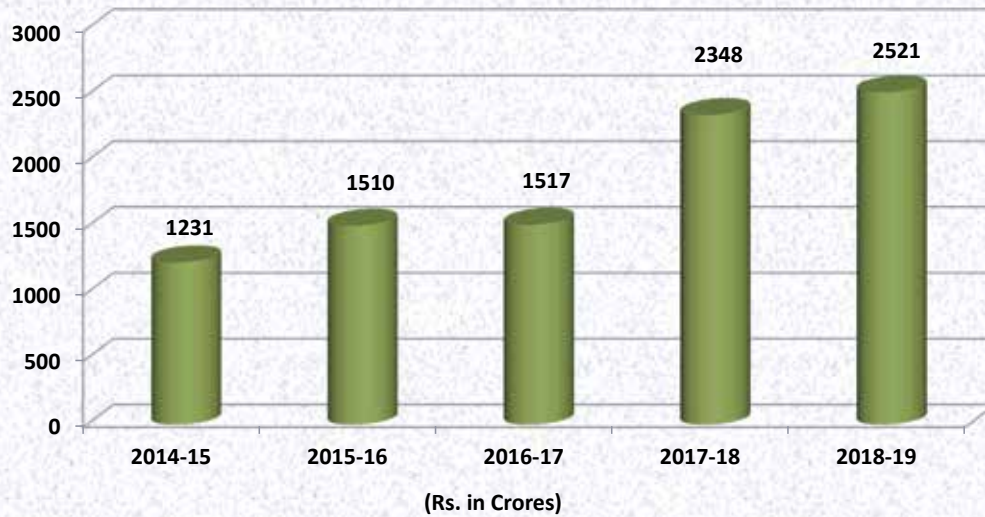
PBT Vs PAT



RESERVES AND SURPLUS



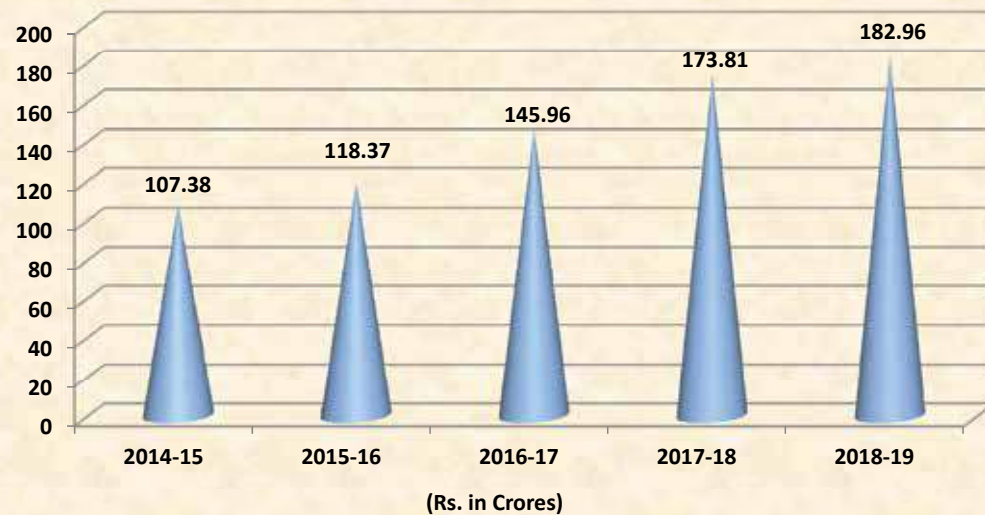
NEW BUSINESS



ORDER BOOK



NET WORTH



Director's Report

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 62nd Annual Report together with audited accounts of the Company for the year ended 31st March, 2019.

FINANCIAL SUMMARY AND HIGHLIGHTS

Your Company has earned a profit before tax of Rs. 18.21 Crores as against Rs. 30.09 Crores in the previous year. Profit after tax is Rs. 11.65* Crores as against Rs. 30.36 Crores during the previous year. The summarized financial results of the Company are given below:

(In Rs. Crores)

Particulars	2018-19	2017-18
Turnover including Gross other income	1134.26	1163.05
Operating Turnover	1073.74	1127.17
Profit / (loss) for the year before tax	18.21	30.09
Profit/(loss) after Tax	11.65*	30.36

SHARE CAPITAL

Authorized Capital and Paid-up Capital of your Company at the end of the financial year is Rs. 700 crores and Rs. 94.53 crores respectively.

NET WORTH

Your Company's net worth as on March 31, 2019 was Rs. 182.96* crore as against Rs. 173.81 crores in the previous year.

TRANSFER TO GENERAL RESERVE

Transfer to General Reserve is not mandatory as per Companies Act 2013 and as such the Company has not transferred any amount to General Reserve.

QUALITY MANAGEMENT SYSTEM

The Quality Management System of NPCC conform to the requirement of the standard **ISO 9001:2015** with respect to execution of Civil work for Thermal and Hydro Electric Projects,

* Refer Point No. 2 on Page No. 146

River Valley projects, Industrial Structures, Project Management Consultancy Services for Buildings, Housing, Roads, Bridges and Infrastructural Projects.

STATUS OF MINI-RATNA-I

“Miniratna - Category -I” status conferred to NPCC Limited by Ministry of Water Resources, RD & GR on 05-11-2018.

BUSINESS DEVELOPMENT SCENERIO

The Business scenario is full of both opportunities and challenges. Huge investments in Infrastructure Development of the country are providing big opportunities for consultancy and Project Management services. During the year under review, the Company forayed and forged ahead to secure new business. As a result, your Company has secured new works valuing Rs. 2521 crores (previous year Rs. 2348 crores) against the target of Rs. 1400 crores fixed by the Ministry for excellent rating, out of which the new business through tendering were to the tune of 44.59%. The effective order book position is Rs. 7625.83 crore as on 31st March, 2019 as against Rs. 6178.83 crores during previous year.

During the year, your corporation maintained the pace of improvement in terms of quality & speedy implementation of works allotted including the works of MHA in North Eastern States, PMGSY in the States of Bihar, Jharkhand, West Bengal and Uttrakhand, Building works for Assam Rifles in North Eastern Region, Border Outpost, Border Flood Light, Border Fencing along Indo Bangladesh Border for MHA, ITBP Leh etc., on PMC basis.

The work of Karnataka slum board, CAU (NE region) has been completed. NPCC would like to secure more works from MP housing, JUIDCO, NHIDCL, IRSDC, JNV/NVS, MHA, ST&SC works (Orissa).

Further NPCC has made effort to secure works from new client and overseas projects. NPCC has secured work from Ministry of Ayush for their upcoming Institute/Hospitals. During the Year, your Corporation has added following new Clients :

1. JUIDCO, Jharkhand
2. Jharkhand Police Housing Corporation
3. NHIDCL
4. Central Agriculture Universities
5. Patna Smart City

6. Kendriya Vidyalaya Samiti
7. MP Housing Board
8. IRSDC

In addition, NPCC has secured orders from regular clients i.e., MHA, AYUSH, SAI, etc. With continuous emphasis on infrastructure development by Govt. of India, NPCC with its ability to work in difficult areas like North East, Leh, Laddhakh & Naxal affected States of Jharkhand, Bihar, West Bengal, Odisha, has bright future and have become a preferred organization for difficult and complex works.

Your Company is aggressively attempting to secure business in different locations and International location like CONGO (DRC) in Central Africa to achieve optimum utilization of existing resources.

To achieve the Business in Liberia (Water supply for Monrovia) the meetings and efforts are going in fruitful directions.

BUSINESS STRATEGY

The Company's constant endeavor for satisfaction of clients through timely completion, quality assurance and cost reduction during execution helps in providing them value added services in terms of better specifications within the sanctioned cost. Company's initiative through constant liaison and proactive approach has resulted in repeat orders from clients. Implementation of proper fund management at the Corporate level has resulted in effective utilization of financial resources. The Company is diversifying in new areas having synergy with present line of business.

CONSTRUCTION SAFETY MANAGEMENT

In NPCC, safety and health are accorded the highest importance and are integral to the manner in which we conduct our business. The company has put in place a robust system for safety management and Safety policy that incorporates standard operating procedures, instructions, safe methods of work and work permit system.

At NPCC we believe in prioritising safety and health of our people and incorporating this as a value. Safety is embedded across the organisation and is an integral part of how we conduct our business. It is our continuous effort to make it a safe place. During recent years, effective implementation of the safety measures has been undertaken to minimize the cases of accidents and aims to achieve zero harm in forthcoming times.

MOU WITH THE MINISTRY

Based on the achievement of MOU targets, during the year 2018-19, the Corporation is likely to achieve '**Good**' rating.

MoU parameter for the Year 2019-20

One Parameter of Increase in Profit Before Tax of NPCC Ltd over previous year is included in the MOU of WAPCOS which was submitted to the DPE through Ministry of Jal Shakti, Department of Water Resources, River Development & Ganga Rejuvenation on 15/05/2019 after signing of the same.

CORPORATE GOVERNANCE

Your Company is committed to practice Corporate Governance in conducting business in a legal, ethical and transparent manner. The Company believes that good corporate governance practices lead to creation of wealth for all stakeholders in the long term. Your Company has been complying with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE) and submit compliance report to Administrative Ministry i.e. Ministry of Jal Shakti, Department of Water Resource, RD & GR, on quarterly basis within stipulated time. Your Company's corporate governance practices have been recognized and awarded. During the year, the Company has been graded as "Excellent" for the year 2018-19 by the DPE on the basis of Self Evaluation Report on the compliance of guidelines on Corporate Governance for CPSEs.

Management Discussion and Analysis Report and Report on Corporate Governance are annexed in this Director's Report.

HUMAN RESOURCE DEVELOPMENT

Company has actively contributed in a responsible manner towards development of HR policies. NPCC aligns the employee needs with the organizational needs. We create a culture of team-building, empowerment, equality, novelty and openness which inspires employees and assists in attainment of the vision and mission of NPCC. The company is an equal opportunity employer and does not discriminate on the basis of gender, race, religion, language, region, etc. in recruitment, promotion and employment relationship.

Meritorious performers are awarded so as to boost their morale. International Day of Yoga was celebrated as per Govt. guidelines. NPCC believes that a well trained team is essential for its consistent growth. Hence, employees are sent to various institutions for upgradation of their knowledge and skills. NPCC has a sound Whistle Blower Policy to improve transparency and fight corruption, with provisions to protect the persons making public interest disclosure related to an act of corruption or misuse of power or criminal offences. NPCC regularly participates in Swachhta Pakhwada projects successfully in many parts of India wherein plantation drives, cleaning of ghats, competitions etc. are held.

LEARNING AND DEVELOPMENT

Focus is made on Skill development and behavioral interventions to make the employees industry-ready. Training is imparted to employees in reputed professional institutions for upgradation of skills and development of employees from time to time. This builds a winning attitude among employees with high ability to adapt to change. Induction Training was provided to the newly joined employees. During the financial year 2018-19, over 200 man days of training/ workshop was provided to Executives. NPCC also encourages employees to attain higher qualification for career growth and advancement. Ministry of Skill Development & Entrepreneurship has started Skill Sathi Counselling Scheme. Under this campaign, NPCC has counseled over 90,000 students studying in various schools and colleges across India. Another new scheme has been started by Govt. of India under National Apprenticeship Promotion Scheme(NAPS) to promote apprenticeship training and to increase the engagement of apprentices. Under this scheme, NPCC has issued orders for engagement of apprenticeship, NPCC intends to pursue structured aggressive training programmes for the employees in future too, to retain the knowledge edge in its core competency areas.

WOMEN DEVELOPMENT

NPCC is sensitive towards matters related to women employees. Special emphasis is laid on women empowerment. They are successfully handling many key posts in NPCC. Women employees are sent for training. Women's Day is celebrated annually as a gesture towards their contribution and recognition. Professionals were invited to conduct a session at NPCC Corporate Office. There is an Internal Complaints Committee for prevention of sexual harassment of women at work place, with inclusion of a NGO Member. Women are adequately represented in various Committees. Maternity Leave is provided as per rules of the Corporation.

SAFEGUARD OF WOMEN AT WORKPLACE

There is an Internal Complaints Committee in NPCC for prevention of sexual harassment of women at work place. The Complaints Committee of NPCC looks after complaints of women employees regarding sexual harassment in NPCC. The Committee addresses the complaints with prompt action. The full fledged Internal Complaints Committee has an NGO member as well for the period January 2018 – December 2018 one complaint of sexual harassment was received and disposed off in the same year. There were no cases pending for more than ninety days. The internal complaints committee held a meeting in 2018. NPCC had sent woman employees on training programmes pertaining to capacity building/leadership/interpersonal skills.

EMPLOYEE WELFARE

NPCC maintains warm, smooth and cordial relations with its employees. Pay Revision of all employees- Executives, Non Executives and Workmen on IDA Pay scale, has been implemented

timely w.e.f. 1.1.2017. Over 100 workmen had been deployed to various Hydrological observation sites of CWC, for optimum utilization of manpower. Efforts are made for aligning our welfare measures towards enhancement of quality of work life of our employees. Medical reimbursement of medical bills of chronic/indoor/prolonged treatment in respect of Executives, Non-Executives and Workmen is provided by NPCC. NPCC takes adequate care in case of death of employees as there is a Death relief fund in place for the family. There is a full-fledged canteen at Corporate Office to cater to the employees working in the Corporation.

To meet the shortfall in manpower, recruitment on regular basis in many disciplines in Executive cadre was done, thereby providing employment. NPCC is concerned about the contractual staff as well. Remuneration of contractual staff has been enhanced in view of inflation and market conditions. The company gives cash or memento up to Rs. 8000/- to retiring employees at the time of superannuation in the form of gift. NPCC arranges the celebration of the farewell of retiring employees. NPCC has a Grievance Cell of 2 types comprising Staff Grievance Redressal Committee and Public Grievance Redressal Committee. Grievances are settled promptly. In order to streamline the RTI applications, the system stands centralized with a CPIO and an appellate Authority-Ist.

TALENT ACQUISITION

In order to overcome the shortfall in manpower, recruitment on regular basis in many disciplines in Executive cadre was done, thereby providing employment. The company takes affirmative action in recruitment for representation of employees from socio-economically backward sections of society as well representation of minorities, as mandated by the Govt. of India. Reservations for Persons with Disabilities(PwD) is complied with, as per Govt. guidelines. In the recruitments held last year, one PWD candidate joined in 2018. Additional Transport allowance @ 10% of basic pay is provided to below Board Level persons with Disability.

EMPLOYEE STRENGTH

There were around 662 employees on the rolls of NPCC, as on 1.4.2019, at the close of the financial year, with details given here under:

DESCRIPTION	MALE	FEMALE	TOTAL
Executive	223	26	249
Non-Executive	121	11	132
Workmen	276	5	281
Total	620	42	662

SCHEDULED CASTE, SCHEDULED TRIBE AND OTHER BACKWARD CLASSES

With a view to accelerate the pace of socio-economic development of the nation, NPCC has been endeavoring towards safeguarding the interests of SC/ST and other socio-economically backward sections of society. Reservation in vacancy is kept for SC, ST, OBC(NCL) as per Govt. of India guidelines. NPCC has a separate Liaison Officer for SC/ST employees, OBC employees and PwD employees.

INDUSTRIAL RELATIONS

Timely pay revision of Non Executives and wage revision of workmen, following IDA pay pattern, was implemented based on agreement signed between representatives of Management and the various Unions/Federations, to prevent industrial unrest.

NPCC maintains amicable, healthy and harmonious relations with its employees. Industrial Relations in the Company are employee-oriented and based on trust with two-way communication flowing in the Organization with equal ease.

IMPLIMENTATION OF OFFICIAL LANGUAGE

The provisions of the Official Language Act and rules were followed in the Company during the year under report. Efforts were made to increase the progressive use of the official language in accordance with the policy of the Government of India. Employees were encouraged to use Hindi maximally in their daily official work.

Various incentive schemes were continued to enhance the use of Hindi during the year. Besides other Incentive Schemes, incentive Scheme for children of NPCC employees on securing higher percentage of marks/grades in Hindi at Secondary and Senior Secondary level Examinations was continued and cash award amount of the incentive was enhanced.

A Hindi fortnight was observed from **14-28** September, 2018 and various Hindi competitions viz Hindi Nibandh Lekhan Pratiyogita, Hindi Patra Evam Tippan Lekhan pratiyogita and Samanya Gyan Evam Chitra Abhivyakti Pratiyogita were organized at Corporate level and Zonal/Unit level in which officers/staff actively participated. A special in-house Hindi training for the New Employees was organized at Corporate Office, Gurugram on 29th March 2019 to make them aware of the Official Language Rules and regulations of the government.

Rajbhasha inspection of our corporate office, Gurugram was conducted by 2nd Sub-Committee of Parliament on official language, New Delhi on 29 October 2018.

VIGILANCE ACTIVITIES

Vigilance Division, functioning under Shri A.K. Srivastava, IFS, Chief Vigilance Officer, is

working towards creation of fair, transparent, just policies and cordial atmosphere / environment in NPCC. Main focus of the Vigilance Division is on Preventive Vigilance. The activities, inter-alia, undertaken by the Vigilance Division are as below:-

(i) PREVENTIVE VIGILANCE INITIATIVE TAKEN BY NPCC

a) Conduction of intensive CTE Type inspection of Construction Projects during 2018-19.

NPCC conducted the CTE Type Inspections as per statutory requirements. These inspections are also meant for quality assurance, proper maintenance of record and proper execution of projects. The inspections were carried out for the following works:

- ◆ Construction of 120 Men Barrack (G+3) including internal electrification, sanitary, plumbing & external development works at Sector Head Quarter, BSF Campus, Durtlawng, Aizawl, Mizoram, awarded by the Ministry of Home Affairs.
- ◆ Construction of College of Horticulture and Forestry at Thenzawl, Mizoram, awarded by the Central Agricultural University, Imphal.
- ◆ Construction of Building for Regional Research Institute (Homeopathy) Jaipur, awarded by Central Council for Research in Homeopathy.
- ◆ Construction of Permanent Integrated Coy level Building B.O.P., Lukung, Leh, (J&K), awarded by Indo Tibetan Border Police.
- ◆ Works of Renovation, Up-Gradation and Development of Sports Facilities at Bakshi Stadium, Srinagar (J&K), awarded by the Ministry of Youth affairs and Sports, Govt. of India.
- ◆ Construction of 3 Bed Rooms Flats of Muthi 3 Blocks (G +11) of 24 Units each, awarded by the Jammu Development Authority.

b) Conduction of Vigilance Awareness Workshop at Zonal Offices

- ◆ The Vigilance Team conducted a Vigilance Awareness Workshop at Guwahati for the staff and officers from NER Zones (IBBW, Central & West). The Officers and Staff were sensitized about the issues related to Vigilance Angle, provisions of Anti Corruption Act, Whistle Blower's Act and CVC guidelines along with CVC Manual.
- ◆ Various aspects of Office procedure as per DoPT guidelines for day to day working were also elaborated for improving the office working.

c) Observance of Vigilance Awareness Week 2018

- ◆ Banners / Posters about the Vigilance Awareness and Eradication of Corruption were displayed at all the Units, Zones, and Registered & Corporate Offices of NPCC.
- ◆ Pamphlets were distributed in the Corporate Office, Registered Office, Delhi, Ranchi, and Bengaluru Zonal Offices.
- ◆ Workshops, Essay Writing, Poster and Elocution Competitions were held during Vigilance Awareness Week in 15 Institutions (Schools, Colleges & NGOs) in Bengaluru (Karnataka), Delhi, Faridabad & Gurugram (Haryana), Jalpaiguri (West Bengal) Ranchi (Jharkhand) Shillong (Meghalaya), Silchar (Assam), attended by more than 1400 participants. All of them took Integrity Pledge.
- ◆ Essay Writing Competitions were held in Schools / Colleges at Bengaluru, Faridabad, New Delhi, Ranchi and Shillong.
- ◆ Poster Making Competition was held at New Delhi and Shillong while Elocution Competition were held at Faridabad and Shillong.
- ◆ A rally for Anti-Corruption Awareness was held on 02.11.2018 at Badarpur, Delhi in association with AIDER NGO wherein 25 children participated and performed Nukkad Natak on Corruption and its effects on society at five places.
- ◆ Workshop on Anti-Corruption and Preventive Vigilance conducted on 29th Oct, 2018 after the pledge, CVO NPCC discussed the Vigilance Awareness and its effects. Shri H. Govind, Dy. Director from ISTM gave the overview on RTI in the pre-lunch session. The session attended by 40 employees.
- ◆ Shri Mukesh Kumar, Director CVC gave presentation on CVC and the process related to dealing of Complaints and Shri Brij Bhushan Singh, Dy. Director, Transparency International India, gave presentations on Public Procurement and tools of Good Governance in the post lunch Session. The session was attended by 50 employees.

(ii) SYSTEMATIC IMPROVEMENTS UNDERTAKEN

- ◆ The Vigilance Division is striving to bring out uniformity in the inspection that is being conducted in various units through initiation of fixed formats prescribed by the Chief Technical Examiner's Organization. Efforts are made to formulate a system, Standard Operating Procedures for e-tendering, NITs and Tendering Procedures, Recruitment & Promotion Process and Monitoring of Projects.

- ◆ Details of Contract awarded during the financial year are being uploaded on NPCC website as per CVC guidelines.
- ◆ Emphasis on enhanced usage of IT in office workings and uploading of circulars on the NPCC website. Development & Design of website was emphasized to follow Guidelines for Indian Government Website.
- ◆ Workshops on Vigilance and Office Procedures are conducted in field Offices during visits of Vigilance Team.
- ◆ The complaints are dealt in accordance with CVC Guidelines. Efforts are being made to obtain the documents/information from various Divisions for speedy disposal of vigilance cases and bringing down the pendency level.
- ◆ Continuous liaison was done in-house and with CVC and Ministry of Jal Shakti, Department of Water Resources, RD & GR for quick disposal of the cases.
- ◆ Vigilance Clearance was not given to persons who failed to submit the IPR and this gave a message to all the employees for timely submission of IPR. Now process of IPR submission has improved

(iii) SUBMISSION OF REPORTS BY NPCC VIGILANCE

- ◆ The Monthly, Quarterly and Annual Reports of the Vigilance Division are being sent to CVC and Ministry regularly and timely.
- ◆ PIDPI quarterly returns are being submitted regularly on time.

RIGHT TO INFORMATION ACT

Right to Information (RTI) Act 2005 through 15 years of its existence, has empowered the Indian Citizen to access the information from Public Authorities, consequently creating transparency and accountability to the work of the authorities. In compliance to the various provisions of Right to Information Act, 2005, Company has placed various documents/records on its website which are being updated regularly. The applications received were handled promptly and information was provided to the applicants. The information is sought by the applicants under RTI Act 2005 are offline as well as centralized RTI-online provision for submission of RTI applications/ First Appeals online coupled with payment of application/additional fees through internet banking, debit/credit cards and RuPay cards, has been provided (Portal managed by Department of Personnel & Training, Government of India), which enabled the citizen to file their applications/ first appeals with ease and receive information faster, cutting on the cost of postal dispatch and time of postal transit.

Nominated Nodal Officer forwards the online applications/ appeals to Public Information Officer/ Appellate Authority-I. Public Information Officer provides information with the support of APIOs in Corporate Office and Zonal level to the applicants online/offline. Appellate Authority-I disposes appeals received from applicants related to their application. One Senior Officer has been designated as Transparency Officer. All the Officers holding posts under the Act are very senior and well conversant with the Act. Utmost transparency is kept in mind while providing the information to the applicants. The information received from the projects scattered pan India is provided under single window system of the Corporation promptly and effectively.

Every effort is made to provide the information within the stipulated time. Tracking and rigorous follow-up is done for each application for its timely disposal. RTI portal is used effectively for dissemination of information

The Public Information Officer (PIO) received 182 new applications in the year 2018-19 for information under the RTI Act, 2005, as against 146 during the previous year, whereas the office of the First Appellate Authority (FAA) received only 38 first appeals as against 52 during the previous year. NPCC has also complied with the decision of the Hon'ble Central Information Commission in the seven second appeals, as against seven second appeals filed during the last previous year.

PROJECT MANAGEMENT AND CO-ORDINATION

Dy. General Manager (PM&C) is heading independent division in corporate level to monitor the all running projects and providing necessary support for execution of projects. Division is also exhibiting the half yearly/ yearly performance review of corporation in front of Hon'ble Minister/ Secretary, Ministry of Jal Shakti, Department of Water Resources, RD & GR Water Resources, River Development & Ganga Rejuvenation (MoJS, DoWR RD & GR) as per MoU signed.

PMC Division also interacts with different Ministries (including MoWR, RD & GR), State Govt. and Central Government agencies/ regulatory bodies regarding various issues pertaining to the corporation as well as implementation of projects within sanction cost and schedule time adhering specifications.

MoU with Zonal Managers is also get signed between CMD, NPCC and Zonal Managers with an objective of fixing targets of Turnover, New Business, Operating profit, Reduction in Debtors/ Trade receivables and other parameters at Zonal levels to facilitate the growth of the Company. The MoU is kept as Performance criteria regarding the working of the corporation and Zonal Offices. Division looks after progress of Works on weekly/ monthly basis for all Zonal Offices (turnover, Business Development, receivables and other related matters of Zones) as per MoU targeted for the year.

PMC Division is organising quarterly Zonal Manager's meeting to have comprehensive one to one interaction of the all the Zonal Managers with CMD/other Senior Officers regarding progress of work as per MoU targets & various important issues of the zone. These meetings provide necessary inputs for enhancement of complete working of Corporation. Zonal Managers are interacted regularly through Video conference for the progress or deficiency of compliance of government laws or any irregularity in the working. Quarterly progress of work in respect of MoU is also reviewed by Board of Directors of Corporation and half yearly performance is reviewed by the Administrative Ministry. Project Management Implementation System on the website of Corporation is implemented to monitor the progress of works online. Regarding good Corporate Governance, division prepared and implemented the CSR & Sustainability Policy and Risk Management Policy of NPCC.

Your Company has adopted an Online Project Monitoring system (OPMS) for the planning, scheduling, monitoring and control of approved projects under implementation. The OPMS addresses all stages of project implementation, from concept to commissioning.

Your Company has established state-of-the-art IT enabled Project Monitoring Centre (PMC) for facilitating fast track projects implementation. PMC facilitates monitoring of key project milestones and also acts as decision support system for the management.

OPMS is an integrated enterprise-wide collaborative system to facilitate consolidation of performance of Ongoing works, Completed Projects, Business Development & Projects in Tendering stage. Reports from OPMS can be generated Zone wise, work wise, Customized report, Client wise and contractor wise.

Video conference facility is extensively utilized for project tracking, issues resolutions and management interventions. PMC has helped in providing effective coordination between the agencies and has provided enhanced/ efficient monitoring of the projects leading to better and faster project execution.

RISK MANAGEMENT POLICY

The Company has Board approved Risk Management Policy, which contains, inter alia, Risk areas identified and Action Plan suggested for mitigation of identified risks. Heads of Departments and Zonal Incharge are responsible for implementation of the Risk Management Policy as applicable to their respective areas of functioning.

PARTICULARS OF EMPLOYEES

No employee received remuneration during 2018-19, either equal to or in excess of the limits prescribed under rule 5(2) of Companies (Appointment and Remuneration of Managerial personnel) Rule, 2014.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The detail of particulars required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are Nil.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB SECTION (3) OF SECTION 178

MCA vide notification No. GSR 463 (E) dated 05th June, 2015 has exempted the Government Companies from applicability of provisions of Section 178(3) of the Companies Act, 2013

REMUNERATION POLICY OF DIRECTORS, KMPs AND SENIOR MANAGEMENT-SECTION 178(4)

MCA vide notification No. GSR 463 (E) dated 05th June, 2015 has exempted the Government Companies from applicability of provisions of Section 178(4) of the Companies Act, 2013

A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

MCA vide notification No. GSR 463 (E) dated 05th June, 2015 has exempted the Government Companies from applicability of above provision. The appointment of the functional Directors, Government Nominee Directors and Independent Directors of your Company is made by the Government of India. Their terms and conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Functional Directors as well as of Government Directors by the Administrative Ministry. Also the performance of the Board of the Government Companies is evaluated during the performance evaluation of the MOU signed with the Government of India. Further, MCA vide its notification dated July 5, 2017 has amended Schedule IV to the Companies Act, 2013 with respect to performance evaluation of Directors of the Government Companies, and exempted certain class of Directors.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contract and/or arrangements with related parties during the year 2018-19.

LOAN, GUARANTEES OR INVESTMENTS BY COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given or taken any loan, guarantee or has not made any investment falling under section 186 of the Companies Act, 2013 during the year 2018-19.

EXTRACTS OF THE ANNUAL RETURN

Extract of Annual Return of the Company is annexed to this report. Extract of the Annual Return of the Company has been hosted at NPCC website at www.npcc.gov.in. Also, Form MGT-9 is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Management Discussion and Analysis is annexed to this report.

COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, the Company complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

NUMBER OF MEETINGS OF BOARD

The Information on number of meetings of Board held during the year, composition of Board of Directors, composition of committees of Board and their meetings held during the year, training policy of Directors have been provided in the Report on Corporate Governance, which forms part of this Directors Report

FIXED DEPOSITS

Your Company has not accepted/renewed any deposits covered under Chapter V of the Companies Act, 2013 during the year under review. As such there were no deposits which were not in compliance with the requirement of Chapter V of the Companies Act, 2013.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB SECTION (6) OF SECTION 149

Dr. Shri Ravindra K. Pande Independent Director and Dr. (Smt) Jayashree Gupta, Independent Director, have given a declaration that they meet the criteria of independence provided in section 149 (6) of the Companies Act, 2013.

COST AUDIT

Considering the nature of activities of the Company, the Order issued by the Central Government for maintenance of cost records and audit are not applicable to the Company.

BUY-BACK OF SHARES

The Company has not resorted to any buy-back of shares during the year under review.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY POLICY

CSR has been synonymous with Company's core business of Construction. The Company's spirit of caring and sharing is embedded in its mission statement. The Company has a comprehensive Policy for CSR & Sustainability in line with Companies Act, 2013 and DPE Guidelines for CSR. Focus areas of your Company's CSR & Sustainability activities are Health, Sanitation, Safe Drinking Water, Education, Capacity Building, Women Empowerment, Social Infrastructure livelihood creation and support through innovative agriculture & livestock development, support to Physically Challenged Person (PCPs) and activities contributing towards Environment Sustainability. The Company commits itself to contribute to the society, discharging its corporate social responsibilities through initiatives that have positive impact on society at large, especially the community in the neighborhood of its operations by improving the quality of life of the people, promoting inclusive growth and environmental sustainability. Preference for CSR & Sustainability activities is given to local areas around Company's operations, ensuring that majority CSR funds are spent for activities in local areas.

However, considering Inclusive Growth & Environment Sustainability and to supplement Government effort, activities are also taken up anywhere in the country.

During the year 2018-19, your Company has undertaken; Repair and Renovation work of Indian Red Cross Society Wellness Centre at Duttabad (Kolkata); Supply and Installation of 50 Nos. Hand pumps in various districts of Muzaffarnagar and Bagpat; Digitalization of class rooms in Primary school at Pardi and Work executed by different zones under Monthly swachhta Campaign during 2018-19 and Swachhta Pakhwada from 16.3.2019 to 31.3.2019.

A report with details of the activities and future plan for coming year is attached as annexure to the Directors' Report.

SUBMISSION OF COMPLIANCE OF MSME GUIDELINES

It always has been endeavour of NPCC to support Micro and Small Enterprises (MSEs) and local suppliers. NPCC has taken a number of steps including the necessary steps to implement the Public Procurement Policy of the Government of India to procure the items specified from MSEs. Necessary provision is made in all the tenders stating the eligibility of MSEs to participate in the tender. As mandated in the Public Procurement Policy-2012 for MSEs (issue by Ministry of MSME, Govt. of India), the actual procurement from MSEs during the year was 49.52% on GeM portal

IMPLEMENTATION OF GOVERNMENT e-MARKETPLACE (GeM)

NPCC had implemented government e-marketplace (GeM) from August 2017 for online purchase of goods and services. Officials have been provided training for utilizing the GeM Portal for procurement. During the final Year 2018-19, procurement amounting to Rs 23.50 lakh was made through GeM Portal.

WEBLINK

The following policies may be accessed on the Company's website www.npcc.gov.in as under :

- 1) Corporate Social Responsibility Policy
- 2) Vigilance Guidelines
- 3) Risk Management Policy

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, Directors of the Company confirm that:

- ◆ In preparation of 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the statement of the Profit & Loss of the Company for that period;
- ◆ The Directors have taken proper and sufficient care of the maintenance of the adequate accounting records in accordance with the provisions of the Act 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'.
- ◆ The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- ◆ The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

For Audit of Accounts of the Corporation for the year 2018-19, M/s K.B. Chandna & Company, Chartered Accountants were appointed as Statutory Auditors. M/s A.R Das & Associates, Chartered Accountants, M/s Saurabh Aggarwal & Associates, Chartered Accountants, M/s R. V.K.S. and Associates, Chartered Accountants are the Branch Auditors for Kolkatta, Guwahati and Chennai respectively.

SIGNIFICANT AND MATERIAL ORDERS

There have been no material changes and commitment affecting the financial position of the Company which occurred between the end of the financial year of the Company to which financial statements relate and the date of this report, except the following :

Strategic Disinvestment : Government of India has strategically disinvested NPCC Limited by selling its entire shareholding comprising of 98.89% paid up capital to WAPCOS Limited; a Mini-Ratna-I accredited Public Sector Enterprise under the same Ministry of Jal Shakti, Department of Water Resources, RD & GR. By virtue of this acquisition, NPCC has become subsidiary of WAPCOS Limited.

Transfer of Management Control: Vide letter No. U-16/3/2017-PSU/276 dated 11.06.19 of Ministry of Jal Shakti, Department of Water Resources, the additional charge for the post of CMD, NPCC has been entrusted to Shri R.K. Gupta, CMD, WAPCOS.

ACKNOWLEDGEMENT

The Directors of your Company acknowledge and appreciate the co-operation and support and guidance received from the Ministry of Jal Shakti, Department of Water Resources, River Development & Ganga Rejuvenation and other Ministries and Organizations of Govt. of India and the State Governments.

Your Directors express their gratitude to CAG of India, Statutory Auditors, Branch Auditors, and Bankers' for their valued cooperation. The Board of Directors acknowledges with deep sense of appreciation, the cooperation received from Ministry of Home Affairs, Ministry of Finance, Ministry of Rural Development, Ministry of Health, Ministry of Youth Affairs & Sports, Planning Commission, Cabinet Secretariat, Department of Public Enterprises, Department of Science and Technology, Ministry of Corporate Affairs and Registrar of Companies.

Your Directors also wishes to thank consultants, contractors, sub-contractors, vendors for their contribution in implementation of various projects with the Corporation.

Your Directors also take this opportunity to place on record the sincere appreciation for the hard work and efforts put in by all the Members of the NPCC family towards the growth and progress of the Corporation.

For and on behalf of the Board of Directors

Sd/-

(R.K. GUPTA)

Chairman-cum-Managing Director

(DIN No. 02765470)

Date : 09.08.2019

Place : New Delhi

REPORT ON CSR ACTIVITIES AND FUTURE PLAN

1. A brief outline of the company's CSR policy, including overview of projects or works proposed to be undertaken with reference to the CSR policy:

Your Company's obligation to maximize its positive impact on stakeholders and to minimize its negative impact of legal, ethical, economic, and philanthropic (discretionary) dimensions, as well as to create a positive and lasting social impact by mutual trust and respect by raising the standard of living of the people in and around the vicinity of project site.

NPCC's approach to CSR and Sustainability is that of leveraging its core competencies and technical capabilities in enhancing social and environmental value creation thereby adopting the "shared value" approach, wherever possible, in their routine business operations.

Vision

To contribute to inclusive growth and equitable development in our areas of operations by partnering with internal and external stakeholders and leveraging CSR for business value creation.

CSR Policy of NPCC provides for welfare measures for community and contribution to society at large by way of social & cultural development and being sensitive towards the need of socially and economically underprivileged class.

Status of CSR and Sustainability activities is placed before Board of Directors as well Board level CSR and Sustainability Committee.

2. The Composition of the CSR Committee:

In line with the provisions of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014, NPCC has constituted a Board level Corporate Social Responsibility (CSR) and Sustainability Committee headed by an Independent Director on 24th March 2017.

Role of Board Level Committee is to-

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

The composition of Corporate Social Responsibility and Sustainability Committee as on 31st March 2019 was

1. Dr. Ravindra Pande, Independent Director : Chairman
2. Shri Manohar Kumar, Director (Engineering) : Member
3. Shri Sahab Narain, Director (Finance) : Member
4. Shri Nitishwar Kumar, JS(A); Govt. Nominee Director: Member

The details about meetings of the CSR & Sustainability Committee and attendance are given in Corporate Governance Report.

NPCC is also having a Below Board Level CSR and Sustainability Committee headed by a Nodal Officer along with team of officials.

3. **Average net profit of the company for last three financial years:**

The average net profit for the immediately preceding three financial years (i.e. Rs. 30.36 Crore for the year 2017-18, Rs. 28.84 crore for the year 2016-17 and Rs 10.81 crore for the year 2015-16) has been 23.34 crore.

4. **Allocated CSR Expenditure (two per cent. of the amount as in item 3 above):**

Allocated CSR Expenditure for the year 2018-19 was Rs. 46.67 Lakhs (2% of Rs. 23.34 crore).

5. **Details of CSR spent during the financial year:**

- a. Total amount to be spent for the financial year 2018-19-

Total budget of Rs. 116.44 Lakhs was available for undertaking CSR & Sustainability activities for the year 2018- 19 which includes unspent balance of Rs. 69.77 Lakhs carried forward from previous years and Rs. 46.67 Lakhs towards allocation for 2018-19. NPCC already spent Rs.55.12 Lakhs and implementing Rs. 18.82 Lakhs works. Six projects were approved by Board valuing Rs. 36 Lakhs.

- b. Amount unspent, if any;

In compliance to DPE Guidelines on Corporate Social Responsibility and Sustainability for CPSEs, Rs. 61.32 Lakhs would be carried forward to the next year

towards utilization of CSR and Sustainability activities approved in 2018-19 and new works/project undertaken in 2019-20.

c. Detail of the approved projects/amount spent during the financial year is as below-

Sl. No	CSR project identified	Sector	State and district of Project coverage	Amount spent during 2018-19 (in Rs.)	Direct or through agency
1	Expenses against Monthly Swachhata activities & Swachhata Pakhwada held during 2018-19	Item No. IV of Schedule –VII	All over India at Units, Zones & Corporate Office	243769.10	Direct
2	Repair and Renovation work of Indian Red Cross Society Wellness Centre at Duttabad, Kolkata	Item No. I of Schedule –VII	Kolkata (W.B.)	312916.00	Done through tender process
3	Supply and Installation of 50 Nos. Hand pumps in various districts of Muzaffarnagar, Bagpat	Item No. I of Schedule –VII	Muzaffarnagar, Bagpat	3955746.00	Done through tender process
4	Pradooshan se Ganga Bachao Abhiyan"	Item No. IV of Schedule –VII		300000.00	Direct
5	Digitalization of class rooms in Primary school at Pardi	Item No. II of Schedule –VII		200000.00	Direct
6	Corporate Conclave on "CSR connecting Rural India" organized by GLA University, Mathura from 11th-12th January, 2019 under CSR	Item No. II of Schedule –VII		500000.00	Direct
7	Construction/Renovation of 44 Nos. Toilets along the Ganga Ghat at Simaria in Begusarai District	Item No. (iv) of Schedule-VII	Begusarai District, Bihar	*0.00	Done through tender process
	Total			5512431.10	

*The balance work of Construction/Renovation of 44 Nos. Toilets along the Ganga Ghat at Simaria in Begusarai District taken up in 2017- 18 which will complete in 2019-20.

6. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

The amount allocated to be spent during 2018-19 was Rs. 46.67 Lakh + Rs 69.77 lakh (unspent amount allocated during 2017-18) and Total Expenditure made under CSR activities was Rs. 55.12 lakh + Rs 18.82 Lakh (ongoing)+Rs 36 Lakhs (Approved), so total Balance unspent allocated under CSR amount Rs. 6.50 lakh (to be utilized during 2019-20)

For and on behalf of the Board of Directors

Sd/-

Dr. Ravindra K. Pande

Independent Director

Chairman of CSR Committee

(DIN No. 07723706)

Sd/-

(R.K. GUPTA)

Chairman-cum-Managing Director

(DIN No. 02765470)

Date : 09.08.2019

Place : New Delhi



Plantation & Cleaning of Collectorate Ghat at Patna, Bihar



Shramdan & Swachhta Rally & Ghat cleaning at Mahajantoli Ghat, Rajmahal (Jharkhand)



Installation of Handpumps Under CSR



Repair & Renovation of Indian Red Cross Society Wellness Centre, Kolkata

REPORT ON CORPORATE GOVERNANCE

Corporate governance is set of policies and business process driven by conscience, openness, fairness, professionalism & accountability with an aim of enhancing an organization's wealth generating capacity. It is a journey towards sustainable value creation for all stakeholders through robust & transparent governance mechanism in the Company. NPCC firmly believes that sound Corporate Governance is critical for enhancing and retaining investor trust. We are committed for meeting our performance goals with ethics and good governance.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, our Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability besides building confidence in its various stakeholders, thereby paving the way for long term success."

The above philosophy of corporate governance entails that our governance process is devised in such a manner so as to meet aspirations of our stakeholders and expectations of the society and nation. NPCC is constantly striving to adopt emerging best practices in corporate governance. It is our endeavour to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfilment of stated goals and objectives.

CORPORATE GOVERNANCE RATING

The Company follows the guidelines of Corporate Governance issued by Department of Public Enterprises (DPE), Government of India. During the year, the Company has been graded as "Excellent for the year 2018-19 by the DPE on the basis of Self Evaluation Report on the compliance of guidelines on Corporate Governance for CPSEs.

DPE GUIDELINES

The Annual compliance report on Implementation of Policies and Guidelines issued by Department of Public Enterprises for financial year 2018-19 was sent to Ministry of Jal Shakti, Department of Water Resources, RD & GR vide letter dated 30.04.2019.

BOARD OF DIRECTORS

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of shareholder value. The Board reviews and approves management's strategic plan & business objectives and monitors the

Company's strategic direction. The Board of Directors function in accordance with the powers delegated under the Companies Act, 2013, Memorandum & Articles of Association, Miniratna Guidelines issued by DPE and other guidelines issued by the Government of India from time to time, as may be applicable on the Company.

NPCC Limited is a Government Company as defined under Section 2(45) of the Companies Act, 2013. The Board has an optimum combination of executive and non-executive Directors. The Board, as on 31.03.2019 comprised of Six Directors which included (i) Two whole-time Functional Director viz., (a) Director(Engg), who was also holding additional charge for the post of CMD and (b) Director(Finance) (ii) two Government Directors and (iii) Two Non Official Part Time Independent Directors. The post of Full time Functional CMD and one Independent Director are vacant and necessary action is underway by Ministry of Jal Shakti, Department of Water Resources, River Development & Ganga Rejuvenation to fill-up the positions.

The Independent Directors are usually drawn from the field of Management, Accounts and Engineering as per Article 81(c) of Articles of Association. The Nominee Directors on the Board were appointed by the Administrative Ministry of Government of India in terms of Article 81(a) of Articles of Association of the Company.

The Board of Directors play primary role in ensuring good governance and functioning of the Company. The meetings of the Board are normally held at the registered office of the Company in New Delhi.

The Board meets at regular intervals to discuss the physical and financial progress of the Company. The decisions are taken by the Board of Directors after deliberations. The Board periodically reviews the compliances status of all the applicable laws. During the year under review **Five Board Meetings were held on 09.05.18, 27.07.18, 27.08.18, 28.12.18 and 15.03.19.** Provisions of the Companies Act, 2013 amended up to date have been properly adhered to regarding holding of the Board Meeting.

Details of composition of the Board of Directors, their tenure, category of the Director, attendance at the Board Meeting, General Meeting & other Directorships held during the year 2018-19 are given below:

Name of Directors	DIN No.	Meeting Attended	AGM of 2017-18 Attended	Other Directorship	Period
(a) Functional Directors					
Shri Manohar Kumar* Chairman & Managing Director (Addl Charge)	07382754	5/5	Yes	NIL	w.e.f. 13.03.18 to 11.06.19
Shri Manohar Kumar Director(Engg)	07382754	5/5	Yes	NIL	w.e.f. 21.04.16
Shri Sahab Narain Director(Finance)	03641879	5/5	Yes	NIL	w.e.f. 29.07.16
(b) Govt. Nominees					
Shri Jagmohan Gupta JS & FA-MOJS, Deptt. of WR, RD & GR	02858377	3/5	Yes	NIL	w.e.f. 21.07.15
Shri Sanjay Kundu JS(PP)-MOJS, Deptt. of WR, RD & GR	07632839	1/1	NA	NIL	w.e.f. 20.09.16 to 25.05.18
Shri Nitishwar Kumar JS(A)-MOJS, Deptt. of WR, RD & GR	05326456	2/4	Yes	NIL	w.e.f. 25.05.18
(c) Independent Directors					
Dr. Ravindra Pande	07723706	3/5	Yes	NIL	w.e.f. 07.02.17
Dr. (Smt) Jayashree Gupta	01475898	4/5	Yes	NIL	w.e.f. 07.02.17

***Note :** Additional charge for the post of CMD, NPCC was entrusted to Shri Manohar Kumar, Director (Engg.) during 13.03.2018 to 11.06.2019 by the Administrative Ministry

Vide letter No. U-16/3/2017-PSU/276 dated 11.06.19, of Ministry of Jal Shakti, Department of Water Resources, RD & GR, the additional charge for the post of CMD was entrusted to Shri R.K. Gupta, CMD WAPCOS for a period of one year.

Vide letter No. 9/3/2014-PSU/346 dated 13.08.19 of Ministry of Jal Shakti, Department of Water Resources, RD & GR, Shri Anupam Mishra, Director(Comercial & HRD)- WAPCOS Limited has been appointed as Government Nominee (Part Time) Director vice Shri Nitishwar Kumar, JS(A), Ministry of Jal Shakti, Department of Water Resources, RD & GR.

INDEPENDENT PART TIME DIRECTORS

In consonance of DPE's Corporate Governance Guidelines and in pursuant to Article 81 (1) (c) of the Articles of Association of the Company, the President has appointed (1) Dr. (Shri) Ravindra Pande, Professor, Kumaun University and (2) Dr. (Smt) Jayashree Gupta former Additional

Secretary to Government of India and Ex. CMD IDPL, as non-official part time directors on the Board of NPCC Limited. The said appointment has been communicated vide letter No. 9/1/2009-PSU Vol.III/209 dated 07.02.17

Their best experience will guide the Board for going a long way in improving towards corporate excellence.

INDEPENDENT DIRECTOR'S MEETING

During the year under review, there were two Independent Directors in the Company namely Dr. Ravindra K Pande and Dr. (Smt.) Jayashree Gupta. In accordance with DPE's O.M. No. 16(4)/2012-GM dated 28.12.2012 and O.M. No.16(4)/2012-GM dated 20.6.2013 as also pursuant to Section 149(8) read with Schedule IV – Part VII of the Companies Act, 2013 on the subject of Role & Responsibilities of Non-official Directors, a "Separate Meeting" of available Independent Directors was held on 29th March, 2019 without the attendance of Functional and Government Directors and Members of Management, in which the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties were assessed.

The Minutes of the above "Separate Meeting" was put up in the 322nd Board Meeting held on 09 August, 2019.

CODE OF CONDUCT

The Company's Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which has been circulated to all concerned executives. All Board Members and designated Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this report.

TRAINING OF BOARD MEMBERS

The Company, with the approval of the Board, formulated Training Policy for Board Members. Besides, all directors inducted on the Board of NPCC were introduced to the Company through presentations given by the senior management and executives of the Company. They are provided with necessary documents/brochures, internal policies of the Company as a part of the familiarization programme. Further the directors also updated from time to time on the development in the applicable laws from various statutory bodies to understand their role and responsibilities towards the Company. Company furnishes a set of documents to the directors on their joining the Board. The set includes Company's brochure, Annual Report, Memorandum and Articles of Association, Corporate Governance Guidelines and various policies etc. formulated.

Detailed presentations are made in Board Meetings about affairs of the Company. The Company also facilitates continuous training programmes for directors as per the policy on training of Directors. During the year under review, following trainings were attended by Directors

Shri Jagmohan Gupta, JS-FA, MOJS, Deptt. of WR, RD & GR Part Time Govt. Nominee Director

- ◆ One day training programme on Re defining the role and functioning of CPSE organized by DPE held in Delhi on 9th April, 2018

Shri Sanjay Kundu, JS(PP), MOJS, Deptt. of WR, RD & GR, Part Time Govt. Nominee Director

- ◆ One day training programme on Re defining the role and functioning of CPSE organized by DPE held in Delhi on 9th April, 2018

Shri Sahab Narain, Director (Finance)

- ◆ One day training programme on Re defining the role and functioning of CPSE organized by DPE held in Delhi on 9th April, 2018
- ◆ 7th Advanced Global Leadership Programme Organised by SCOPE from 20 August to 8 Sept. 2018 (With break from 26-28th August, 2018)

COMMITTEES OF BOARD

After the appointment of Independent Directors, NPCC, by following best practices of Corporate Governance, in its 306th Board Meeting (24.03.17) re-constituted the Committees, to assist Board in Compliance of Corporate Governance Guidelines of CPSE. These committees are as under:

- ◆ Audit Committee
- ◆ CSR Committee
- ◆ Remuneration Committee (constituted in 308th meeting held on 28.06.17)

AUDIT COMMITTEE

The Audit Committee was re-constituted in accordance with Guidelines on Corporate Governance for CPSE's in the 306th meeting the Board of Directors of the Corporation held on 24.03.17 with terms and reference of the Committee being same as proposed in the DPE Guidelines/Companies Act, 2013. The composition of Committee as on 31.03.19 was as under:

Name	Designation	Category
Dr. (Smt) Jayashree Gupta	Chairperson	Independent Director
Dr. Ravindra Pande	Member	Independent Director
Shri Manohar Kumar*	Member	Director(Engineering)
Shri Jagmohan Gupta JS & FA, MOWR, RD & GR	Member	Part Time Govt Nominee Director

*Note Shri Manohar Kumar was entrusted with additional charge for the post of CMD in the Company vide letter No.9/1/2012-PSU Vol. II (Pt.)/122 dated 15.03.18, of MOJS, Deptt. of WR, RD & GR w.e.f. 13.03.18 upto 11.06.19

Director (Finance) and Head of Internal Audit department are permanent invitees to the meetings of Audit Committee. Statutory Auditors were also invited to the meetings of the Audit Committee in which financial statements were discussed. Whenever desired by the Committee, senior officers were also invited to provide necessary inputs on the matters placed before the committee.

The Company Secretary acts as the secretary to the Committee

During the year 2018-19, three meetings of Audit Committee were held on 27.07.18, 27.08.18, and 28.12.18. There was 100% attendance in all the meetings except one meeting of 27.08.18 which could not be attended by Shri Jagmohan Gupta.

Dr. (Smt) Jayashree Gupta, Independent Director chaired all the meetings held during the financial year 2018-19. The time interval between any two Audit Committee meetings had not exceeded one hundred and twenty days. The Chairperson of the Audit Committee was present in the last AGM of the company to answer the queries of the shareholders.

CSR COMMITTEE

The Board Level CSR Committee was constituted in accordance with Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 in the 306th meeting the Board of Directors of the Corporation held on 24.03.17 with terms and reference of the Committee being same as proposed in the Act/Rules/DPE Guidelines. The composition of Committee as on 31.03.19 was as under :

Name	Designation	Category
Dr. Ravindra Pande	Chairman	Independent Director
Shri Manohar Kumar	Member	Director(Engineering)
Shri Sahab Narain	Member	Director(F)
Shri Nitishwar Kumar* JS(A), MOWR RD & GR	Member	Part Time Govt Nominee Director

*Note : Shri Nitishwar Kumar, JS(A) has been inducted as member in CSR Committee in place of Shri Sanjay Kundu, Ex JS(PP), MOWR, RD & GR, whose nomination has been withdrawn from the Board by the Ministry w.e.f. 25.05.18.

During the year 2018-19, three meetings of CSR Committee were held on 27.07.18, 27.08.18 and 28.12.18. There was 100% attendance in all meetings except for the meeting held on 27.07.18, which Shri Nitishwar Kumar, Govt Nominee Director could not attend due to his pre-occupation.

REMMUNERATION COMMITTEE

NPPC being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Chairman & Managing Director, Whole Time Directors and other Directors, are decided by the Govt. of India. The Part time Non-official (Independent Directors) are paid sitting fees for attending Board and Committee meetings. As per the norms of Govt. of India, the Government Nominee Directors are not entitled to get any remuneration/sitting fee from the Company. Further, the remuneration of employees of the Company is fixed as per extant guidelines issued by Department of Public Enterprises (DPE), from time to time. As per the DPE Guidelines on Corporate Governance, Nomination & Remuneration Committee is required to be constituted to decide annual bonus / variable pay pool and policy for its distribution across the executives and non-unionized supervisors within the prescribed limits.

The Board in its 308th meeting held on 28.06.17 re-constituted remuneration committee in consonance with DPE guidelines on Corporate Governance. As on March 31, 2019, the Remuneration Committee comprised the following members:

Name	Designation	Category
Dr.(Smt) Jayashree Gupta	Chairperson	Independent Director
Dr. Ravindra Pande	Member	Independent Director
Shri Nitishwar Kumar * JS(PP), MOWR RD &GR	Member	Part Time Govt Nominee Director

**Note : Shri Nitishwar Kumar, JS(A) has been inducted as member in CSR Committee in place of Shri Sanjay Kundu, Ex JS(PP), MOWR, RD & GR, whose nomination has been withdrawn from the Board by the Ministry w.e.f. 25.05.18.*

Director (Engg), Director (Finance) and HOD of HR Department are invitees to the meetings of the Committee.

During the year 2018-19, one meeting of Remuneration Committee was held on 27.07.18, which could not be attended by Shri Nitishwar Kumar, JS(A) due to his preoccupation.

REMUNERATION OF DIRECTORS

The remuneration payable to Functional Directors including Chairman & Managing Director is decided by the Govt. of India. As per the norms of Govt. of India, Government Nominee

Directors are not being paid any remuneration or sitting fees by the Company. In accordance to the Companies Act, 2013 read with DPE Guidelines, the Board of Directors of the Company in consultation with administrative ministry, is empowered to determine the sitting fee payable to Independent Directors within the ceiling prescribed under the Companies Act, 2013.

Details of remuneration of Functional Directors of the Company for the financial year 2018-19 are given in MGT-9 (Extracts of Annual Return). All the Non Official Part Time Independent Directors are paid sitting fees for attending meeting of Board of Directors or Committees thereof to which they are appointed as Members. The details of remuneration paid to Independent Directors during 2018-19 are as follows :

Name & Designation	Sitting Fees (Amt. in Rs.)
Dr. (Shri) Ravindra K. Pande Independent Director	127500
Dr. (Smt) Jayashree Gupta Independent Director	110000

GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2017-18*	28 th September'18	2.00 P.M.	Regd. Office
2016-17	29 th September'17	12.00 Noon	Regd. Office
2015-16	28 th September'16	12.30 P.M.	Regd. Office

*Note : The AGM was adjourned due to non availability of CAG Report. The adjourned AGM was held on 28.12.18

No Special Resolution was passed in the last three Annual General Meeting

No Extra Ordinary General meeting was held during 2018-19

AUDIT QUALIFICATION

The Comments on accounts for the year ended 31st March 2019 by the Statutory Auditor are given separately in the addendum to the Director's Report along with the comments of the Company.

CEO / CFO CERTIFICATION

The certification of Financial Statements by the Chairman-cum-Managing Director and Director (Finance) is enclosed.

COMPLIANCE CERTIFICATES

A Certificate obtained from a practicing Company Secretary regarding compliance of DPE's guidelines on Corporate Governance is enclosed.

SUBMISSION OF DATA SHEET FOR PE SURVEY

The data sheet for Public Enterprises Survey 2017-18 was submitted to the DPE on 28.09.2018 as per requirement of the DPE.

UNCLAIMED DIVIDENDS

The amount of dividend remaining unpaid/ unclaimed for seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. As of now, no amount is yet due for transfer to Investors Education and Protection Fund established by the Central Government.

The unclaimed dividend details are available on the website of NPCC at www.npcc.gov.in

MEANS OF COMMUNICATION WITH THE SHAREHOLDERS

As on date of signing of report the paid up share capital of the Company is being held by the WAPCOS Limited (A Government of India Enterprise) and 14 State Governments. Initially it was held by Hon'ble President of India. GOI strategically disinvested from NPCC and sold its entire holding (98.89% paid up capital to WAPCOS Ltd. The majority paid up capital of the company i.e. 98.89% is held by WAPCOS Limited and rest 1.11% is held by 14 State Governments. The Company displays complete Annual Report on its website for the information of its stakeholders together with other important information pertaining to the Company. Annual Report and other papers related to Shareholders are being sent regularly in physical form.

For and on behalf of the Board of Directors

Sd/-

(R.K. GUPTA)

Chairman-cum-Managing Director

(DIN No. 02765470)

Date : 09/08/2019

Place : New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

AN OVERVIEW

Incorporated on 9th January, 1957 as a wholly owned Government of India Undertaking, the President of India acting through Ministry of Jal Shakti, Department of Water Resources, RD & GR held 98.89% of share capital and balance by various State Governments. GOI strategically disinvested from NPCC Ltd. and sold its entire shareholding to WAPCOS Ltd. As on date 98.89% of share capital is held by WAPCOS Limited and balance 1.11% is being held by various state Governments. The Company has obtained Project Management & Consultancy ISO 9001:2015 certification from Blue Star Management Systems Pvt. Limited. The Company is a Mini Ratna Category-I, Schedule 'B' Public Sector Undertaking. The Company is engaged in the business of (i) project management consultancy services for civil construction projects (ii) civil infrastructure for power sector. Projects undertaken by the company are spread in different parts of the country. In addition, the company has also executed projects overseas.

FINANCIAL PERFORMANCE

During the year 2018-19, your Corporation has achieved an operating turnover of Rs. 1073.74 Crores as against Rs. 1127.17 Crores last year. The Corporation has earned the profit before tax of Rs. 18.21 Crores as against Rs. 30.09 Crores in previous year. Net Profit for the year 2018-19 is Rs. 11.65* Crores as against Rs. 30.36 Crores last year.

The outlook for the future is positive and Corporation is likely to further excel in the forthcoming year.

OUTLOOK

The Vision, Mission and objectives of the Company are:

VISION

"To become premier engineering projects implementing organization"

MISSION

"To achieve a turnover exceeding Rupees 3500 crores with positive net worth by 2021-22 by focusing value addition at all points of interaction with our clients and continuously enhancing capabilities of organization and employees through innovations."

* Refer Point No. 2 on Page No. 146

OBJECTIVES OF THE CPSE

1. To ensure customer satisfaction through :
 - ◆ Execution of projects within schedule time & cost,
 - ◆ Adhering Specifications & conditions of Contract,
 - ◆ Customer feedback & ensuring improvement.
2. Achieving Turnover Target as per MOU
3. Securing Business to maintain Work Order Book position around three times of Turnover.
4. Realizing old dues maximally and quickly for improving financial position of NPCC.
5. Continual capacity building of its officers.
6. Continual organizational re-structuring and diversification with focus to Business, Profitability and Customer's satisfaction..
7. Maintaining & improving ISO 9001–2015 based Quality Management Systems in all areas of activity.
8. Strive hard to improve quality standards by introducing standard operating procedure in all spheres of governance

BUSINESS OPERATIONS

The Company operates primarily in the following business verticals:

1. Project Management Consultancy for civil construction projects: NPCC provides Project Management Consultancy Service to various Departments/PSUs/Ministries for development of infrastructure for various fields of civil construction by taking responsibility by following all the standard norms and guidelines of CVC. Various areas under PMC are residential and non-residential buildings for MHA, Commercial complex for banks, Road-bridges for implementing PMGSY in various states, water supply and storm work system, University-Hospital etc. interior designs.
2. Civil Infrastructure for Thermal and Hydro Electric Projects: NPCC also under take projects by participating in tender for various infrastructure projects such as Hydro Electric Power Project, Building & Housing Project, other departments, Thermal Power Project & Roads & Bridges, Dam, Reservoir, Canal, and Hospitals etc

SWOT ANALYSIS

Strength

- ◆ Nearly six decade experienced a Govt. of India Enterprise under Ministry of Water Resources, River Development & Ganga Rejuvenation (incorporated in 1957) with ISO 9001:2015 certification.
- ◆ NPCC is having positive networth with A+ credit rating from ICRA.
- ◆ NPCC is having strong client base and good order book position.
- ◆ India Presence having 14 Zonal Offices and more than 125 Project Offices.
- ◆ Rich experience in executing River Valley, Hydro, Thermal, Industrial Complex, Building, Health Sector, Roads, Flyovers & other Infrastructural projects.
- ◆ Experience of working in remote & in-accessible area as well as terrorist infected area of North East, Jharkhand etc.
- ◆ NPCC has qualified and experienced men power capable of executing projects in difficult areas.
- ◆ The Corporation is debt free.

Weakness

- ◆ As company was under prolonged financial constraint, so credential of major projects are not available for acquiring big works, thereby losing valuable business in core sectors like Thermal, Hydro Electric etc.
- ◆ Inability to enter in to BOT/BOO and other major project execution, due to financial limitation.
- ◆ Due to comparatively low pay package and retirement age as 58 years, attracting the good talent is badly affected.

Opportunity

- ◆ Thrust in infrastructure work by the GOI and development work in border area and North Eastern State's development work.
- ◆ Thrust in infrastructure development for Surface Transport & Tunnels etc.
- ◆ Major thrust by GOI on River development Projects/ Clean Ganga Projects.
- ◆ River Rejuvenation

- ◆ Interlinking of Rivers
- ◆ Joint Ventures/Collaboration for overseas/ major Indian projects.
- ◆ Avenue for diversifying in new areas (like Real Estate, Water Treatment Plant/ Sewarage Treatment Plant/ Effluent Treatment Plant, Solid Waste Management Projects).

Threat

- ◆ Huge investment in infrastructure has attracted large number of private sector & PSUs players which has intensified competition.
- ◆ Shrinking profit margins due to increased competition.
- ◆ Reduction in business on nomination basis.
- ◆ Contingent liabilities on account of arbitration and court cases.

RISKS & CONCERNS

In construction industry, major concern is cost inflation, timely completion of projects and change in Govt. policies due to which there is risk of time and cost overruns which are seldom compensated by clients thereby putting your company into losses.

The Company's employees and projects have been exposed/are exposed to risks and threats of life, liberty and property while operating in risky geographical areas. It, however, takes pride in executing prestigious works in the national building task. The Company has taken measures to provide adequate safety, facilities and also insurance coverage in such places

OUTLOOK FOR FUTURE

A portion of Company's income is generated from execution of works awarded by various Ministries, Central/State Government Departments and other autonomous bodies on nomination basis. Now instead of awarding works on nomination basis, the Ministries/Govt. Departments have started a competitive bidding process among PSUs. NPCC, is able to secure works even under tough competition. Government of India has allocated huge funds for infrastructure in 12th Plan. A large portion of investments by Government of India is in Bharat Nirman, Development of NER, Metro, Airport, Smart Cities, Ganga Development etc. but due to global economic slowdown, it is not certain whether Govt. of India will be releasing the fund as per approved plans. Your Company has executed and is executing projects for various Ministries/Government Departments/Organizations as their "Extended Engineering Arm". Your Company is also assisting Ministry of Rural Development, Ministry of Home Affairs, Ministry of Health, Ministry of Chemicals & Fertilizers, MOES, MoYAS, Central Universities as well as State Governments for speedy utilization of planned funds for the projects. Your Company is also planning to diversify in new

areas like real estate, water treatment plant, sewerage treatment plant, solid waste management projects, and new and renewable energy resources. With continuous emphasis on infrastructure by Government of India, NPCC with its ability to work in difficult areas have become a preferred Organization for complex and difficult works. Competition among large number of construction companies has resultant impact on the margins of Company.

CONSTRAINTS

Although every Organization has to work within a certain legal frame work, your Corporation as a public sector Company faces certain constraints (not applicable to private sector companies) which put it at disadvantage in a competitive market. Company is working in North East and Naxal affected areas where people are reluctant to join and work for Company. Though NPCC is making profits since 2009 but still the counter Guarantee from GOI and Bank Guarantee limits from Banks are not available.

INTERNAL CONTROL SYSTEM

The Company has adequate system of Internal Control and Internal Audit System which helps the management to review the effectiveness of financial and operating controls. It also ensures that all transactions are authorized, recorded and reported correctly. The Management takes reasonable care and ensures safeguard of assets, prevention and detection of fraud and error, accuracy and completeness of accounting records and timely preparation of reliable financial information. The Corporation also has Internal Financial Control Policy for improvement in the system.

Internal Control is being ensured through internal audit twice a year by independent firms of Chartered Accountants. The nominated firms conduct periodical Internal audits of Zones/ Corporate Office allotted to them. Significant Audit observations and correction actions thereon are presented to the audit committee. Internal Audits Reports are also being reviewed by Statutory Auditors of the company appointed by Comptroller and Auditor General of India. Books of Accounts are also subject to supplementary audit by Comptroller and Auditor General of India.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

NPCC is an equal opportunity employer. We create a culture of team-building, empowerment, equality and openness. There were around 662 employees on the rolls of NPCC, as on 01.04.2019, at the close of the financial year. NPCC maintains amicable, smooth and harmonious relations with its employees. Industrial Relations in the Company are employee-oriented. NPCC has a sound Whistle Blower Policy. NPCC regularly and whole-heartedly participates in Swachhta Pakhwada projects successfully in many parts of India wherein plantation drives, cleaning of ghats, competitions etc. are held.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations, based on beliefs of the management of the Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially or substantially different from those projected in this report, including among others, changes in the general economic and business conditions affecting the segment in which the Company operates, changes in business strategy, significant changes in economic environment in India and abroad, exchange rate fluctuations, litigations, labour relations, competition in the industry, changes in Governmental regulations, tax laws and other Statutes & other incidental factors. The Company does not undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

For and on behalf of the Board of Directors

Sd/-

(R.K. GUPTA)

Chairman-cum-Managing Director

(DIN No. 02765470)

Date : 09/08/2019

Place : New Delhi

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U45202DL1957GOI002752
ii)	Registration Date	:	09.01.1957
iii)	Name of the Company	:	NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED
iv)	Category/Sub-Category of the Company	:	PRIVATE COMPANY/GOVERNMENT COMPANY
v)	Address of the Registered office and contact details	:	RAJA HOUSE, 30-31, NEHRU PLACE NEW DELHI-110019
vi)	Whether listed company	:	NO
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	NOT APPLICABLE

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Project Management Consultancy	--	92.11%
2	Execution of Projects	--	7.89%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt.		934821	934821	98.89		934821	934821	98.89	NIL
c) State Govt.(s)		10495	10495	1.11		10495	10495	1.11	NIL
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)		945316	945316	100		945316	945316	100	NIL
B. Public Shareholding		NIL	NIL	NIL		NIL	NIL	NIL	NIL
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-		NIL	NIL	NIL		NIL	NIL	NIL	NIL

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions		NIL	NIL	NIL		NIL	NIL	NIL	NIL
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies – D R									
Sub-total (B)(2):-		NIL	NIL	NIL		NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+ (B) (2)		NIL	NIL	NIL		NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs		NIL	NIL	NIL		NIL	NIL	NIL	NIL
Grand Total (A+B+C)		945316	945316	100		945316	945316	100	NIL

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	934821	98.89	NIL	934821	98.89	NIL	NIL
2	Governor of Rajasthan	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
3	Governor of J & K	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
4	Governor of Madhya Pradesh	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
5	Governor of Bihar	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
6	Governor of Uttar Pradesh	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
7	Governor of West Bengal	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
8	Governor of Gujarat	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
9	Governor of Assam	1000	0.105784732	NIL	1000	0.105784732	NIL	NIL
10	Governor of Punjab	548	0.057970034	NIL	548	0.057970034	NIL	NIL
11	Governor of Kerala	500	0.052892366	NIL	500	0.052892366	NIL	NIL
12	Governor of Karnataka	500	0.052892366	NIL	500	0.052892366	NIL	NIL
13	Governor of Haryana	374	0.039563498	NIL	374	0.039563498	NIL	NIL
14	Governor of Himachal Pradesh	73	0.007722284	NIL	73	0.007722284	NIL	NIL
15	Governor of Tamilnadu	500	0.052892366	NIL	500	0.052892366	NIL	NIL
	TOTAL	945316	100		945316	100		NIL

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

S. N.		Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	945316	100	945316	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE		NO CHANGE	
	At the end of the year	945316	100	945316	100

Note: GOI strategically disinvested from NPCC and sold its entire holding (98.89% paid up capital to WAPCOS Ltd.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			NIL
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			NIL
	At the end of the year	NIL			NIL

(v) **Shareholding of Directors and Key Managerial Personnel:**

S.N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Nitishwar Kumar JS(A), MOWR, RD & GR (Holding on behalf of Nominee of Hon'ble President of India) (w.e.f 28.12.18) Earlier held in the name of Shri Sanjay Kundu, JS(PP), MOWR, RD & GR as nominee of President of India	2	0.000211570	--	--	2	0.000211570
2	Shri Jagmohan Gupta, JS-FA, MOWR, RD & GR (Holding on behalf of Nominee of Hon'ble President of India) (w.e.f 28.09.16)	1	0.000105785	-	-	3	0.000317355
	At the end of the year					3	0.000317355

V. INDEBTEDNESS (Rs. In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount				
ii)Interest due but not paid		502.96		502.96
iii)Interest accrued but not due				
Total (i+ii+iii)	NIL	502.96	NIL	502.96
Change in Indebtedness during the financial year				
Addition				
Reduction		502.96		502.96
Net Change Indebtedness	NIL	502.96	NIL	502.96
At the end of the financial year				
i)Principal Amount				
ii)Interest due but not paid		NIL		NIL
iii)Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

1	Gross salary	Shri Manohar Kumar Director(Engg) Additional Charge of CMD)	Shri Sahab Narain Director (Finance)	Smt. Rajni Agarwal Company Secretary	Total Amount
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	3251491	3268217	2111996	8631704
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	560528	557036	261896	1379460
	Profits in lieu of salary under section17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission -as % of profit -others, specify.....	--	--	--	--
5	Others, please specify	--	--	--	--
	Total(A)				
	Ceiling as per the Act				

B. Remuneration to other directors: (Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors	Dr (Shri) Ravindra K. Pande	Dr. (Smt.) Jayashree Gupta	
1	Independent Directors Fee for attending board / committee meetings	127500	110000	237500
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)	127500	110000	237500
2	Other Non-Executive Directors			
	Fee for attending board / committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	127500	110000	237500
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

For and on behalf of the Board of Directors

Sd/-

(R.K. GUPTA)

Chairman-cum-Managing Director

(DIN No. 02765470)

Date : 09.08.2019

Place : New Delhi

Declaration by Chairman-cum-Managing Director regarding compliance with the Code of Conduct by Board Members and Senior Management during the financial year 2018-19.

I, R.K. Gupta, Chairman-cum-Managing Director, NPCC Ltd., do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct of the Company during 2018-19.

Sd/-

(R.K. GUPTA)

Chairman-cum-Managing Director

(DIN No. 02765470)

Date : 09/08/2019

Place : New Delhi

HARBANS LAL & CO.
COMPANY SECRETARIES

Off.: 23696096

Phones: Resi.: 23696831

Mob.: 9811627414

Email: hllals@yahoo.co.in

L-15, Pratap Nagar, Delhi – 110007

(Near Pratap Nagar Metro Station)

Dated : 9th August, 2019

To,
The Members
National Projects Construction Corporation limited
30-31, Raja House, Nehru Place,
New Delhi – 110019.

We have examined the relevant records and documents as furnished to us pertaining to the compliance of the conditions of Corporate Governance by National Projects Construction Corporation Limited (hereinafter referred as the company') for the year ended on 31st March, 2019 as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises' issued vide O.M No. 18(8)/2005-GM dated 14.05.2010 by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in above mentioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the abovementioned guidelines, except having the required number of Independent Directors. We understand that the Government/Administrative Ministry are in the process of taking necessary action in this regard.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of the effectiveness with which the Management has conducted the affairs of the Company.

For Harbans Lal & Co.

Sd/-

(Harbans Lal)

Company Secretary

C.P. : 3944

Certification by Chairman-cum-Managing Director and Director (Finance)

- (a) We have reviewed financial statements and the cash flow statement for the financial year 2018-19 and that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company. We have disclosed to the auditors and the Audit Committee/Board, deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, wherever applicable, to the auditors and the audit committee/Board:
- (i) significant changes made/to be made in internal control during the year,
 - (ii) significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
- (e) There is no instance of significant fraud of which we are aware nor there has been involvement of the management or any employee having a significant role in the company's internal control system.

Sd/-

R K GUPTA
CHAIRMAN-CUM-MANAGING DIRECTOR
DIN No. 02765470

Sd/-

SAHAB NARAIN
DIRECTOR (FINANCE)
DIN No. 03641879

Place : New Delhi
Date : 09/08/2019

STATEMENT OF ACCOUNTS



BALANCE SHEET AS AT 31st MARCH, 2019

(Amount in Rupees)

PARTICULARS	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
I EQUITY AND LIABILITIES			
1 Shareholders' Funds :			
(a) Share Capital	1	94,53,16,000	94,53,16,000
(b) Reserves and Surplus	2	96,14,64,527	79,28,28,887
2 Non -Current Liabilities			
(a) Other Long Term Liabilities	3	40,869,77,449	4,02,32,56,130
(b) Long term Provisions	4	22,59,02,898	24,27,53,213
3 Current Liabilities			
(a) Trade payables	5	3,62,17,98,387	3,59,22,59,364
(b) Other current liabilities	6	7,80,31,12,533	5,10,17,01,725
(c) Short term provisions	7	14,34,92,508	10,43,04,437
Total		17,78,80,64,302	14,80,24,19,756
II ASSETS			
1 Non -Current Assets			
(a) Property, Plant and Equipment	8		
(i) Tangible assets		39,93,02,139	40,00,88,912
(ii) Intangible assets		9,47,222	-
(iii) Capital work in progress		-	-
(b) Investments		-	-
(c) Deferred tax Assets (Net)	9	52,21,25,011	44,86,10,630
(d) Long Term Loans and Advances	10	22,58,41,024	22,19,46,237
(e) Other non -current assets	11	1,86,20,80,556	1,67,52,50,782
2 Current Assets			
(a) Inventories	12	8,93,837	13,05,720
(b) Trade Receivables	13	2,40,97,93,094	2,76,77,25,585
(c) Cash and Cash Equivalents	14	8,95,97,54,542	6,68,97,29,649
(d) Short-term loans and advances	15	2,45,37,85,148	1,76,65,41,358
(e) Other current assets	16	95,35,41,729	83,12,20,883
Total		17,78,80,64,302	14,80,24,19,756

Accounting Policies & Notes on Financial Statements 1 to 52

For and on behalf of Board

Sd/-
(Rajni Agarwal)
Company Secretary

Sd/-
(Dr. Jayashree Gupta)
Independent Director
(DIN No.01475898)

Sd/-
(Sahab Narain)
Director (Finance)
(DIN No.03641879)

Sd/-
(R.K. Gupta)
Chairman-cum-Managing Director
(DIN No.02765470)

As per our report of even date
For K.B. CHANDNA & Co.
Chartered Accountants
FRN : 000862N

Sd/-
(Sanjeev Chandna)
Partner
M.No. 087354
UDIN : 19087354AAAAB04867

Date : 09th August, 2019
Place : New Delhi

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(Amount in Rupees)

PARTICULARS	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
I REVENUE FROM OPERATIONS:			
Value of Work Done		10,73,74,13,395	11,27,17,37,863
II Gross Other Income	17	60,51,75,977	41,98,00,060
III TOTAL REVENUE (I+II)		11,34,25,89,372	11,69,15,37,923
IV EXPENSES:			
(a) Construction & Work Expenses	18	9,96,92,80,700	10,48,02,36,392
(b) Employee Benefits Expenses	19	79,49,00,622	80,01,02,073
(c) Finance Cost	20	21,79,37,939	6,77,05,715
(d) Depreciation, amortisation, impairment & obsolescence	8	1,61,36,048	1,49,56,004
(e) Corporate Social Responsibility		55,12,431	48,28,613
(f) Other Expenses	21	17,94,82,236	16,35,31,568
TOTAL EXPENSES (IV)		11,18,32,49,976	11,53,13,60,365
V Profit(Loss) before prior period, exceptional and extraordinary items and tax (III-IV)		15,93,39,396	16,01,77,558
VI Less :Prior Period Item (Net)	22	87,39,279	42,69,672
VII Profit(Loss) after prior period and before exceptional and extraordinary items and tax (V-VI)		15,06,00,117	15,59,07,886
VIII Exceptional Items	23	(3,14,62,855)	(14,49,87,593)
IX Profit(Loss) before extraordinary items & tax (VII-VIII)		18,20,62,972	30,08,95,479
X Extraordinary Items		-	-
XI Profit/Loss(-) before tax (IX-X)		18,20,62,972	30,08,95,479
XII Current Tax		6,29,55,928	8,50,19,189
Income Tax- for earlier year		(10,86,047)	(1,05,51,062)
XIII Deferred Tax	9	(7,35,14,381)	(7,71,89,377)
XIV Profit/Loss(-) for the period from continuing operations (XI-XII-XIII)		19,37,07,472	30,36,16,729
XV Profit / Loss(-) for the period		19,37,07,472	30,36,16,729
XVI Earnings per Equity Share:			
Basic & Diluted	41	204.91	321.18

Accounting Policies & Notes on Financial Statements 1 to 52

For and on behalf of Board

Sd/-
(Rajni Agarwal)
Company Secretary

Sd/-
(Dr. Jayashree Gupta)
Independent Director
(DIN No.01475898)

Sd/-
(Sahab Narain)
Director (Finance)
(DIN No.03641879)

Sd/-
(R.K. Gupta)
Chairman-cum-Managing Director
(DIN No.02765470)

As per our report of even date
For K.B. CHANDNA & Co.
Chartered Accountants
FRN : 000862N

Sd/-
(Sanjeev Chandna)
Partner
M.No. 087354
UDIN : 19087354AAAAB04867

Date : 09th August, 2019
Place : New Delhi

CASH FLOW STATEMENT FOR THE YEAR ENDING 31st MARCH, 2019

(Amount in Rupees)

PARTICULARS	For the Year Ending 31 st March, 2019	For the Year Ending 31 st March, 2018
Cash flow from Operating Activities		
Receipts from customers	12,94,32,47,460	11,79,52,61,827
Paid to sub-contractors, suppliers & employees	(10,76,42,75,461)	(11,12,50,25,428)
Interest on mobilization advance given to Sub contractor	2,06,20,860	2,74,82,575
Extraordinary Items	-	-
Taxes on Income	(6,18,69,881)	(7,44,68,127)
Cash generated from operations	2,13,77,22,977	62,32,50,847
Cash flow from Investing activities		
Sale proceeds of Property, Plant and Equipment	78,25,269	50,92,547
Purchase of Property, Plant and Equipment	(1,86,86,434)	(5,41,11,268)
Interest on Bank deposits	38,61,72,852	39,75,94,955
	37,53,11,687	34,85,76,234
Cash flow from financing activities		
Reduction of Losses	-	-
Reduction of Share Capital	-	-
Interest paid	(21,79,37,939)	(6,77,05,715)
Dividend Paid	(2,50,71,832)	(2,50,30,722)
	(24,30,09,771)	(9,27,36,437)
Net increase/(decrease) in cash & cash equivalents.	2,27,00,24,893	87,90,90,644
Cash & cash equivalent at the beginning of the year	6,68,97,29,649	5,81,06,39,005
Cash & cash equivalent at the end of the year (Refer Note No.14)	8,95,97,54,542	6,68,97,29,649

Accounting Policies & Notes on Financial Statements 1 to 52

Figures in brackets represent outflow of cash.

For and on behalf of Board

Sd/-
(Rajni Agarwal)
Company Secretary

Sd/-
(Dr. Jayashree Gupta)
Independent Director
(DIN No.01475898)

Sd/-
(Sahab Narain)
Director (Finance)
(DIN No.03641879)

Sd/-
(R.K. Gupta)
Chairman-cum-Managing Director
(DIN No.02765470)

As per our report of even date
For K.B. CHANDNA & Co.
Chartered Accountants
FRN : 000862N

Sd/-
(Sanjeev Chandna)
Partner
M.No. 087354
UDIN : 19087354AAAAB04867

Date : 09th August, 2019

Place : New Delhi

NOTES ON FINANCIAL STATEMENTS

NOTE-1

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
SHARE CAPITAL		
Authorised :		
7000000 Equity Shares of Rs. 1000/- each (Previous Year 7000000 Equity Shares of Rs. 1000/- each)	7,00,00,00,000	7,00,00,00,000
Total:	7,00,00,00,000	7,00,00,00,000
Issued, Subscribed & Paid up :		
945316 Equity Shares of Rs. 1000 each fully paid up in cash (Previous Year 945316 Equity Shares of Rs. 1000/- each)	94,53,16,000	94,53,16,000
Total:	94,53,16,000	94,53,16,000

PARTICULARS	Number of shares	As at 31 st March, 2019	Number of shares	As at 31 st March, 2018
Reconciliation of Equity shares outstanding at end of the year				
Outstanding as at the beginning of the year	9,45,316	94,53,16,000	9,45,316	94,53,16,000
Add: Issued during the year	-	-	-	-
Less: Buy back/cancelled during the year	-	-	-	-
Outstanding as at the end of the year	9,45,316	94,53,16,000	9,45,316	94,53,16,000
Share holders having more than 5% of shares	Number of shares	% of share holding	Number of shares	% of share holding
President of India	9,34,821	98.89	934,821	98.89

- As a part of restructuring scheme, the Ministry of Corporate Affairs(MCA), Govt of India has accorded its approval vide order No. 40/1/2010-CL-III dated 02.12.10 under section 101 of the Companies Act, 1956 for reducing the paid up equity capital, arising out of conversion of GOI loan and interest thereon, to 10% of the equity share. Accordingly, 58,22,059 equity shares of Rs.1000/- each amounting to Rs.5,82,20,59,000/- were cancelled and adjusted against accumulated losses as on 28.12.2010.
- The paid up equity capital of the Company after the reduction is Rs.94,53,16,000/- divided into 9,45,316 equity shares of Rs.1000/- each fully paid up in cash.

NOTE-2

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
RESERVES AND SURPLUS		
1) Opening balance of Profit & Loss A/c	79,28,28,887	51,42,42,880
2) Surplus Transferred from Profit & loss A/c during the Year	19,37,07,472	30,36,16,729
Less:-		
3) Dividend paid (F.Y. 2017-18 paid in F.Y. 2018-19)	2,07,96,952	2,07,96,952
4) Dividend Distribution Tax (F.Y. 2017-18 paid in F.Y. 2018-19)	42,74,880	42,33,770
TOTAL :	96,14,64,527	79,28,28,887

- i. The Board of Directors had recommended dividend of Rs.22 per equity share aggregating to Rs. 2,07,96,952/- for the financial year 2017-18 in its Meeting held on 27.08.2018, after the adoption of audited accounts. The adopted accounts of the financial year 2017-18 were not reopened to provide for the liability towards proposed dividend in view of the amendment to "Accounting Standard 4 – Contingencies and Events Occurring after the Balance Sheet Date" notified by the Companies (Accounting Standards) Rules, 2006 vide Notification No.364(E) dated 30th March, 2016, as per which liability towards dividend declared after the balance sheet should not be recognized unless the statute requires otherwise. Necessary disclosure was, however, made in the Directors' Report.

NOTE-3

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Other Long Term Liabilities		
1) Trade payables- For services	1,60,53,98,331	1,66,33,33,119
2) Trade payables- For goods	2,07,76,183	2,07,11,032
3) Advances from Project Authorities	62,74,30,930	59,46,69,367
4) Security Deposits- Subcontractors	1,47,39,43,465	1,61,04,13,782
5) Interest accrued and due on Advances		
-From Project Authorities	4,88,83,194	4,88,83,194
6) Wage Arrears	3,26,529	-
7) Others	31,02,18,817	8,52,45,636
TOTAL :	4,08,69,77,449	4,02,32,56,130

NOTE-4

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Long - Term Provisions		
Provision for employees benefits		
1) Provision for Gratuity Work charged employees	10,67,80,756	11,18,34,691
2) Provision for Leave Encashment	11,91,22,142	13,09,18,522
TOTAL :	22,59,02,898	24,27,53,213

NOTE-5

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Current Liabilities		
Trade Payables		
For Services	3,62,13,53,850	3,59,20,91,128
For Goods	4,44,537	1,68,236
TOTAL :	3,62,17,98,387	3,59,22,59,364

NOTE-6

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Other Current Liabilities		
1) Security Deposits		
-- Sub Contractor	1,46,91,01,692	1,36,14,77,189
2) Advances from Project Authorities	5,51,81,89,426	2,78,32,76,285
3) Interest accrued and due on advances		
i) From project Authorities	35,000	2,70,740
ii) Government of India Loan	-	5,02,96,065
iii) Bank Gurantee Charges Payable to GOI	-	2,59,00,000
4) Expenses Payable		
a) To Employees		
i) Wages arrear payable	14,11,989	4,55,61,911
ii) Salaries and wages payable	3,94,81,376	7,33,68,853
iii) Others	1,92,37,400	5,56,12,969
b) Liability for Expenses-Others	4,94,86,456	11,28,70,186
5) Payable to Gratuity Trust	20,00,95,850	20,01,79,632
6) Statutory Dues Payables		
i) Income Tax payable (TDS)	3,64,83,651	2,96,08,069
ii) Service Tax payable	-	8,613

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
iii) Trade Taxes Payable (Vat/Sales Tax etc.)	2,41,12,819	1,83,34,469
iv) GST Payable	30,58,39,694	12,89,77,369
v) TDS on GST payable	4,32,95,903	41,01,67,689
		-
7) Others	9,63,41,277	21,59,59,375
TOTAL :	7,80,31,12,533	5,10,17,01,725

- i) Note-6 (3)(ii) Interest on GOI Loan representing balance of Interest payable on Loan of Rs. 15,80,00,000/- @20.75% p.a. duly repaid during the F.Y 2018-19.
- ii) Income tax payable has been netted off against prepaid taxes. Prepaid Taxes if in excess of income tax payable is reflected in Note 15 as Income Tax Prepaid Taxes.

NOTE-7

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Short Term Provisions		
1) Provision for employees benefits		
a) Provision for Gratuity- Work Charged	7,67,72,503	4,30,56,898
b) Provision for Leave Encashment	6,67,20,005	6,12,47,539
TOTAL :	14,34,92,508	10,43,04,437

NOTE-8

PROPERTY, PLANT AND EQUIPMENT

(Amount in Rupees)

		GROSS BLOCK (AT COST)				LESS : DEPRECIATION				NET BLOCK		
Sl. No	Description	As at 01 st April, 2018	Additions/ Adjustment during the year	Deduction/ Adjustments during the year	As at 31 st March, 2019	As at 01 st April, 2018	During the year	Dedn./ Adjustments during the year	Up to 31 st March, 2019	Provision	Net Block after provision As at 31 st March, 2019	As at 31 st March, 2018
A. Tangible Assets												
1	Free Hold Land	2,35,67,204	-	-	2,35,67,204	-	-	-	-	-	2,35,67,204	2,35,67,204
2	Lease Hold Land	19,44,507	-	-	19,44,507	3,34,166	21,189	-	3,55,355	-	15,89,152	16,10,341
3	Buildings on Free Hold Land	30,43,96,954	10,81,791	-	30,54,78,745	83,49,390	48,20,822	-	1,31,70,212	-	29,23,08,533	29,60,47,564
4	Buildings on Lease Hold Land	34,72,523	-	-	34,72,523	3,55,511	54,982	-	4,10,493	-	30,62,030	31,17,012
5	Temporary Constructions	3,25,64,493	-	6,99,290	3,18,65,203	3,25,02,900	-	6,99,290	3,18,03,610	-	61,593	61,593
6	Machinery	12,50,16,219	-	1,18,10,003	11,32,06,216	9,90,24,164	20,06,570	1,12,26,660	8,98,04,074	32,32,640	2,01,69,502	2,59,92,055
7	Vehicles	3,32,08,847	32,50,064	12,45,100	3,52,13,811	2,55,57,454	14,03,432	49,538	2,69,11,348	1,65,358	81,37,105	76,51,393
8	Works Equipment	1,42,99,896	-	33,58,214	1,09,41,682	1,07,93,832	3,36,177	32,17,150	79,12,859	4,28,419	26,00,404	35,06,064
9	Office Furniture	1,72,38,639	55,28,288	6,15,906	2,21,51,021	77,10,490	18,28,156	5,68,454	89,70,192	-	1,31,80,829	95,28,149
10	Office Equipment	57,08,120	18,88,838	6,27,675	69,69,283	46,91,526	3,73,110	6,01,848	44,62,788	-	25,06,495	10,16,594
11	Electric Installations & equipments	3,57,08,128	31,65,144	1,34,595	3,87,38,677	71,67,460	33,94,106	94,903	1,04,66,663	-	2,82,72,014	2,85,40,668
12	Computers and Printers	1,39,82,169	27,58,549	16,33,074	1,51,07,644	1,07,76,105	18,31,957	12,78,674	1,13,29,388	-	37,78,256	32,06,064
13	Library Books	4,35,290	13,760	7,273	4,41,777	3,64,662	12,769	4,676	3,72,755	-	69,022	70,628
B. Intangible Assets												
14	Computer Software	-	10,00,000	-	10,00,000	-	52,778	-	52,778	-	9,47,222	-
Total :		61,15,42,989	1,86,86,434	2,01,31,130	61,00,98,293	20,76,27,660	1,61,36,048	1,77,41,193	20,60,22,515	38,26,417	40,02,49,361	40,39,15,329
Previous Year :		56,64,53,237	5,41,11,268	90,21,516	61,15,42,989	20,06,07,971	1,49,56,004	79,36,315	20,76,27,660	38,26,417	40,00,88,912	36,58,45,266
ABOVE FIXED ASSETS INCLUDE NON-SERVICABLE/BEYOND ECONOMIC REPAIR AS SHOWN BELOW:												
1	Machinery	1,71,22,178		95,92,233	75,29,945	1,62,78,854		91,18,589	71,60,265		3,69,680	8,43,324
2	Work Equipment	4,03,122		1,07,313	2,95,809	3,81,533		1,02,242	2,79,291		16,518	21,589
3	Electric Installation	34,863		-	34,863	34,863		-	34,863		-	-
4	Vehicles	35,40,475		-	35,40,475	32,33,637		-	32,33,637		3,06,838	3,06,838

NOTE:

- i. Fixed assets include assets with gross block of Rs. 652.97 Lacs and net block of Rs. 38.26 Lacs confiscated by Project authorities which are unadjusted pending settlement of account. Provision for Net WDV of Rs. 38.26 lacs have been made during the year 2017-18.

NOTE-9

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Deferred Tax Assets		
Provisions for employee benefits	20,25,68,134	19,89,08,836
Provision for doubtful debts	28,03,77,704	27,88,81,877
Total Deferred Tax Asset	48,29,45,838	47,77,90,713
Deferred Tax Liability		
Depreciation of fixed assets	3,80,10,204	2,91,80,083
Net Deferred Tax Assets	52,21,25,011	44,86,10,630
Deferred Tax Expense/(Income)	(7,35,14,381)	(7,71,89,377)

NOTE-10

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Long Term Loans and Advances		
1) Secured, considered good		
a) Advances to Sub Contractor	4,14,54,848	11,72,51,670
2) Unsecured, considered good		
a) Advances for goods and services	17,06,47,525	9,86,42,084
b) Advances to other employees	2,610	13,610
c) Others	1,37,36,041	60,38,873
3) Unsecured, considered doubtful		
a) Advances for goods and services	19,37,59,024	18,89,44,809
Less: Provision for doubtful advances	19,37,59,024 -	18,89,44,809 -
b) Others	66,91,271	1,14,51,668
Less: Provision for doubtful advances	66,91,271 -	1,14,51,668 -
Total:	22,58,41,024	22,19,46,237

- i. The above include dues of Rs. 21,21,02,373/- (Previous year Rs 20,52,58,416) outstanding for over three years which in the view of the Management are good and recoverable.

NOTE-11

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Other Non Current Assets		
1) Security Deposit with Project Authorities		
- Considered good	27,88,05,147	30,68,74,462
- Considered doubtful	3,54,86,167	2,74,64,819
	31,42,91,314	33,43,39,281
Less: Allowance (Provision)	3,54,86,167	2,74,64,819
	27,88,05,147	30,68,74,462
2) Security Deposit with others-Good		
- Considered good	26,03,002	23,17,891
- Considered doubtful	10,58,161	10,82,723
	36,61,163	34,00,614
Less: Allowance (Provision)	10,58,161	10,82,723
	26,03,002	23,17,891
3) Earnest Money Deposit		
- Considered good	45,94,676	68,94,676
- Considered doubtful	60,81,028	47,98,080
	1,06,75,704	1,16,92,756
Less: Allowance (Provision)	60,81,028	47,98,080
	45,94,676	68,94,676
4) Trade Receivables (Unsecured)		
- Considered good	1,54,81,12,284	1,30,46,29,904
- Considered doubtful	48,64,32,795	50,09,93,984
	2,03,45,45,079	1,80,56,23,888
Less: Provision for doubtful debts	48,64,32,795	50,09,93,984
	1,54,81,12,284	1,30,46,29,904
5) Un-billed Revenue		
- Considered good	2,79,65,447	5,45,33,850
- Considered doubtful	2,54,73,464	2,36,06,003
	5,34,38,911	7,81,39,853
Less: Provisions for doubtful debts	2,54,73,464	2,36,06,003
	2,79,65,447	5,45,33,850
6) Advances to employees (Unsecured, Doubtful)	27,85,736	27,85,734
Less: Allowance(Provision) for doubtful advances	27,85,736	-
	-	-
Total:	1,86,20,80,556	1,67,52,50,782

- i. Trade Receivables and Un-Billed Revenue include dues of Rs. 73,20,44,490/- (Previous year Rs. 1,36,93,93,556/-) outstanding for over three years which in the view of the Management are good and recoverable.

NOTE-12

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Current Assets		
Inventories :		
1) Stores and Spares (including construction material in hand, at sites and in transit)	1,17,39,835	1,21,45,452
Less: Allowance (Provision)	1,08,60,756	8,79,079
		1,08,60,756
		12,84,696
2) Tools in hand	14,758	21,024
Total:	8,93,837	13,05,720

- Inventory of stores & spares and tools has been taken, valued & certified by the Management.
- Inventories include Rs. 1,08,60,756/- (Previous Year Rs. 1,08,60,756/-) confiscated by Project Authorities which are unadjusted pending settlement of account. However, there exists unadjusted liabilities in excess of the value of assets confiscated.

NOTE-13

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Trade Receivables (Unsecured)		
1) Debts outstanding for a period exceeding six months from due date		
--Considered Good	1,07,60,87,365	1,98,87,43,257
2) Other debts (Considered good)	1,33,37,05,729	77,89,82,328
Total:	2,40,97,93,094	2,76,77,25,585

- Trade Receivables include dues of Rs. 7,29,67,183/- (Previous year Rs. 10,90,15,910/-) outstanding for over three years which in the view of the Management are good and recoverable.

NOTE-14

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Cash and Cash Equivalents		
1) Cash in hand	23,461	22,996
2) Cheques/drafts in hand	24,55,39,492	27,68,881
3) Fixed Deposits pledged with banks and Project Authorities as margin against guarantees and securities	1,20,75,68,460	1,30,74,47,427
4) Fixed Deposits with Banks of more than 12 months' maturity	7,14,40,987	16,45,77,379
5) FDRs with balance maturity period upto 3 months	2,06,12,41,318	96,44,96,425
6) FDRs with balance maturity period more than 3 months and upto 12 months	2,52,79,33,260	1,28,75,74,800
7) Balances with Banks in Foreign States with repatriation restrictions	3,83,69,158	3,83,69,158
Less : Provisions held	3,83,69,158	-
8) Balance with Nepal Bank Ltd., Nepal	6,009	6,009
9) Balances with Banks - Others	2,84,60,01,555	2,96,28,35,732
Total:	8,95,97,54,542	6,68,97,29,649

- Operations in Iraq have been ceased since many years and due to repatriation restrictions, full provision has been made against the bank balances.
- Revaluation of balance in the bank account in foreign currency was last made on 31.3.1995.
- The Exim Bank which is intermediary for settlement of the outstandings in Iraq, has vide letter dated 30/7/2013, advised that the notional credit entries for interest earned on the outstanding credit balance of NPCC in the bank account has been made for US \$ 716732.69 by Central Bank of Iraq in its books, not amounting to actual credit to the account of the Exim Bank.
- Current account balance includes an amount of Rs. 49,66,38,736/- (Previous Year Rs. 66,59,00,135/-) received against deposit work of PMGSY work and Rs. 1,50,15,28,149/- (Previous year Rs. 74,02,73,954/-) from MHA for BOP work, Silchar.
- Fixed Deposits with Banks can be withdrawn by the Company at any point in time without any penalty on the principal.

NOTE-15

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Short-term Loans and Advances		
1) a) Secured:	65,40,66,193	30,20,43,360
i) Advances to Sub Contractor		
b) Unsecured, considered good		
i) Advances for goods and services	14,98,81,183	5,66,62,873
ii) Advances to other employees	33,26,457	28,16,135
iii) Others	3,06,67,628	1,01,69,836
c) Unsecured, considered doubtful		
i) Advances for goods and services	62,26,113	62,26,113
Less: Provision	(62,26,113)	-
2) Un-billed Revenue	87,54,55,788	62,94,99,830
3) Prepaid Expenses	20,61,570	36,33,996
4) Security Deposit with Others	1,11,088	2,89,661
5) GST Input Credit receivable	34,06,60,659	15,97,99,652
6) TDS on GST	86,53,873	-
7) Income Tax - Prepaid taxes	29,55,28,045	53,18,88,799
8) Amount deposited with various Courts/ Authorities	9,33,72,664	6,97,37,216
Total:	2,45,37,85,148	1,76,65,41,358

- i. Un-Billed Revenue include dues of Rs. 3,46,95,466/- (Previous year Rs. 7,36,71,953/-) outstanding for over three years which in the view of the Management are good and recoverable.

NOTE-16

(Amount in Rupees)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
Other Current Assets :		
1) Security Deposit with Project Authorities	56,48,11,187	59,03,40,624
2) Earnest Money Deposit	6,83,48,000	6,75,26,962
3) Interest accrued on Bank Deposits	28,35,20,511	15,64,98,928
4) CPF Trust	2,06,61,334	1,33,883
5) Silver Momentos	56,750	61,750
6) Inter-unit Remittance Account	1,61,43,947	1,66,58,736
Total:	95,35,41,729	83,12,20,883

Balances reflected under CPF Trust and Remittance are subject to reconciliation of transactions of past years between the Corporate Office and the various Units for which a detailed reconciliation process is under progress.

NOTE-17

(Amount in Rupees)

PARTICULARS	For the Year ended 31 st March, 2019	For the year ended 31 st March, 2018
Other Income		
Other Miscellaneous Receipts (including Sale of tender of documents)	5,97,00,929	2,28,98,153
Interest Received (Gross) on :		
1) Bank Deposits	51,31,94,435	38,41,29,408
2) Others- Sub contractor	24,236,119	85,79,753
3) Others- Income Tax refund	76,72,181	-
	54,51,02,735	39,27,09,161
Hire Charges of Machinery	3,12,126	41,19,165
Profit on Sale of Scrap, Stores etc.(Net)	60,187	73,581
Total:	60,51,75,977	41,98,00,060

NOTE-18

(Amount in Rupees)

PARTICULARS	For the Year ended 31 st March, 2019	For the year ended 31 st March, 2018
Construction And Works Expenses		
Material Consumed :		
Stores & Spares (including construction materials)		
Opening balance	1,21,45,452	1,54,61,801
Net Purchase/(Sales)	1,59,22,192	(23,91,723)
	2,80,67,644	1,30,70,078
Less : Closing Balance	1,17,39,835	1,21,45,452
Consumption	1,63,27,809	9,24,626
Payment to Sub-contractors	9,84,76,73,655	10,33,12,89,320
Motive Power & Fuel	3,14,022	2,72,115
Taxes & Fees on Machines & Vehicles	13,400	1,55,773
Insurance	-	21,846
Carriage & Freight	5,000	31,400
Tools & Stores Written off	6,266	2,42,071
Commercial/Trade Tax/Service Tax	29,31,656	34,87,867
Payments towards land for Project Authority	-	-
Other Incidental Charges on Works	10,20,08,892	14,38,11,374
Total:	9,96,92,80,700	10,48,02,36,392

NOTE-19

(Amount in Rupees)

PARTICULARS	For the Year ended 31 st March, 2019	For the year ended 31 st March, 2018
Employees Benefits Expenses		
Salary and Allowances	43,38,31,958	43,82,95,912
Wages and Allowances	12,73,97,268	15,54,54,087
Contribution to Provident Fund	5,03,43,957	5,37,92,325
EPF Administration	8,49,687	14,15,711
Gratuity	12,08,52,819	8,65,56,440
Leave Encashment	4,60,52,612	5,53,28,252
Leave Travel Concession	1,79,275	-
Staff Welfare	1,45,26,119	80,18,353
Repairs to Building	1,434	-
Health and Sanitation	8,65,493	12,40,993
Total :	79,49,00,622	80,01,02,073

NOTE-20

(Amount in Rupees)

PARTICULARS	For the Year ended 31 st March, 2019	For the year ended 31 st March, 2018
Finance Cost		
Interest to be passed on to PA's A/c	19,58,81,203	6,10,28,768
Bank Guarantee Charges	2,20,56,736	66,76,947
Total :	21,79,37,939	6,77,05,715

NOTE-21

(Amount in Rupees)

PARTICULARS	For the Year ended 31 st March, 2019	For the year ended 31 st March, 2018
Other Expenses		
Rent	1,12,97,479	1,09,26,474
Rates and Taxes	6,360	13,680
Travelling	2,83,97,981	2,09,37,587
Vehicles Running and Maintenance, Hiring	2,78,04,891	2,56,45,891
Insurance	4,25,668	2,97,487
Repairs and Maintenance:		
Buildings	1,34,29,759	76,48,364
Others	13,04,556	2,92,640
	1,47,34,315	79,41,004
Printing & Stationery	40,43,848	42,88,167
Postage, Telephone & Telegrams	31,03,613	30,37,977
Water and Electricity Expenses	64,07,759	69,28,788
Advertisement and Publicity	1,31,96,160	88,75,368
Technical Fee/Consultancy	2,45,64,317	1,11,94,051
Legal and Professional	1,16,91,079	75,36,374
Bank Charges	2,89,959	2,22,424
<u>Payment to Auditors :</u>		
Audit Fee	9,55,205	9,06,441
Tax Audit Fee	3,87,962	3,86,861
Travelling Expenses--Auditors	22,89,979	15,51,145
Miscellaneous Expenses	2,45,43,933	2,97,33,979
Allowance (Provision) for Doubtful Debts/ Advances/Stores	-	1,56,42,439
Loss of CPF Trust	53,41,728	74,65,431
Total :	17,94,82,236	16,35,31,568

NOTE-22

(Amount in Rupees)

PARTICULARS	For the Year ended 31 st March, 2019	For the year ended 31 st March, 2018
Prior Period Expenses & Income		
(A) Expenses		
Salary, Wages & Other benefits to employees	1,58,333	43,52,355
Payment to Sub-contractors for work done	62,01,906	51,48,128
Project Expenses	93,29,648	-
Excess provision of Gratuity work charge	-	3,66,878
Others	1,65,735	5,24,420
Total (A)	1,58,55,622	1,03,91,781
(B) Income		
Value of Work Done	70,07,638	58,44,822
Others	1,08,705	2,77,287
Total (B)	71,16,343	61,22,109
Total (Net) (A-B)	87,39,279	42,69,672

NOTE-23

(Amount in Rupees)

PARTICULARS	For the Year ended 31 st March, 2019	For the year ended 31 st March, 2018
Exceptional Items		
Expenses		
1) Litigation	2,85,208	90,46,218
2) Reduction in construction expenses	(4,55,18,877)	(3,33,64,437)
3) Provision for Bad & Doubtful Debts	1,35,81,093	8,88,21,629
4) Other Balances Written off	-	4,40,58,204
5) Bad debts Written off	12,02,394	7,52,91,629
6) Loss on derecognition of Property, Plant and Equipment	- (3,04,50,182)	26,657
Less: Income		
7) Provisions Written Back	2,90,23,813	16,70,76,660
8) Liabilities Written Back	1,66,74,304	19,82,81,711
9) Gain on derecognition of Property, Plant and Equipment	54,35,332	2,07,586
10) Reduction in revenue	(5,01,20,776) 10,12,673	(3,66,98,464) 32,88,67,493
Total (Net) :	(3,14,62,855)	(14,49,87,593)

Note-24

ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Examples of such estimates include accounting for contract cost expected to be incurred to complete the projects, provisions for doubtful debts and advances, obligations under employee retirement benefit plans, income taxes and useful lives of Property, Plant & Equipments.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Revenue Recognition

Contract Revenue Recognition: The Company primarily derives revenue from construction contracts including engineering, procurement and construction contracts. Contract Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Depending on the type of construction contract, revenue is recognized as under:

1. In case of Project Management Consultancy (PMC) fee based projects, which are primarily cost-plus contracts, revenue is recognised by adding the stipulated margin to the actual costs incurred upto the reporting date.
2. In case of Fixed Price contracts, revenue is recognized on the basis of percentage of completion method, in proportion of costs incurred for work performed upto the reporting date to the total estimated contract costs.

Revenue include:

- a. Work done for which only letters of intent have been received and formal contracts/ agreements are in the process of issuance, revenue is recognized on the basis of actual work executed / measured in pursuance of the letter of intent.
- b. Work Executed and measured by the Company pending certification by the client.
- c. Work done in earlier years but not accounted for in such years as realisation of the same was considered doubtful and settlement for which is reached.
- d. Claims for extra / substituted items and additional items of work(s) not covered under the contract, revenue for such items is accounted for on certainty of realization.
- e. Additional disputed claims that are subject matter of arbitration are recognized upon final settlement/realization.
- f. Any foreseeable loss is accounted for immediately.
- g. In cases where contracted value is inclusive of taxes, the tax component.

4. Property, Plant & Equipments

Property, Plant & Equipments are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any. Costs directly attributable to acquisition of Property, Plant & Equipments are capitalized.

5. Depreciation

Tangible Assets

1. Depreciation on Tangible Assets is provided on Straight Line Method (SLM) over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 leaving a residual value of 5% except in respect of items fully depreciated prior to the coming into force of Companies Act, 2013. Assets acquired during the year, individually costing up to Rs. 5000/- are fully depreciated, by keeping Re. 1 as value for identification.

2. In respect of items not specified in the list, general rate of 15 years applicable to general plant and machinery is adopted.
3. Cost of leasehold land is amortized over the lease period.

Intangible Assets

1. Application Software costing upto Rs.1 lakh in each case is fully amortized in the year of purchase by keeping Re.1 as value for identification. Application software for value above Rs.1 Lakh amortized over a period of 36 months on straight line basis from the date of successful commissioning of the software subject to review at each financial year end.
2. Operating software is capitalized along-with the cost of the hardware and depreciated on the basis of useful life of the hardware.
3. Licenses of application and operating software for specified periods are charged to revenue with respect to the period of license.

6. Inventories

Stock of material, stores and spares including construction materials chargeable to Projects on cost-plus terms are carried at cost. However, in case of diminution in value due to deterioration in non-moving inventories held for such contracts, adequate allowance (provision) is made to cover the loss in such cases. Inventories other than cost plus contracts or for self-consumption are valued at lower of cost and net realizable value. Cost is determined on first in first out method.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity of three months or less at the date of purchase and that are readily convertible to known amounts of cash to be cash equivalents.

8. Cash Flow Statement

Cash flows are reported using the direct method whereby major classes of gross receipts and gross payments are disclosed. Cash Flows from Operating, Investing and Financing activities are segregated.

9. Foreign Currency Transactions

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations

are included in the Statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Revenue, expense and cash flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

10. Employee Benefits

i. Short Term Benefits

Short term employees' benefits are recognized as an expense in the statement of Profit & Loss for the year in which the related services are rendered.

ii. Long Term Benefits

a. Provident Fund

The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employees' salary and charged to Profit and Loss Account. The trust invests in specific designated instruments as permitted by law. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

b. Gratuity

The Company has established a separate Trust to administer gratuity fund relating to regular employees. Liability towards Gratuity Trust Fund is provided in the accounts on actuarial basis. In respect of Work Charged employees, provision towards gratuity liability is made on actuarial basis.

c. Leave Encashment

Provision for leave encashment is made in the accounts on the basis of actuarial valuation.

11. PRIOR PERIOD EXPENSES/INCOME

Income/expenditure relating to prior period not exceeding Rs. 50,000/- in each case are treated as income/expenditure of the current year by charging under the respective head of accounts.

12. PREPAID EXPENSES

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

13. 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 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 asset is recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. When there are unabsorbed losses and depreciation under the Income Tax Act, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

14. Provision for Doubtful Debts/Loans and Advances

In respect of debts and loans and advances in respect of Projects for Project Authorities which are primarily Government of India Departments, Government Institutions, Autonomous Bodies and Public Sector Enterprises, provisions are created in respect of old closed units based on Management's assessment of irrecoverability and considering counter liabilities outstanding towards sub-contractors through whom the work was got executed, on case to case basis. Adhoc provision created as per the decision of the Board of Directors in the year 2006-07 after appropriation to specific provisions created as above against individual projects are also carried in the accounts.

15. Provisions and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the

reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

16. Liquidated Damages

Liquidated damages/compensation for delay in respect of Project Authorities/Contractors, if any, are accounted for when the matter is considered settled by the Management and it is probable that an outflow or inflow of economic benefit would take place.

17. Impairment of Assets

An asset is treated as impaired when the carrying amount of assets is more than its recoverable amount. An impairment loss is charged to Statement of Profit and loss in the accounting period in which such asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

18. Write Off/ write back of Assets/ liabilities

Long outstanding trade related personal account balances are written off/written back, when, based on the management assessment undertaken at the end of each reporting period, there are no chances of recovery/claim of the balances and there are no litigations pending in respect of the same. Any provision/allowances held there against are withdrawn. The adjustments are passed with due ratification of the competent authority.

Property, Plant & Equipments and inventory items are written off when the items are determined by the competent authority as obsolete, damaged beyond repair or uneconomical to use and have no significant realizable value. However, the items are held in Stores until disposal and accounting of scrap value realized.

Note-25 Contingent Liability not provided for in respect of:

(Amount in Rupees)

Description	2018-19	2017-18
a. Outstanding claims of contractor pending in arbitration and Courts	1,09,32,61,114	1,19,28,19,119
b. Service tax and income tax demands disputed in appeal/Rectification	20,28,89,655	21,13,91,782
Total	1,29,61,50,769	1,40,42,10,901
Cases relating to service matters and complaint matters, amount of liability being not ascertainable, not reported.		

Note-26 Outstanding amount of bank guarantees against mobilization and other advances is Rs. 94,41,66,070/- (Previous year Rs. 47,93,42,904/-) and margin money kept by the bank in shape of FDRs against these bank guarantee amounting to Rs. 65,93,51,062/- (Previous year Rs. 51,10,98,895/-).

Note-27 Outstanding amount of Performance bank guarantees is Rs. 83,52,14,350/- (Previous year Rs. 64,76,32,508/-) and margin money in shape of FDRs amounting to Rs. 34,03,45,916/- (Previous year Rs. 69,00,95,492/-).

Note-28 Estimated amount of contracts remaining to be executed on Capital Account (net of advances) – Rs. Nil (Previous Year Rs. Nil).

Note-29 The Company is maintaining provision of Rs. 80,23,62,917/- (Previous Year Rs. 80,58,30,660/-) against debit balances which are doubtful for recovery. Trade Receivables, Un-Billed Revenue and Advances to Sub-contractors includes Rs. 94,41,46,863/- outstanding for more than 3 years which are good for recovery.

Note-30 Certain road projects undertaken by the Company had got stalled in the year 2012 due to certain constraints and were resumed in the year 2016-17. Based on the inspection of the condition of the roads at the time of resumption of the works, certain excess payments were alleged and the matter has been referred to investigation. The works have since been re-tendered by terminating the previous contracts. Expenditure of Rs. 19,26,81,526/- and corresponding revenue of Rs. 20,92,81,930/-, being the difference of expenditure as per last running bill paid under the terminated contracts and BOQ value of visible work as per the condition of roads at the time of inspection, have been reversed and adjusted as Exceptional Items. Provision/allowance of Rs.12,95,49,680/- has been created during the previous years for the dues booked to the contractors' accounts on reversal of expenditure and after adjustment of retentions and withheld amounts. Reversal of revenue had been booked as a liability towards the Project Authority for adjustment on conclusion of the investigation and recovery/settlement of the accounts.

- Note-31** Service tax was being accounted for to the extent charged from the Project Authorities either separately or as tax inclusive revenue. There are divergent opinions with respect to the taxability of certain contracts which are majorly public works funded by the Government. Additional liability, if any that may arise would be chargeable from the Project Authorities as the contract values are exclusive of tax, and hence, not provided for. Amount unascertainable.
- Note-32** In respect of PMC contracts, where actual cost is inclusive of taxes, expenditure and corresponding income has been booked based on the gross value of work done as per running bills raised by sub-contractors inclusive of GST amounting to Rs. 61,12,00,609/- to match the costs approved by the Project Authorities. Input and output taxes have been separately adjusted based on tax invoices raised.
- Note-33** Trade Receivables, Non-current assets, Loans & Advances, Current and non-current liabilities and Trade Payables include accounts of Project Authorities, Sub-contractors, Suppliers of closed Units and some retired employee accounts which are subject to confirmation and reconciliation.
- Note-34** Based on the observation of the C&AG on exorbitant audit expenses claimed by the previous statutory central auditor and claims made by the said auditor on the basis of tampered bills and without proper supporting, as pointed out during subsequent statutory audit, advance payments made to the auditor of Rs.14.22 lakhs have not been adjusted and are lying to the debit of his personal account, pending settlement of the audit observations.
- Note-35** The Company vide its Office Order No. 500283/1638 dt. 13.06.2019 has modified the terms of payment of Gratuity in terms of Payment of Gratuity Act, 1972 w.e.f 01.01.2017. Provision/Liability for Gratuity at the year end has been provided in compliance to the referred order resulting into an additional liability of Rs. 8,24,70,041/-.
- Note-36** The Management is of the view that there is reasonable certainty that the Deferred Tax Asset recognized in the accounts would be realized in future years against taxable profits.
- Note-37** The Management is of the opinion that no case of impairment exists under the provision of Accounting Standard-28 issued by the Institute of Chartered Accountants of India on Impairment of Assets.
- Note-38** As the Company operates only in one segment viz., construction and only in one geographical segment, segment-wise details have not been furnished.

Note-39 Related Party Disclosures

A. In accordance with Accounting Standard 18, pertaining to related party transactions, the details are as under:

1)	Related Parties		
(a)	Subsidiary Companies		NIL
(b)	Key management personnel during the FY 2018-19		
i.	Sh. Manohar Kumar w.e.f. 13.03.2018	Additional Charge of CMD	
ii.	Sh. Manohar Kumar	Director (Engineering)	
iii.	Sh. Sahab Narain	Director (Finance)	
iv.	Smt. Rajni Agarwal	Company Secretary	
2)	Relatives of key management personnel and their enterprises where transactions have taken place		Nil
3)	Other related parties where control exists		Nil

B. Remuneration to Key Managerial Personnel:

(Amount in Rupees)

Name and Designation	2018-19	2017-18
Manohar Kumar, Director (Engineering), Additional Charge CMD		
i. Salary & allowances	38,12,019	24,03,320
ii. Contribution to PF	3,00,688	2,16,597
Sahab Narain, Director (Finance)		
i. Salary & allowances	38,25,253	21,65,443
ii. Contribution to PF	3,02,374	2,10,910
Rajni Agarwal, Company Secretary		
i. Salary & allowances	23,73,892	14,82,602
ii. Contribution to PF	1,89,047	1,36,171

Note-40 Disclosures relating to Construction Contracts entered as per requirement of Accounting Standards -7 (Revised) – Construction Contracts are as follows:

(Amount in Rupees)

	2018-19	2017-18
Contract revenue recognized for the year	10,73,74,13,395	11,27,17,37,863
In respect of contract in progress at the end of year:		
The aggregate amount of cost incurred and recognized profits(less recognized losses)	*	*
Amount of advances received	6,14,56,20,356	3,37,79,45,652
Amount of retentions(deferred debts)	83,64,78,913	68,13,35,969
In respect of dues from customers after appropriate netting off:		
Gross amount due from customer for the contract work as an asset	5,37,32,32,872	5,28,09,89,155
Gross amount due to customer for the contract work as a liability	Nil	Nil

* The Company has many ongoing projects where additional works are granted by the Project Authorities under the same sanction. In view of this fact and the volume of contracts, it has not been possible to work out the aggregate amount of costs incurred and recognized profits upto the reporting date in respect of ongoing projects.

Note-41 Earning / (Loss) per share

“Earning per share” of the Corporation is calculated in accordance with AS-20, issued by ICAI.

Basic/Diluted EPS

(Amount in Figures)

Particulars		Current Year	Previous Year
Profit / (Loss) including adjustments of Deferred Tax Assets/ Liabilities, attributable to equity shares for the year.	(A)	19,37,07,472	30,36,16,729
Weighted average number of shares outstanding during the year (in number)	(B)	9,45,316	9,45,316
Basic/Diluted Earning / (Loss) per share (in Rs.)	(A/B)	204.91	321.18
Nominal value per equity share (in Rs.)		1000.00	1000.00

Note-42 The Company is generally executing contracts by engaging sub-contractors. The Company, therefore, does not procure materials directly and therefore, primarily, information in respect of para 5(viii)(c) of general instructions for preparation of the Statement of Profit & Loss as per Schedule III to the Companies Act, 2013 is NIL. However, stores and spares consumed on departmental works is as under : Indigenous Stores & Spares – Rs. 1,63,27,809/- (Previous Year Rs. 9,24,626/-).

Note-43 Employee Benefits (AS-15)

The principal assumptions used in actuarial valuation are as follow:

Particulars	2018-19	2017-18
-Discount Rate	7.75%	7.75% / 7.00% / 7.60%
-Expected Rate of future Salary increases	6.00%	6.00%

(Amount in Rupees)

	Gratuity Regular Staff		Gratuity Work charged		Leave Encashment	
	Unfunded		Unfunded		Unfunded	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Change in the present value of obligations						
- Present value of obligations as at 01.04.2018	19,56,48,202	18,25,66,765	14,86,71,449	17,40,55,058	17,35,59,424	17,27,39,859
- Interest Cost	1,51,62,736	1,41,48,924	1,15,22,037	1,21,83,854	1,34,50,855	1,31,28,229
- Current Service Cost	96,56,502	94,44,503	44,13,514	42,01,947	1,17,55,176	99,49,449
- Past service Cost		2,05,69,924				
- Benefits paid	(5,90,97,247)	(4,29,59,270)	(3,47,90,820)	(2,69,84,686)	(3,29,51,876)	(3,97,03,495)
- Actuarial (Gain)/Loss on obligations	2,68,59,544	1,18,77,356	3,01,59,157	(1,47,84,724)	40,55,941	1,74,45,382
- Present value of obligations as at 31.03.2019	18,82,29,737	19,56,48,202	15,99,75,337	14,86,71,449	16,98,69,520	17,35,59,424
Change in Fair Value of Plan						
Liability recognized in the balance sheet	16,75,09,851	16,79,37,223	15,99,75,337	14,86,71,449	16,98,69,520	17,35,59,424
- Present value of obligations as at 31.03.2019	18,82,29,737	19,56,48,202	15,99,75,337	14,86,71,449	16,98,69,520	17,35,59,424
- Fair value of obligations as at the end of the year.	2,07,19,886	2,77,10,979				
- Funded status [Surplus/ (Deficit)]	(16,75,09,851)	(16,79,37,223)	(15,99,75,337)	(14,86,71,449)	(16,98,69,520)	(17,35,59,424)
- Unrecognized Actuarial (Gain)/Loss						
- Net assets/ (liability) recognized in the Balance Sheet	(16,75,09,851)	(16,79,37,223)	(15,99,75,337)	(14,86,71,449)	(16,98,69,520)	(17,35,59,424)
Expenses recognized in the Profit and Loss Account	5,03,52,649	5,46,84,709	4,60,94,708	16,01,077	2,92,61,972	4,05,23,060
- Current Service cost	96,56,502	94,44,503	44,13,514	42,01,947	1,17,55,176	99,49,449
- Past Service cost		2,05,69,924				

	Gratuity Regular Staff		Gratuity Work charged		Leave Encashment	
	Unfunded		Unfunded		Unfunded	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
- Interest cost	1,51,62,736	1,41,48,924	1,15,22,037	1,21,83,854	1,34,50,855	1,31,28,229
- Expected return on plan assets	(21,47,601)	(19,92,885)				
- Net Actuarial (Gain)/Loss recognized during the year	2,76,81,012	1,25,14,243	3,01,59,157	(1,47,84,724)	40,55,941	1,74,45,382
- Total expenses recognized in Profit and Loss Account	5,03,52,649	5,46,84,709	4,60,94,708	16,01,077	2,92,61,972	4,05,23,060

Note-44 There were no discontinuing operations during the year falling within the definition of “Discontinuing Operations” under Accounting Standard – 24.

Note-45 Disclosures relating to Corporate Social Responsibility Expenditure:

(Amount in Rupees)

Description	2018-19	2017-18
Gross amount required to be spent during the year	1,16,44,000	1,18,05,000
Amount spent during the year on -	55,12,431	48,28,613
a) Construction of asset	42,68,662	22,44,672
b) On purposes other than (a) above :		
(i) Paid in Cash	12,42,269	19,60,011
(ii) Outstanding	1,500	6,23,930
c) Nature of Expenditure incurred		
i) Work executed by different Zones under Swachh Bharat Abhiyan during Swachhta Pakhwada	5,43,769	8,54,811
ii) Supply & installation of 50 Nos. Hand pumps in various districts of Muzaffarnagar, Bagpat	39,55,746	--
iii) Repair and renovation work of Indian Red Cross Society wellness Centre at Duttabad, Kolkatta	3,12,916	--
iv) Corporate Conclave on “CSR connecting Rural India” organized by GLA University, Mathura	5,00,000	--
v) Digitalization of class rooms in Primary school at Pardi	2,00,000	--
vi) Construction of proposed Girls School building (Phase-I) at Vill. Buchhakheri, Dist. Shamli (U.P).	--	11,05,678

Description	2018-19	2017-18
vii) Construction of Senior Citizen block for Madhav Nyas at Mandaleshwar, Indore.	--	1,87,725
viii) Construction of Rain Harvesting system having 2 No. Re-charge pits at sanskriti & Vaidic Studies at Vasant Kunj, New Delhi	--	9,51,269
ix) Supply of computers with accessories and audio visual projection system for Assam rifle public schools	--	17,29,130
d) Details of related party transactions	Nil	Nil
e) Provisions made	Nil	Nil

Note-46 Ministry of Water resources, River Development & Ganga Rejuvenation, vide Letter No. F.No.U.14013/1/2017-PSU Pt. 7/141 dt. 25.03.2019 informed about the approval of strategic disinvestment of NPCC by way of sale of GOIs existing 98.89% total paid-up equity share capital to WAPCOS Ltd. along-with its Management control. Shares held by President of India were transferred to WAPCOS Ltd. on 26.04.2019.

Note-47 Special Audit u/s 142(2A) of the Income Tax Act, 1961 for the F.Y. 2015-16 (A.Y. 2016-17) has been directed by the Income Tax Department. M/s Dass Gupta & Associates, Chartered Accountants have been appointed by the department for the audit of the Company to assist the income tax department to assess the taxable income of the Company. The Special Auditor in its audit report dt. 25.07.2019 has raised concern over reliability, genuineness, accuracy of liabilities & expenses and about company not having adequate internal control system and accounting system. The major items emphasized in the special audit report are overstatement of liabilities; expenses on account of creditors pending since long, Corporate creditors which does not exist on MCA website and outstanding for long period of time etc. (Rs. 197.98 Crore), some instances on which lower/ non deduction of TDS (Rs. 182.02 Crore), understatement of revenue (Rs. 121.35 Crore), short recognition of interest income on fixed deposits (Rs. 0.85 Crore), overstatement of construction expenses/liability on account of unverifiable parties (Rs. 74.47 Crore) and understatement of profits by Rs. 0.19 Crores for work done in Pradhan Mantri Gramin Sadak Yojna. The company is in process to submit the detail reply of the same with complete evidence and record in due course. The management is of the view that it is unlikely to have any major financial impact on this account.

Note-48 Considering the nature, quantum and value of fixed assets currently in use in the Corporation, it has not been considered necessary to separately determine and compare the useful life of individual components of the fixed assets with the asset as a whole.

- Note-49** The Company is not paying GST on deposit received from Project authority in terms of proviso to section 2(31) of the CGST Act. However, Company is also in process to file a representation seeking relaxation for GST to be paid on advances for services rendered under works contract.
- Note-50** GST is not paid on unbilled revenue in few branches. Consequent interest liability and penalty is yet to be ascertained. Reconciliation of Input tax credit/ GST payable, Income Tax and Other Taxes is under process.
- Note-51** Classification of Trade Receivables and Trade Payables as Current and Non Current has been done on the basis of best judgment of Management.
- Note-52(i)** Figures of previous year have been regrouped /rearranged wherever considered necessary for comparison.
- Note-52(ii)** In view of insufficient information from suppliers regarding their status as to unit registered under Micro, Small and Medium Enterprises Development Act, 2006, the information of such undertaking could not be ascertained and accordingly could not be disclosed.

Signatures to Notes 1 to 52

Sd/-
(Rajni Agarwal)
Company Secretary

Sd/-
(Dr. Jayashree Gupta)
Independent Director
(DIN No.01475898)

Sd/-
(Sahab Narain)
Director (Finance)
(DIN No.03641879)

Sd/-
(R.K Gupta)
Chairman-cum- Managing Director
(DIN No. 02765470)

As per our report of even date

For K.B. CHANDNA & CO.
Chartered Accountants
FRN : 000862N

Sd/-
(Sanjeev Chandna)
Partner
M.No.087354
UDIN : 19087354AAAAB04867

Date : 09th August, 2019
Place : New Delhi

Independent Auditors' Report

**To the Members of
National Projects Construction Corporation Limited**

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of National Projects Construction Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the Branch Auditors of the Company's Branches located at Bihar Zone, Eastern Zone, Jharkhand Zone, Northern (W) Zone, UP Zone, Bhubaneswar Zone, Hyderabad Zone, Southern Zone, NER(C) Zone, NER(IBBW) Zone, NER(W) Zone.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- i. The Company does not have system of obtaining confirmation of balances from debtors/creditors and other parties including employees for loans and advances, deposits and other assets and liabilities. All the personal accounts are, therefore, subject to confirmation, reconciliation and consequential adjustments thereof. Effect thereof, unascertainable. (Refer Note No. 33)
- ii. Note No 29 regarding adequacy of provision for doubtful debts and advances considering net position of recoverable and payable for respective projects since the contracts with the contractors are guided by the same terms as with the project authorities. Since the balance of sub contractors and project authorities are very old, recoverability of the same needs to be ascertained. We are unable to comment on the adequacy of provision.

- iii. Company is recording detailed measurements of the work done by the sub-contractors in its Measurement Books and payments and billing are based upon measurement books of the Project Authorities. In few Units, Unbilled revenue/expenses has been recognised for which no Measurement books are available for verification and only abstract is available signed by the Project Manager which does not give adequate detailed information for work done and for ascertaining the appropriate accounting entry. Based on above, we are not able to form the opinion that Percentage of Completion Method is properly followed or not.
- iv. GST on Agency fees relating to Pradhan Mantri Gram Sadak Yojna paid on cash basis instead of accrual basis in Bihar Zone. Consequent Interest liability and Penalty on the same is unascertainable.
- v. The company has not reversed GST input in some cases on non-payment of sub-contractor's invoices within 180 days from the date of invoice in terms of Rule 37 of Goods and Service Tax Rules, 2017. Consequently, GST would become payable along with Interest and Penalty. The amount is unascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing(SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

1. Refer Note No. 47 relating to Special Audit under section 142(2A) of The Income Tax Act, 1961, carried out by M/S Dass Gupta and Associates, Chartered Accountants. As per their report dated 25th July 2019, they have raised concerns over reliability, genuineness, accuracy of liabilities and expenses and company having no adequate internal control system and accounting system. The major items emphasized in the special audit report are overstatement of liabilities and expenses of Rs 197.98 crores, lower/non deduction of TDS amounting to Rs 182.02 crores, understatement of revenue and assets by Rs 121.35 Crores, short recognition of interest income on fixed deposits amounting to Rs 0.85 crores, overstatement of construction expenses and liabilities on account of unverifiable parties amounting to Rs 74.47 crores and understatement of profits by 0.19 crores. We are unable to comment on impact on financial statements till the final income tax assessment.
2. Note No. 51 relating to classification of Trade receivables and payables as non-current has been done on the basis of judgement of Management.

3. The Company has many ongoing projects where additional works are granted by Project Authorities under the same sanction. In view of this fact and due to volume of contracts, the aggregate amount of cost incurred and profit recognised upto the reporting date in respect of ongoing projects as required by Accounting Standard (AS) 7 has not been ascertained in some cases.
4. Note No. 32 relating to PMC contracts where actual cost is inclusive of taxes, Expenditure and corresponding Income has been booked based on the gross value of work done as per running bills raised by the contractors inclusive of GST amounting to Rs. 61.12crores to match the cost approved by the Project Authorities. Input and Output taxes have been separately adjusted based on Tax Invoices raised.
5. Note No. 50 relating to non-reconciliation of Revenue/Input tax credit/ GST payable, Income Tax and other taxes is under process.
6. Note No.30 relating to reversal of contract expenditure of Rs.3.33 crores, reversal of revenue of Rs.3.66 crores and creation of provision/allowance of Rs.8.88 crores during the year, over alleged excess payments to contractors that are pending investigation in respect of certain road construction projects stalled in 2012 and re-tendered in 2016-17; Aggregate expenditure reversed till 31.3.2019 Rs.19.27 crores, revenue reversed Rs. 20.93 crores and aggregate provision/allowance made till 31.3.2019 – Rs.12.95 crores;
7. Note No. 31 relating to existibility to service tax of certain contracts and additional liability that may arise being recoverable from the Project Authorities;
8. Note No. 34 relating to unadjusted payment of Rs. 0.14 crores to previous central statutory auditors on the basis of observations of exorbitant claims made by the C&AG and tampered bills and unsupported claims found during audit. The Company has not taken any action there against;
9. Note No.48 with respect to non-determination of useful lives of individual components of fixed assets in view of the nature of assets held.
10. Note No10,11,13&15 with relation to Non-Provision of outstanding dues under Trade Receivables (Including Unbilled Revenue) of Rs. 83.97crores and Loans and Advances to sub-contractors of Rs. 33.84 crores which are more than three years old, shown as good for recovery.
11. Note No. 49 relating to non-payment of GST on advance received from Project Authorities in terms of Section 13(2) of Goods and Service Tax Act, 2017 wherein GST is to be paid on date of issue of invoice or date of receipt of payment whichever is earlier. Consequent Interest liability and Penalty on the same is unascertainable.

12. Note 50 relating to non-payment of GST on Unbilled Revenue in few branches. Consequent Interest liability and Penalty on the same is unascertainable.

Our opinion is not modified in respect of these matters.

Other Matter

We did not audit the financial statements of 25 Branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 1219.54 crores as at 31st March 2019 and the total revenue of Rs. 40.20 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such Branch Auditors. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - e) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with

the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- f) In terms of Notification No. G.S.R 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Companies Act, 2013 regarding disqualification of Directors are not applicable to the Company being a Government Company.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Units and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K.B. CHANDNA & CO.
Chartered Accountants
FRN : 000862N

Sd/-
(Sanjeev Chandna)
Partner
M.No.087354
UDIN : 19087354AAAAB04867

Date : 09th August, 2019

Place : New Delhi

In terms of Section 143(5) of the Act, we give below a reply to the Directions issued under the aforesaid section by the Comptroller & Auditor General of India:

S. No.	Directions	Reply
i.	Whether the Company has system in place to process all accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system. The Company maintains all accounting transactions in IT system in Tally ERP Software and Excel Software. During the course of our audit we did not come across accounting transactions which were outside the IT system and have financial implications.
ii.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us, the Company has not taken any loan. Hence, there are no cases of waiver/write-off of debts/ loans/interest etc.
iii.	Whether funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	According to the information and explanations given to us, the Company has not received any funds from Central/ State agencies for specific schemes during the year.

For K.B. Chandna & Co.
Chartered Accountants
Firm Registration No. 000862N

Sd/-
Sanjeev Chandna
(Partner)
Membership No. 087354
UDIN: 19087354AAAAB04867

Date : 09th August, 2019
Place : New Delhi

Annexure- A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report of National Projects Construction Corporation Limited on the financial statements for the year ended 31st March 2019, we report that:

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for WZO Mumbai, CZO Raipur, Bhopal Zone, Delhi Zone including Concor Unit and Northern Zone Jammu.
- (b) The Company undertakes physical verification of its fixed assets at the year end except in respect of certain closed units where the assets are in the custody of the Project Authorities (Refer Note No.8(2). As explained, no material discrepancies were noticed on the verification of assets. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Inventories have been physically verified as per reports furnished to us, except in respect of materials at closed sites to which the Company does not have access to. Refer Note No.12 relating to certain inventories impounded by the Project Authorities;
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act');
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee to which provisions of sections 185 and 186 of the Act apply;
- (v) The Company has not accepted any deposits to which the directives issued by Reserve Bank of India or provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under apply;
- (vi) In our opinion, considering the nature of activities of the Company, the Order issued by the Central Government for maintenance of cost records and audit are not applicable to the Company. The same position has also been confirmed by a Cost Auditor. However, the Company has got a cost audit conducted of the year 2016-17 wherein satisfaction has been expressed by the Cost Auditor over the records and no significant observations have been reported.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess, GST and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for dues indicated in Appendix '1' which were due as at the last day of the financial year for more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- (b) According to information and explanations given to us, the dues indicated in Appendix '2' on account of income tax, sales tax, service tax and value added tax and GST have not been deposited by the Company on account of disputes.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company being a government company, the provisions of section 197 and the Schedule V to the Act are inapplicable to the Company.
- (xii) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K.B. Chandna & Co.
Chartered Accountants
Firm Registration No. 000862N

Sd/-
Sanjeev Chandna
(Partner)
Membership No. 087354
UDIN: 19087354AAAAB04867

Date : 09th August, 2019
Place : New Delhi

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act,2013(“ the Act”)

We have audited the internal financial controls over financial reporting of National Projects Construction Corporation Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement,

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the unit's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- i. The Company does not have an adequate internal control system with regard to verification, identification and proper accounting of unusable fixed assets, reconciliation of debit & credit balances lying in various accounting heads of closed Units.

- ii. The Company does not have proper system or procedure for reconciliation of accounts with contractors, project authorities and inter unit remittances. The Financials Statements of Company, includes long overdue receivables and payables without proper confirmations and reconciliations.
- iii. Reconciliation of Form 26AS with Books of Zonal Office is not being done on regular basis.
- iv. In some branches, Security Deposit deducted from sub-contractor's payments is released without completion certificate.
- v. The Company did not have a proper system of evaluating claims of contractors vis-à-vis contractual terms leading to huge number of litigations and settlements with mounting interest burden. The non-determination of the liability in a timely manner could significantly affect the financial reporting and could also affect the functioning of the Company.
- vi. Certain cases of over-payments to contractors have been reported which is under investigation.
- vii. The Company undertakes construction works for various Project Authorities/Clients on deposit works basis as per CPWD guidelines where the Company is not expected to meet expenditure from its own funds but out of deposits given by the Project Authorities. However, during our examination, in certain contracts, payments have been made to contractors out of own funds without release of deposits by the Clients which may lead to avoidable losses.
- viii. The Company does not have a system of balance confirmations of personal accounts.
- ix. Though the Company has introduced a system of reconciliation of Remittance accounts between the accounting units, but efforts are due in respect of differences in the accounts upto 2012-13 and these could affect balances in other accounts.
- x. In respect of some contracts, the Company is not recording detailed measurements of the work done by the sub-contractors in its Measurement Books and payments and billing are based upon measurement books of the Project Authorities of which, many a time, proper copies are also not maintained with the Units. Payments are processed merely based on an abstract drawn in the Measurement Book. In our opinion, the non-maintenance of proper measurement records by the Company could lead to serious repercussions in case of disputes arising with the Project Authorities or Contractors.

- xi. The Company does not have a proper system for evaluation of tax components in the project costs leading to unwarranted disputes with regard to billing, payment and recovery of taxes with Project Authorities, Contractors and Statutory Authorities.
- xii. The Company does not have an effective job rotation and transfer policy.
- xiii. The Company has a Manual of Orders which has not undergone revision since many years.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of March 31, 2019, standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For K.B. Chandna & Co.
Chartered Accountants
Firm Registration No. 000862N

Sd/-
Sanjeev Chandna
(Partner)
Membership No. 087354
UDIN: 19087354AAAAB04867

Date : 09th August, 2019
Place : New Delhi

Appendix-1

NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

Undisputed Dues of Sales Tax / Income Tax/Custom Duty/Wealth Tax/Excise Duty/Cess/ service Tax/ GST which have not been deposited up to 31/03/2019(Outstanding for more than six months):-

Sl. No.	Name of Statute	Nature of dues	Department	Amount (Rs.)	Unit
1	WCT	WCT	Proj. Authority Jammu (University)	6,90,182	Indo China Border
			TOTAL	6,90,182	

Appendix-2

NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

Disputed Dues of Sales Tax / Income Tax/Custom Duty/Wealth Tax/Excise Duty/Cess/service Tax/ GST which have not been deposited up to 31/03/2019 on account of any dispute are as follows:-

Sl. No.	Name of Statute	Nature of dues	Authority before whom case is pending	Amount (Rs.)	Unit
1	Sales Tax	Sales Tax	Sales Tax Tribunal, Patna	21,01,000	Chapra Gopalganj Unit
2	Central Excise/ Service Tax	Service Tax, Interest and Penalty	Central Excise Service Tax Appellate Tribunal, Kolkata	8,03,54,000	Khalgaon
3	Income Tax	TDS	TDS Demand on Traces (FY 2008-09)	97,550	Bihar Zone
4	Income Tax	TDS	TDS Demand on Traces (FY 2013-14)	20	Bihar Zone
5	Income Tax	TDS	TDS Demand on Traces (FY 2016-17)	1,16,600	Bihar Zone
6	Income Tax	TDS	TDS Demand on Traces (FY 2018-19)	1,330	Bihar Zone
7	Income Tax	TDS 2008-09	TDS Demand on Traces	2,70,670	NER (W) Guwahati
8	Income Tax	TDS 2009-10	TDS Demand on Traces	19,500	NER (W) Guwahati
9	Income Tax	TDS 2010-11	TDS Demand on Traces	4,690	NER (W) Guwahati
10	Income Tax	TDS 2011-12	TDS Demand on Traces	22,600	NER (W) Guwahati
11	Income Tax	TDS 2012-13	TDS Demand on Traces	3,680	NER (W) Guwahati
12	Income Tax	TDS 2013-14	TDS Demand on Traces	1,610	NER (W) Guwahati
13	Income Tax	TDS 2014-15	TDS Demand on Traces	1,54,150	NER (W) Guwahati
14	Income Tax	TDS 2015-16	TDS Demand on Traces	100	NER (W) Guwahati
15	Income Tax	TDS 2017-18	TDS Demand on Traces	670	NER (W) Guwahati
16	Income Tax	TDS 2018-19	Rectification before Income Tax Officer	3,430	NER (W) Guwahati
17	Income Tax	TDS	Rectification before Income Tax Officer	11,660	EZO
18	Income Tax	TDS	Rectification before Income Tax Officer	1,590	Jodhpur
19	Income Tax	TDS	Rectification before Income Tax Officer	16,670	CRPF
20	Income Tax	TDS	Rectification before Income Tax Officer	4,58,440	DZO

Sl. No.	Name of Statute	Nature of dues	Authority before whom case is pending	Amount (Rs.)	Unit
21	Central Excise/ Service Tax	Service Tax, Interest and Penalty	Commissioner, Custom & Excise, Raipur	42,72,118	Sipat
22	Chattisgarh Sales Tax/ E T	Sales Tax Penalty, (1984-87)	Appeal before High Court, Bilaspur	15,83,000	GGDU, Koni
23	Sales tax	Sales tax (2008-09)	Comm. of Appeal of Sales Tax, Raipur	4,81,010	CZO, Raipur
24	Sales tax	Sales tax (2009-10)	Comm. of Appeal of Sales Tax, Raipur	7,85,649	CZO, Raipur
25	Income Tax	TDS	Rectification before Income Tax Officer	2,20,270	Raipur
26	Income Tax	TDS	Rectification before Income Tax Officer	29,87,360	Sipat
27	MVAT	MVAT Demand (2014-15)	Rectification filed before S.Tax Officer, NAG-VAT-037	43,00,412	WZO/mumbai Firm liability of Kingsfort as reported by Statutory Auditors Rs.1680852 has been deducted from Rs.5981264/-
28	Sales Tax	VAT (A.Y 2008-09)	Joint Commissioner of Commercial Taxes(Appeals) 2, Shantinagar, Bangalore, Karnataka	1,42,658	SZO BANGALORE
29	Sales Tax	Demand Tax 1999-2000	Assistant Commissioner, Sales Tax Authority, Bhubaneswar	6,92,015	Orissa Zonal Office
30	Sales Tax	Demand Tax 1999-2000	Commissioner of Commercial Taxes, Cuttack	3,45,203	Rourkela (merged with Talcher STPP)
31	Sales Tax	Demand Tax 1997-98 1998-99 1999-2000	Sales Tax Tribunal, Cuttack Orissa	17,29,423	Nalco Damanjodi (merged with NTPC Simhadri)
32	Service Tax	Demand of service Tax	Appellate Tribunal Kolkata,	1,34,14,619	Nalco D Type Qtr's, Angul
33	Sales Tax	Sales Tax	Sales Tax Tribunal, Cuttack	1,30,183	OZO
34	Income Tax	TDS	Rectification before Income Tax Officer	1,740	TSTPP Talcher

Sl. No.	Name of Statute	Nature of dues	Authority before whom case is pending	Amount (Rs.)	Unit
35	Income Tax	TDS	Rectification before Income Tax Officer	7,860	NTPC Simhadri
36	Income Tax	TDS	Rectification before Income Tax Officer	6,670	Bhubaneswar
37	Central Excise/ Service Tax	Joint Commissioner, Central Excise, Shillong	CESTAT, Kolkata	2,54,71,508	NER(IBBW) SILCHAR
38	Jharkhand VAT Act	Output Tax (FY 12-13)	The Addl. Commissioner of Commercial Tax Jharkhand, Ranchi has remanded back the case to assessing authority to pass order afresh taking into account a judgement of the Commercial Tax Tribunal, Ranchi in the case of revision petition no RN 04 of 2016 period 2011-12 in the case of NPCC. Ranchi vs the State of Jharkhand.	1,79,78,524	RANCHI WORKS
39	Jharkhand VAT Act	Output Tax (FY 13-14)	The Addl. Commissioner of Commercial Tax Jharkhand, Ranchi has remanded back the case to assessing authority to pass order afresh taking into account a judgement of the Commercial Tax Tribunal, Ranchi in the case of revision petition no RN 04 of 2016 period 2011-12 in the case of NPCC. Ranchi vs the State of Jharkhand.	1,84,73,484	RANCHI WORKS
40	Service Tax	Finance Act 1994	CESTAT, Kolkata	39,19,499	NER(C) Shillong
41	Income Tax	Income Tax(AY 2013-14)	Appeal before Commissioner of Income Tax (Appeals)	1,92,84,930	Corporate Office
42	Income Tax	Income Tax(AY 2014-15)	Rectification before Assessing Officer	29,17,110	Corporate Office
43	Income Tax	Income Tax(AY 2014-15)	Rectification before Income Tax Officer	1,04,450	Corporate Office
			TOTAL	20,28,89,655	

Management Reply on Qualification in Statutory Auditors Report for the F.Y 2018-19

S. No.	Auditors Comment	Management Reply
i.	The Company does not have system of obtaining confirmation of balances from debtors/creditors and other parties including employees for loans and advances, deposits and other assets and liabilities. All the personal accounts are, therefore, subject to confirmation, reconciliation and consequential adjustments thereof. Effect thereof, unascertainable. (Refer Note No. 33)	"The company is mostly into deposit works and is submitting utilization certificate to Project Authorities time to time. Balance Confirmation from Project Authorities is done at the time of final bill. All personal accounts of employees are reconciled except those lying in closed units."
ii.	Note No 29 regarding adequacy of provision for doubtful debts and advances considering net position of recoverable and payable for respective projects since the contracts with the contractors are guided by the same terms as with the project authorities. Since the balance of sub contractors and project authorities are very old, recoverability of the same needs to be ascertained. We are unable to comment on the adequacy of provision.	The company is maintaining adequate provision after netting off the payables from recoverable amount as contracts are generally entered on the back to back condition with sub-contractors as that of project authorities. The remaining portion is good for recovery in the view of management.
iii.	Company is recording detailed measurements of the work done by the sub-contractors in its Measurement Books and payments and billing are based upon measurement books of the Project Authorities. In few Units, Unbilled revenue/expenses has been recognised for which no Measurement books are available for verification and only abstract is available signed by the Project Manager which does not give adequate detailed information for work done and for ascertaining the appropriate accounting entry. Based on above, we are not able to form the opinion that Percentage of Completion Method is properly followed or not.	Value of work done is recorded in strict compliance of the revenue recognition policy of the company.

S. No.	Auditors Comment	Management Reply
iv.	GST on Agency fees relating to PradhanMantri Gram SadakYojna paid on cash basis instead of accrual basis in Bihar Zone. Consequent Interest liability and Penalty on the same is unascertainable.	PMGSY releases the amount of the agency fees on achievement of milestone in accordance to the agreement and not as and when bills are raised to the PMGSY. Since Agency fees becomes due on achievement of milestone and disbursed by PMSGY in accordance. GST is, therefore, paid on the sanction and disbursement of the amount.
v.	The company has not reversed GST input in some cases on non-payment of sub-contractor's invoices within 180 days from the date of invoice in terms of Rule 37 of Goods and Service Tax Rules, 2017. Consequently, GST would become payable along with Interest and Penalty. The amount is unascertainable	Proper guidelines in respect to provisions of GST has been issued by Corporate Office. No such specific case has been reported by auditors. Meanwhile, the matter will be reviewed and necessary action will be taken, if required.

Management Reply on Emphasis of Matter in Statutory Auditors Report for the F.Y 2018-19

S. No.	Auditors Comment	Management Reply
i.	Refer Note No. 47 relating to Special Audit under section 142(2A) of The Income Tax Act, 1961, carried out by M/S Dass Gupta and Associates, Chartered Accountants. As per their report dated 25th July 2019, they have raised concerns over reliability, genuineness, accuracy of liabilities and expenses and company having no adequate internal control system and accounting system. The major items emphasized in the special audit report are overstatement of liabilities and expenses of Rs 197.98 crores, lower/non deduction of TDS amounting to Rs 182.02 crores, understatement of revenue and assets by Rs 121.35 Crores, short recognition of interest income on fixed deposits amounting to Rs 0.85 crores, overstatement of construction expenses and liabilities on account of unverifiable parties amounting to Rs 74.47 crores and understatement of profits by 0.19 crores. We are unable to comment on impact on financial statements till the final income tax assessment.	As also stated in Note No. 47, The company has submitted detailed reply of the same with complete evidence and records. The management is of the view that it is un-likely to have any major impact financial impact on this account.
ii.	Note No. 51 relating to classification of Trade receivables and payables as non-current has been done on the basis of judgement of Management.	Judgement adopted by Management is in strict compliance of Schedule III of Companies Act, 2013 which defines the conditions for classification of assets and liabilities as Current and Non-Current Assets.

S. No.	Auditors Comment	Management Reply
iii.	The Company has many ongoing projects where additional works are granted by Project Authorities under the same sanction. In view of this fact and due to volume of contracts, the aggregate amount of cost incurred and profit recognised upto the reporting date in respect of ongoing projects as required by Accounting Standard (AS) 7 has not been ascertained in some cases.	The fact has been disclosed by the Company in Note No. 40 forming part of the Financial Statements.
iv.	Note No. 32 relating to PMC contracts where actual cost is inclusive of taxes, Expenditure and corresponding Income has been booked based on the gross value of work done as per running bills raised by the contractors inclusive of GST amounting to Rs. 61.12 crores to match the cost approved by the Project Authorities. Input and Output taxes have been separately adjusted based on Tax Invoices raised.	This accounting treatment has been done to match the cost of work awarded by Project Authorities. However, there is no impact on profitability of the corporation.
v.	Note No. 50 relating to non-reconciliation of Revenue/Input tax credit/ GST payable, Income Tax and other taxes is under process.	Necessary efforts have already been initiated to reconcile Revenue/Input tax credit/ GST payable, Income Tax and other taxes
vi.	Note No. 30 relating to reversal of contract expenditure of Rs.3.33 crores, reversal of revenue of Rs. 3.66 crores and creation of provision/allowance of Rs. 8.88 crores during the year, over alleged excess payments to contractors that are pending investigation in respect of certain road construction projects stalled in 2012 and re-tendered in 2016-17; Aggregate expenditure reversed till 31.3.2019 Rs. 19.27 crores, revenue reversed Rs. 20.93 crores and aggregate provision/allowance made till 31.3.2019 – Rs.12.95 crores;	The note pertains to the necessary corrective entries undertaken in the previous year in contradiction to auditors comment. The auditor may like to re-consider the observation raised.

S. No.	Auditors Comment	Management Reply
vii.	Note No.31 relating to existibility to service tax of certain contracts and additional liability that may arise being recoverable from the Project Authorities;	Effect will be ascertained as and when it arises. Additional liability, if any that may arise would be chargeable from Project Authorities. No impact on profit.
viii.	Note No. 34 relating to unadjusted payment of Rs. 0.14 crores to previous central statutory auditors on the basis of observations of exorbitant claims made by the C&AG and tampered bills and unsupported claims found during audit. The Company has not taken any action there against;	Reply of audit para had already been submitted to C&AG and action will be taken as per advice of C&AG.
ix.	Note No.48 with respect to non-determination of useful lives of individual components of fixed assets in view of the nature of assets held.	Useful lives of components of fixed assets are considered as per schedule II of the Companies Act,2013.
x.	Note No 10, 11, 13 & 15 with relation to Non-Provision of outstanding dues under Trade Receivables (Including Unbilled Revenue) of Rs. 83.97crores and Loans and Advances to sub-contractors of Rs. 33.84crores which are more than three years old, shown as good for recovery	The Provision against doubtful trade receivable of Rs. 52 Crores and loan & advances of Rs. 20 Crores is already lying in the books of accounts and the balance are good for recovery.
xi.	Note No. 49 relating to non-payment of GST on advance received from Project Authorities in terms of Section 13(2) of Goods and Service Tax Act, 2017 wherein GST is to be paid on date of issue of invoice or date of receipt of payment whichever is earlier. Consequent Interest liability and Penalty on the same is unascertainable.	Refer to Note 49, the Company is not paying GST on deposit received from Project Authority in terms of Proviso to section 2(31) of the CGST Act. However, Company is also in process to file a representation seeking relaxation for GST to be paid on advances for services rendered under works contract.
xii.	Note 50 relating to non-payment of GST on Unbilled Revenue in few branches. Consequent Interest liability and Penalty on the same is unascertainable.	GST liability shall be dispensed off as and when bills are raised to project authorities.

Management Reply on Other Matters in Statutory Auditors Report for the F.Y 2018-19

S. No.	Auditors Comment	Management Reply
1	We did not audit the financial statements of 25 Branches included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of Rs. 1219.54 crores as at 31 st March 2019 and the total revenue of Rs. 40.20 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such Branch Auditors. Our opinion is not modified in respect of these matters.	No Comment Required

Management Reply on Annexure A to the Statutory Auditors Report for the F.Y 2018-19

S. No.	Auditors Comment	Management Reply
i.	(a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for WZO Mumbai, CZO Raipur, Bhopal Zone, Delhi Zone including Concor Unit and Northern Zone Jammu.	"The Company maintains individual identifiable asset-wise records of Fixed Assets at Zonal/ Units/ Corporate office. Company will start the process to mark the identification on asset itself."
	(b) The Company undertakes physical verification of its fixed assets at the year end except in respect of certain closed units where the assets are in the custody of the Project Authorities (Refer Note No. 8(2). As explained, no material discrepancies were noticed on the verification of assets. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.	No comment required
	(c) The title deeds of immovable properties are held in the name of the Company.	No comment required
ii.	Inventories have been physically verified as per reports furnished to us, except in respect of materials at closed sites to which the Company does not have access to. Refer Note No. 12 relating to certain inventories impounded by the Project Authorities;	The Inventories have been physically verified except some projects for which inventories are lying with Project Authorities/ Clients. The projects were physically foreclosed more than 10 years ago. Final settlement are yet to be made. However Provision of Rs.1.09 Cr. is lying in Books of Accounts against such inventories. The matter is subjudice, therefore, final settlement has not been made.
iii.	The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act');	No comment required

S. No.	Auditors Comment	Management Reply
iv.	In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee to which provisions of sections 185 and 186 of the Act apply;	No comment required
v.	The Company has not accepted any deposits to which the directives issued by Reserve Bank of India or provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under apply	No comment required
vi.	In our opinion, considering the nature of activities of the Company, the Order issued by the Central Government for maintenance of cost records and audit are not applicable to the Company. The same position has also been confirmed by a Cost Auditor. However, the Company has got a cost audit conducted of the year 2016-17 wherein satisfaction has been expressed by the Cost Auditor over the records and no significant observations have been reported.	No comment required
vii.	(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess, GST and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for dues indicated in Appendix '1' which were due as at the last day of the financial year for more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.	No comment required
	(b) According to information and explanations given to us, the dues indicated in Appendix '2' on account of income tax, sales tax, service tax and value added tax and GST have not been deposited by the Company on account of disputes.	No comment required

S. No.	Auditors Comment	Management Reply
viii.	The Company does not have any loans or borrowings from any financial institution, banks, or debenture holders during the year.	No comment required
ix.	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.	No comment required
x.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.	No comment required
xi.	The Company being a government company, the provisions of section 197 and the Schedule V to the Act are inapplicable to the Company.	No comment required
xii.	The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.	No comment required
xiii.	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.	No comment required
xiv.	The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.	No comment required
xv.	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.	No comment required
xvi.	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.	No comment required

Management Reply on Annexure B to the Statutory Auditors Report for the F.Y 2018-19

S. No.	Auditors Comment	Management Reply
i.	The Company does not have an adequate internal control system with regard to verification, identification and proper accounting of unusable fixed assets, reconciliation of debit & credit balances lying in various accounting heads of closed Units.	"The company has a system of assessment of assets which are beyond economical repair and separately disclosed as Beyond economic repair in Note-8. The company is continuously carrying out the activity of assessing the old balances appearing in the Books of Accounts since long. Necessary entries have been passed in previous years after detailed review of balances in certain zones."
ii.	The Company does not have proper system or procedure for reconciliation of accounts with contractors, project authorities and inter unit remittances. The Financials Statements of Company, includes long overdue receivables and payables without proper confirmations and reconciliations.	The company is continuously carrying out the activity of assessing the old balances appearing in the Books of Accounts since long. Necessary entries have been passed in last years in the books after detailed review of balances in certain zones.
iii.	Reconciliation of Form 26AS with Books of Zonal Office is not being done on regular basis.	Form 26AS is being sent to all the Zonal Office on time to time basis for reconciliation purposes.
vi.	In some branches, Security Deposit deducted from sub-contractor's payments is released without completion certificate.	Security Deposit deducted from sub-contractors are released as per the terms and conditions of the agreement. No such specific case reported by the Auditors.
v.	The Company did not have a proper system of evaluating claims of contractors vis-à-vis contractual terms leading to huge number of litigations and settlements with mounting interest burden. The non-determination of the liability in a timely manner could significantly affect the financial reporting and could also affect the functioning of the Company.	The Company, after taking contracts from the client, awards the same to potential sub-contractors after tendering process. Terms and conditions of the contract is decided only after reviewing contract executed with the client and work order is issued only after due diligence. Company is having very old arbitration/ court cases which are being persuaded appropriately. Proper disclosure of contingent liability against such disputes is being made. Corporation is having a separate Legal & Arbitration section for proper monitoring. No such specific case is reported by Statutory Auditors.

S. No.	Auditors Comment	Management Reply
vi.	Certain cases of over-payments to contractors have been reported which is under investigation	These cases were reported in previous years and under investigation. Necessary adjustment entries have been done in previous years pending settlement/ recovery till conclusion of investigation.
vii.	The Company undertakes construction works for various Project Authorities/Clients on deposit works basis as per CPWD guidelines where the Company is not expected to meet expenditure from its own funds but out of deposits given by the Project Authorities. However, during our examination, in certain contracts, payments have been made to contractors out of own funds without release of deposits by the Clients which may lead to avoidable losses.	Payments are being made to contractors as per agreements.
viii.	The Company does not have a system of balance confirmations of personal accounts.	All personal accounts of employees are reconciled except those lying in closed units.
ix.	Though the Company has introduced a system of reconciliation of Remittance accounts between the accounting units, but efforts are due in respect of differences in the accounts upto 2012-13 and these could affect balances in other accounts.	As stated by Audit, these are old balances and could not be reconciled after due efforts. However, Company ensures necessary action in due course to write off / write back these very old balances after taking approval from the competent authority.
x.	In respect of some contracts, the Company is not recording detailed measurements of the work done by the sub-contractors in its Measurement Books and payments and billing are based upon measurement books of the Project Authorities of which, many a time, proper copies are also not maintained with the Units. Payments are processed merely based on an abstract drawn in the Measurement Book. In our opinion, the non-maintenance of proper measurement records by the Company could lead to serious repercussions in case of disputes arising with the Project Authorities or Contractors.	There is a proper system laid down in manual of order for recording measurement of the work done. However, project authorities has been advised to ensure strict compliance. No such specific case reported by Statutory Auditors.

S. No.	Auditors Comment	Management Reply
xi.	The Company does not have a proper system for evaluation of tax components in the project costs leading to unwarranted disputes with regard to billing, payment and recovery of taxes with Project Authorities, Contractors and Statutory Authorities.	The Company awards the work to the Contractor only after taking into account all tax components. There is proper tax clause in agreement with clients as well as with contractors. Tax disputes, whatsoever, are being dealt appropriately wherever arise in normal course of business. Further, with the introduction of GST by Government of India, there is more clarity in the imposition of taxes.
xii.	The Company does not have an effective job rotation and transfer policy.	Corporation have detailed transfer policy. Job rotation are based on needs and availability of Staff. Transfer are being done only after ensuing interest of the corporation.
xiii.	The Company has a Manual of Orders which has not undergone revision since many years.	Detailed review of Manual of Orders is under review.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of **National Projects Construction Corporation Limited** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditor/ auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is/are responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with Standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their **Audit Report dated 09th August, 2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **National Projects Construction Corporation Limited** for the year ended 31 March 2019 under section 143(6) (a) of the Act. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which, in my view, are necessary for enabling a better understanding of the financial statements and the related audit report.

Comments on Financial Position

Balance Sheet

1. Liabilities

Non-Current Liabilities

Other long term liabilities (Note no. 3)

Trade Payables for Services: Rs. 160.54 Crore

The above head is overstated by Rs.0.53 Crore being the amount of facilitation charges recovered (Rs. 0.28 Crores for 2017-18 and Rs. 0.25 Crore for 2018-19) from contractors in pursuance of agreements entered for projects. As the recovery was made by the company to meet operational expenses of the projects, the same should have been accounted as income instead of liability.

This has resulted in overstatement of 'Non-Current Liabilities' by Rs. 0.53 crore with corresponding understatement of current year profit by Rs. 0.25 crore profit for the current year and prior period income by Rs. 0.28 crore.

2. Assets

Non-Current Assets

Deferred Tax Assets (Note no. 9):- Rs. 52.21 Crore

The above is overstated by Rs. 7.72 Crore due to incorrect adoption of opening balance of deferred tax asset as on 1 April 2018 in computation of deferred tax assets (net) as on 31st March, 2019. The Company has adopted opening balance of deferred tax assets (net) as on 01st April, 2017 instead of 1st April 2018 which resulted into recognition of deferred tax assets as on 31st March 2019 at Rs. 52.21 Crores instead of Rs. 44.49 Crores.

Thus, this has resulted into overstatement of Deferred Tax Assets net and profit for the period by Rs. 7.72 crore.

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

Sd/-

(Raajdeep Singh)

Principal Director of Commercial Audit
& ex-officio Member, Audit Board-IV,
New Delhi.

Place : New Delhi

Dated : 16.10.2019

REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) ON THE ACCOUNTS OF NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

Particulars	Reply of Management
<p>1. Liabilities Non-Current Liabilities Other long term liabilities (Note no. 3) Trade Payables for Services: Rs. 160.54 Crore</p> <p>The above head is overstated by 0.53 Crore being the amount of facilitation charges recovered (Rs. 0.28 Crores for 2017-18 and 0.25 Crore for 2018-19) from contractors in pursuance of agreements entered for projects. As the recovery was made by the company to meet operational expenses of the projects, the same should have been accounted as income instead of liability. This has resulted in overstatement of 'Non-Current Liabilities' by ₹0.53 crore with corresponding understatement of current year profit by ₹0.25 crore profit for the current year and prior period income by ₹0.28 crore.</p> <p>(AN no. 1 – Shillong)</p>	<p>The facilitation charges recovered from the Contractors are appearing under Trade payables for services which otherwise should have been recognised as income. The amount deducted, i.e. 0.53 Crore from the Contractors bills forms 0.33% of the Trade Payables for Services and merely 0.05% of the Total income. Also, the impact on current year's profit is for Rs. 0.25 Crore which is only 1.37% of Profit Before Tax.</p> <p>The Audit Note has been noted for Compliance in the ensuing year.</p>
<p>2. Assets Non-Current Assets Deferred Tax Assets (Note no. 9):- Rs. 52.21 Crore</p> <p>The above is overstated by Rs. 7.72 Crore due to incorrect adoption of opening balance of deferred tax asset as on 1 April 2018 in computation of deferred tax assets (net) as on 31st March, 2019. The Company has adopted opening balance of deferred tax assets (net) as on 01st April, 2017 instead of 1st April 2018 which resulted into recognition of deferred tax assets as on 31st March 2019 at Rs. 52.21 Crores instead of Rs. 44.49 Crores.</p> <p>Thus, this has resulted into overstatement of Deferred Tax Assets and profit for the period by Rs. 7.72 crore.</p> <p>(AN no. 27 – CO)</p>	<p>While calculating the deferred tax asset/liability for the year, opening balance as on 01st April, 2017 was taken instead of 01st April, 2018, being typographical error. Due to this deferred tax income was recognised. Tax adjustments are provisional in nature and final figures can be achieved only on final assessment. It is also to state that there is no effect of the same on Profit before tax which serves as the defining basis for determining the actual operating profitability of the corporation. The Company, however, assures the correction of the same in the ensuing year from the opening reserves and surplus to ensure the correct presentation of the F.Y 2019-20 as well as F.Y 2018-19.</p>

TEN YEARS AT A GLANCE

(Amount in lakhs)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Authorised Capital	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00	70000.00
Paid up Capital										
A. Equity Shares	67673.75	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16
B. Non-cumulative Preference Shares	---	---	---	---	---	---	---	---	---	---
Net Worth	-11875.11	-4600.70	-382.49	4714.12	9420.56	10738.29	11836.65	14595.59	17381.45	19067.81
SOURCES OF FUNDS										
Capital	67673.75	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16	9453.16
Reserves & Surplus						1285.13	2383.49	5142.43	7928.29	9614.64
Non-Current Liabilities	1323.86	9923.62	6373.06	7859.13	4311.74	103825.01	89909.82	48092.47	42660.09	43128.80
TOTAL	68997.61	19376.78	15826.22	17312.29	13764.90	114563.30	101746.47	62688.06	60041.54	62196.60
APPLICATION OF FUNDS										
Net Fixed Assets	761.84	737.85	890.00	963.93	1224.41	1189.37	1641.15	3658.45	4000.89	4002.49
Investment	0.15	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non -Current Assets						60892.38	67483.09	26648.58	18971.97	20879.22
Net Current Assets	-11921.53	-88.41	1551.80	8768.34	9237.60	48352.77	28629.23	28666.81	32582.58	32093.65
Deferred expenses/Revenue/ Deferred tax Assets	608.29	4673.33	3548.77	2840.98	3270.29	4128.78	3993.00	3714.21	4486.10	5221.25
Cummulative Loss	79548.86	14053.86	9835.65	4739.04	32.60					
TOTAL	68997.61	19376.78	15826.22	17312.29	13764.90	114563.30	101746.47	62688.06	60041.54	62196.60
INCOME										
Value of Workdone	99110.64	106130.18	116736.87	115503.36	117469.24	110851.21	94071.76	111821.89	112717.38	107374.13
Value of Workdone for Corp.	11.71	2.25	0.83	1.43	1.53					
Other Income	1439.27	3501.74	5661.99	6552.56	4504.81	3674.11	6126.66	4909.01	4198.00	6051.76
TOTAL	100561.62	109634.17	122399.69	122057.35	121975.58	114525.32	100198.42	116730.90	116915.38	113425.89
EXPENDITURE										
Constuction & Work exp.	92637.36	100838.36	107940.37	106523.18	108422.50	102468.67	87201.86	103495.96	104802.36	99692.81
Employee Benefit Expenses	2808.03	3860.75	7409.85	7391.73	7148.35	7196.72	7220.71	6345.74	8001.02	7949.01
Administration	421.48	393.76								
Bank Charges	5.99	6.28	5.80	8.85	18.47	15.70	31.09	24.81	68.99	223.47
Other Expenses	503.55	563.67	1657.54	2103.07	1443.17	1626.32	1333.69	2299.40	381.06	1693.78
Provisions	666.10	534.21								
Prior Period Adjustment	23.22	63.24		91.02	62.55	1268.14	-88.99	2.34	42.70	87.39
TOTAL	97065.73	106133.79	117013.56	116117.85	117095.04	112575.56	95698.36	112168.25	113296.13	109646.45
Profit/- Loss before Interest and Tax (PBIT)	3495.89	3500.38	5386.13	5939.50	4880.54	1949.76	4500.06	4562.65	3619.25	3779.44
Interest	398.54	291.01	43.36	128.53	35.20	660.28	2406.33	1273.59	610.29	1958.81
Tax (FBT)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax (Income)				6.57	568.19	789.39	876.93	126.55	744.68	618.70
Profit / - Loss after Interest and Tax	3097.35	3209.37	5342.77	5804.40	4277.14	500.09	1216.80	3162.51	2264.28	1201.93
Deferred Tax Revenue/Expenditure(-)	31.49	4065.04	-1124.56	-707.79	429.30	858.50	-135.78	-278.79	771.89	-36.75*
Net profit/-Loss after deferred tax revenue	3128.84	7274.41	4218.21	5096.61	4706.44	1358.58	1081.01	2883.72	3036.17	1165.18*

Note:

- Administrative expenses and provisions are included in Other Expenses as per Schedule III of the Companies Act, 2013.
- Figures have been regrouped during 2018-19 wherever considered necessary for comparison.

* Refer Point No. 2 on Page No. 146

ZONAL OFFICES

NORTHERN ZONAL OFFICE	EASTERN ZONAL OFFICE
National Projects Construction Corporation Ltd. 822 A, Gandhi Nagar, Near Dogra Ground Jammu JAMMU & KASHMIR Tele Fax 01991-2459553	National Projects Construction Corporation Ltd. 3-A, Dr S.N. Roy Road Kolkata - 700 029 WEST BENGAL Ph: 033-24635138, Fax 033-24664454
UTTRAKHAND ZONAL OFFICE	SOUTH EASTERN ZONAL OFFICE
National Projects Construction Corporation Ltd. 98, Nehru Colony Dehradun-248 001 UTTRAKHAND Ph. 0135-2671711	National Projects Construction Corporation Ltd. Office Plot No.VII-H/59, Sailashree Vihar Bhubaneswar Ph. 0674-2741417
NORTH EAST ZONAL OFFICE	MADHYA PRADESH ZONAL OFFICE
National Projects Construction Corporation Ltd. H.No. 10, Rangmanch Path, Rukmani Nagar, Housing Colony, Guwahati - 781 001 ASSAM Ph. 0361- 2231303	National Projects Construction Corporation Ltd. B-29, Rajdeep Royal, Mahakali Society, Trilonga, Bhopal-462 039 Ph. 0755-4942115
WESTERN ZONAL OFFICE	SOUTHERN ZONAL OFFICE
National Projects Construction Corporation Ltd. Plot No.203, Bldg. No.31B, Bimbisar Nagar, Mahada Colony, Goregaon (East), Mumbai-400065 MAHARASHTRA Ph. 09953970188	National Projects Construction Corporation Ltd. H.No.1316, 2nd Cross K.H.B. Colony Magadi Main Road, Bengaluru-560079 Karnataka Tele Fax 080 – 23110309
BIHAR ZONAL OFFICE	JHARKHAND ZONAL OFFICE
National Projects Construction Corporation Ltd. 15, I.A.S. Colony, (2nd Floor), Kidwaipuri, Patna – 800 001 BIHAR Ph: 0612–2525989, Fax 0612–2526011	National Projects Construction Corporation Ltd. 101/C, Road No.1, Mandir Marg, Ashok Nagar Ranchi-834 002 JHARKHAND Ph. 0651-2242093
CHATTISGARH ZONAL OFFICE	HIMACHAL PRADESH ZONAL OFFICE
National Projects Construction Corporation Ltd. B-2, 1 st Floor Rajiv Nagar, Raipur – 492 001 CHATTISGARH Tele Fax 0771-4074481	National Projects Construction Corporation Ltd. 3 rd Floor, Bhaskar Niwas, Below T&CP Office, Devnagar, Kasumpti, Shimla-171 009 Ph. 0177-2623726
U.P. ZONAL OFFICE	NORTH WESTERN ZONAL OFFICE
National Projects Construction Corporation Ltd. WA-61A, Sector-135, Noida-201304, UTTAR PRADESH Ph.-9355669690, 91	National Projects Construction Corporation Ltd. Plot No. 148, Sector-44, Gurugram HARYANA Ph. 0124-2386620, Fax – 0124-2386589

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.148, Sector-44, Gurugram -122 003, Haryana, Ph.: 0124-2385219, Fax 0124-2385219

Website: www.npcc.gov.in

CIN NO. U45202DL1957GOI002752



Bluestar

Management Systems Pvt. Ltd.

Providing Value Added Services

Certificate of Registration

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NATIONAL PROJECTS CONSTRUCTION CORPORATION LIMITED

Regd. Office : Raja House, 30-31, Nehru Place, New Delhi-110 019, India.

Corporate. Office : Plot No. 148, Sector-44, Gurugram-122 003, Haryana, India.

has been assessed and conforms to the requirement of

ISO 9001:2015

for the following activities & scope

(CORPORATE, REGISTERED OFFICES, ZONAL OFFICES AND PROJECT SITES)

Execution of Civil Works for Thermal And Hydro Electric Projects,
River Valley Projects, Industrial Structures,
Project Management Consultancy Service For Buildings,
Housings, Roads, Bridges and Infrastructural Projects

Certificate Number : 10082-QMS-1082

Original Certification Date : 01/11/2018

1st Surveillance Due on : 31/10/2019 Done on: N.A.

Revised Certification Date : N.A.

2nd Surveillance Due on: 30/10/2020 Done on: N.A.

Certificate Expiration Date : 31/10/2021


Certification Manager



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United States of America
UAF is Full Member of International Accreditation Forum (IAF)



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CIN No. : U45202DL1957GOI002752